





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 st March 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Not Applicable Whether appeared first time / repetitive / since how long period
5.	To be signed by-	
	• CEO/Managing Director	: <div style="text-align: right;"> (K. C. Jhanwar) Managing Director</div>
	• CFO	: <div style="text-align: right;"> (H.K. Paude) Chief Financial Officer</div>
	• Auditor of the Company	: <div style="text-align: center;">Khimji Kunverji & Co. Chartered Accountants Firm Regn. No. 105146W</div> <div style="text-align: center;"> Hasmukh Dedhia Partner (F-33494)</div> <div style="text-align: center;">For Aditya Birla Chemicals (India) Ltd.</div>
	• Audit Committee Chairman	: <div style="text-align: center;"> (Biswajit Chouduri)</div> <div style="text-align: right;">Director</div>



ADITYA BIRLA CHEMICALS (INDIA) LIMITED

Registered Office: 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)
CIN : L24100JH1976PLC001255

Tel No.: (06584) 262211, 262221, 262488 Fax : (06584) 262205 Email : abcil.investors@adityabirla.com
Website : www.adityabirlachemicalsindia.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th 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 Thursday, 24th September 2015 at 10:30 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 financial statements of the Company for the financial year ended 31st March 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March 2015.
3. To appoint a Director in place of Mr. Askaran Agarwala (DIN: 00023684), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, 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 39th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

SPECIAL BUSINESS

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

“Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, Listing Agreement with Stock Exchanges and Articles of Association of the Company (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Preeti Gupta (DIN: 07118798), who was appointed as an Additional Director of the Company with effect from 12th March 2015 under provisions of Section 161 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, Listing Agreement with Stock Exchanges and Articles of Association of the Company (including any statutory modification(s) or re-enactment thereof, for the time

being in force) be and is hereby appointed as Director of the Company, in the capacity of non-independent, non-executive Director, liable to retire by rotation.”

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 Cost Auditors viz. M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Registration No. 7464), as appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March 2016 be paid the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus service tax as applicable and reimbursement of out-of-pocket expenses.”

“Resolved further that Board of Directors of the Company be and is hereby authorised to 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 the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there-under, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Listing Agreement for Debt Securities (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Associations of the Company, the consent of the Members be and is hereby accord 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) to offer, invite or issue Redeemable Non-Convertible Debentures (“NCDs), secured or unsecured, during a period of one year from the date of this 39th Annual General Meeting of the Company, in Indian currency and/or foreign currency, in domestic and/or overseas market, in one or more series/tranches, as per the structure and within the limits permitted by the Reserve Bank of India, SEBI, Companies Act, 2013 and other regulatory authorities, aggregating upto an amount not exceeding Rs. 1200 crores (Rupees one thousand two hundred crores only) on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto”.

“Resolved further that the Board of Directors of the Company be and is hereby authorised to finalise and execute all deeds, documents and writings as may be necessary, desirable or expedient, and to do all acts and take all such steps as may be necessary and to delegate all or any of these powers to any Director(s) or officer(s) to give effect to this resolution.”

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
Website : www.adityabirlachemicalsindia.com
CIN : L24100JH1976PLC001255

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

**Akash Mishra
Company Secretary**

Place : Mumbai
Dated : July 28, 2015

NOTES :

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 39TH 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 SHALL 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) If a Person is appointed as Proxy for more than 50 Members, he shall choose any 50 Members and confirm the same to the Company 24 hours before the commencement of the Meeting. In case, the Proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid. Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered invalid.
- 4) 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 registered office of the Company duly certified copy of the Board resolution authorising their representatives to attend and vote on their behalf at the meeting.
- 5) 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.
- 6) 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.
- 7) Members are requested to bring their Attendance Slip along with their copy of Annual Report while attending the Meeting.
- 8) 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.
- 9) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18th September 2015 to Thursday, 24th September 2015 (both days inclusive) for the purpose of payment of dividend, if any, approved by the members.
- 10) The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after 25th September 2015 to those members or their mandates whose names stand registered in the Company’s Register of Members :
 - i) as Beneficial Owners as at the close of the business hours on 17th September 2015, as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 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 the close of the business hours on 17th September 2015
- 11) *Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Unpaid / Unclaimed dividend for the financial year 2006 – 2007 has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.*
- 12) *Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 2007-08 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 encashed the dividend warrant(s) for the financial year 2007–08 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 & Protection Fund”</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>
<i>2013-14</i>	<i>29.09.2014</i>	<i>28.10.2021</i>

- 13) *The Ministry of Corporate Affairs (MCA), Government of India, through its circular No. 17/2012 dated 23rd 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*

- 14) 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.
- 15) Members are requested to notify immediately any change of address :
- to the their Depository Participants(DPs) in respect of shares held in electronic form, and
 - 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 the Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.

- 16) (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 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 21st 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**

- 17) 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.
- 18) 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 Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.
- 19) 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.
- 20) The Annual Report of the Company for the year 2014-15, being circulated to the Members of the Company, is available on the Company's website viz. www.adityabirlachemicalsindia.com.
- 21) *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.*
- 22) *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.*
- 23) Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
- the change in the Residential status on return to India for permanent settlement.
 - the particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.

- 24) 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 for registering the email ID by the members.**

- 25) The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is that it is near the Garhwa Road railway station.

26) **Instruction for Remote e-voting :**

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Clause 35B of the Listing Agreement, the Company is providing facility to members to exercise their right to vote on the resolutions proposed to be considered at the 39th Annual General Meeting (AGM) 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 Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting"). In order to enable the Members, who do not have the access to remote e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of AGM, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for remote e-voting are given herein below.

The facility for voting through electronic voting system or polling paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting or by Ballot form shall be able to exercise their right at the AGM. The Members who have cast their vote by remote e-voting or by Ballot form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for remote e- voting to shareholders are as under:

- (i) **The voting period begins on Monday, 21st September 2015 at 9:00 A.M. and ends on Wednesday, 23rd September 2015 at 5:00 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 17th September 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iv) Click on "Shareholders" tab.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company 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.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **Aditya Birla Chemicals (India) Limited** on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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.
 - 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 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.
- (xx) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

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 17th September 2015. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date). The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

A Member may participate in the AGM even after exercising his right to vote through remote e-voting or Ballot form but shall not be allowed to vote again at the AGM. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through Ballot form as well as voting at the AGM.

The Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary (FCS - 4848 / CP - 3238) of M/s. A. K. Labh & Co., Company Secretaries, Kolkata, as Scrutinizer the remote e-voting process (including the Ballot form received from the Member(s) who do not have access to the remote e-voting process) and voting at the AGM in a fair and transparent manner.

Members who do not have access to remote e-voting facility may send duly completed Ballot form so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Atul Kumar Labh, Practicing Company Secretary not later than Wednesday, 23rd September 2015 (5:00 P.m.). Ballot form(s) received after this date will be treated as invalid.

A Member can opt for only one mode of voting, i.e. either through remote e-voting or by Ballot form. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot form shall be treated as invalid.

At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman of the meeting shall with the assistance of the Scrutinizer order voting for all those Members who are present but have not cast their vote electronically using the remote e-voting facility or Ballot Form. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and also votes cast Ballot form, there after unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in employment of the Company, and make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman of the AGM or Managing Director of the Company, who shall countersign the same and declare the result of the voting forthwith.

The results declared alongwith the Scrutinizer’s Report shall be placed on the website of the Company www.adityabirlachemicalsindia.com and on the website of CDSL after the result declared and the same shall be communicated to the Stock Exchanges where the Company’s Shares are Listed, i.e. National Stock Exchange of India Ltd. and BSE Ltd.

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

Item No. 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreement with Stock Exchanges and to have representation of women in the Board of the Company, appointed Ms. Preeti Gupta as an Additional Director of the Company effective from 12.03.2015, in the capacity of non-independent, non-executive Director, to hold office upto the date of next Annual General Meeting of the Company. According to the provisions of the Act, she will hold Office upto the date of ensuing Annual General Meeting.

Ms. Gupta has a post graduate degree in Personnel Management and Industrial relations from XLRI and an Executive MBA (Advanced Management Program) from the Harvard Business School having 25 years of experience in Human Resource function. She is currently President Rewards & Performance Management, Aditya Birla Group.

The Company has received notice pursuant to the provision of Section 160 of the Act along with amount of requisite deposit from a Member signifying his intention to propose the candidature of Ms. Gupta as Director of the Company.

Ms. Gupta is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given her consent to act as Directors. Ms. Gupta is not related to any other Director and Key Managerial Personnel of the Company. Considering her experience, her presence on the Board will add value to the Company.

Memorandum of Concern or Interest

None of the Directors/manager/key managerial personnel or any of the relatives of such, other than Ms. Preeti Gupta in her personal capacity and her 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 31st March 2016.

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 31st March, 2016.

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

Section 42 of the Companies Act, 2013 read with the Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 requires any offer or invitation for subscription of redeemable Non Convertible Debentures (NCDs) and its issuance on a private placement basis to be approved by the members by way of a special resolution. The Rules provides that the said special resolution must be passed in respect of all offers / invitations for the NCDs to be issued during a year.

In order to augment resources for inter alia, the ongoing capital expenditure and/or refinancing repayment/prepayment of existing loans and/or for general corporate purposes, the Company may offer or invite subscription for secured/unsecured redeemable NCDs, in one or more series/tranches on private placement, issuable/redeemable at par/discount/premium.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice. This resolution enables the Board of Directors of the Company (which term shall include any Committee of the Board) to offer or invite subscription for non-convertible debentures, on such terms and conditions, including the issue price of the NCDs, as may be appropriate considering the prevailing money market conditions at the time of issuance, upto an amount not exceeding Rs. 1200 crores (Rupees one thousand two hundred crores only), during a period of one year from the date of this Annual General Meeting.

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. 7 of this Notice is accordingly commended for your approval.

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

**Akash Mishra
Company Secretary**

Place : Mumbai
Dated : July 28, 2015

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
Website : www.adityabirlachemicalsindia.com
CIN : L24100JH1976PLC001255

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
IN THE 39TH ANNUAL GENERAL MEETING OF THE COMPANY**

Name of Director	Mr. Askaran Agarwala	Ms. Preeti Gupta
Date of Birth	01.07.1933	28.02.1968
Date of Appointment	09.05.2001	12.03.2015
Expertise in specific functional areas	Industry and Finance	Human Resource Management
Qualifications	B.Com., F.C.A., L.L.B.	Post Graduate in Personnel Management and Industrial relations (XLRI), Executive MBA (Advanced Management Program) from the Harvard Business School
List of outside Company Directorships held in Indian Public Limited Company excluding Alternate Directorship	<ol style="list-style-type: none"> 1. Hindalco Industries Limited 2. Tanfac Industries Limited 3. Udyog Services Limited 4. Aditya Birla Insurance Brokers Limited 5. Aditya Birla Power Co. Ltd. 6. Aditya Birla Health Services Limited 	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company	Nil	Nil
Chairman/ Member of the Committee of the Board of Directors of other Companies in which he/ she is a Director.		
a. Audit Committee	Nil	Nil
b. Stakeholders' Relationship Committee	Nil	Nil
No. of Shares Held in the Company as on 31.03.2015	8512	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
Website : www.adityabirlachemicalsindia.com CIN : L24100JH1976PLC001255

39th Annual General Meeting : Thursday, 24th September 2015

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 39th Annual General Meeting of the Company, to be held on Thursday, 24th September 2015 at 10:30 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 28th July 2015 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 Financial Statements for the financial year ended 31 st March 2015 and the Reports of the Board of Directors and Auditors thereon			
2.	Declaration of Dividend			
3.	Appointment of Director in place of Mr. Askaran Agarwala (DIN: 00023684) 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.	Appointment of Ms. Preeti Gupta (DIN: 07118798) as Director of the Company, in the capacity of non-independent, non-executive Director, liable to retire by rotation			
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 st March 2016			
7.	Issue of Redeemable Non-convertible Debentures on private placement basis upto an amount of Rs. 1200 crores			

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. Mr. Atul Kumar Labh, Practicing Company Secretary (Membership No. FCS 4848 & C. P. No. 3238) at M/s. A. K. Labh & Co., 40, Weston Street, 3rd 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 5:00 p.m. on Wednesday, 23rd September 2015 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
Website : 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 39th Annual General Meeting of the Company, to be held on Thursday, 24th September 2015 at 10:30 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 Financial Statements for the financial year ended 31 st March 2015 and the Reports of the Board of Directors and Auditors thereon		
2.	Declaration of Dividend		
3.	Appointment of Director in place of Mr. Askaran Agarwala (DIN: 00023684) 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.	Appointment of Ms. Preeti Gupta (DIN: 07118798) as Director of the Company, in the capacity of non-independent, non-executive Director, liable to retire by rotation		
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 st March 2016		
7.	Issue of Redeemable Non-convertible Debentures on private placement basis upto an amount of Rs. 1200 crores		

Signed this day of 2015

.....
Signature of Shareholder

.....
Signature of first Proxy holder

.....
Signature of second Proxy holder

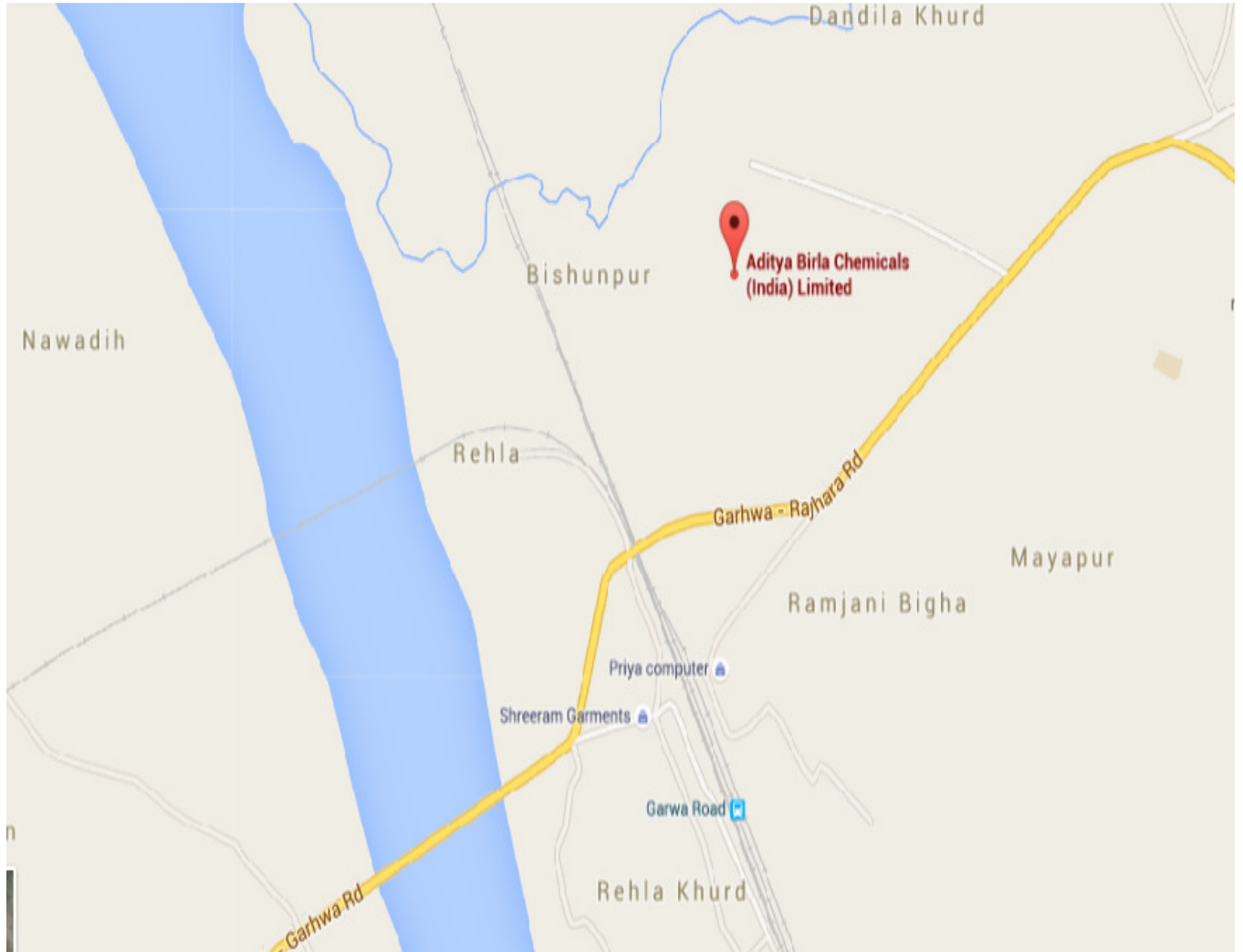
.....
Signature of third Proxy holder

* Please put a (✓) in the appropriate column against the resolution as indicated in the box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

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.**
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten 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 person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route Map for the venue of Annual General Meeting of the Company





ADITYA BIRLA CHEMICALS (INDIA) LIMITED

ANNUAL REPORT
2014 - 2015

BIG IN YOUR LIFE



ONE OF THE LEADING
CHLOR-ALKALI COMPANIES
IN INDIA



Mr. Aditya Vikram Birla

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



Dr. Sarala Birla

was an iconic humanitarian.

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

An educationist, a philanthropist, a patron of the arts,
Dr. Sarala Birla was an exemplar of all that is best in mankind.
Her legacy of values will be cherished forever.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

DIRECTORS

Mr. A. K. Agarwala
Mr. Biswajit Choudhuri
Mr. J. C. Chopra
Mr. P. P. Sharma
Mr. G. M. Dave
Mr. Lalitkumar S. Naik
Ms. Preeti Gupta

MANAGING DIRECTOR

Mr. K. C. Jhanwar

CHIEF FINANCIAL OFFICER

Mr. H. K. Panda

COMPANY SECRETARY

Mr. Akash Mishra

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
Website : www.adityabirlachemicalsindia.com

UNIT HEADS

Mr. V. V. Bhide, Rehla
Mr. Suresh Sodani, Renukoot
Mr. V. R. Agrawal, Karwar

MANUFACTURING UNITS

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

CONTENTS

	<i>Page No.</i>
Directors' Report	3
Report on Corporate Governance	32
Management Discussion and Analysis Report	49
Independent Auditors' Report	51
Balance Sheet	56
Statement of Profit and Loss	57
Cash Flow Statement	58
Significant Accounting Policies and Notes on Financial Statements	59

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors present the 39th Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2015.

FINANCIAL RESULTS, OVERVIEW AND STATE OF COMPANY'S AFFAIRS

The summarized results of your Company for the financial year ended 31st March 2015 are as indicated :

	(Rs. in crores)	
	2014-15	2013-14
Net Revenue	1125.70	1066.16
Profit before Interest, Depreciation and Tax (PBIDT)	265.49	256.72
Less : Depreciation	63.31	76.86
Profit before Interest and Tax (PBIT)	202.18	179.86
Less : Interest	109.34	90.61
Profit before Tax Expenses	92.84	89.25
Less : Tax Expenses	55.55	39.51
Profit after Tax	37.29	49.74
Balance brought forward from previous year	339.12	295.97
Sub-Total	376.41	345.71
APPROPRIATIONS :		
Proposed Dividend on Equity Shares	11.69	3.51
Tax on Proposed Dividend	2.38	0.59
Transfer to General Reserve	-	2.49
Closing Balance	362.33	339.12

*previous year's figures have been regrouped/rearranged wherever necessary

The financial data of the Company for the previous year is 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 current year's financial data. The year under review witnessed continuous increase in power, logistics and raw material costs, unstable market demand and supply and other adverse conditions. Despite that, the Company succeeded in maintaining its performance. Production of Caustic Soda for the year 2014-15 was 239,977 metric tonnes (MT) in comparison to 231,221 MT in F.Y. 2013-14. The Net Revenue of your Company grew from Rs. 1066.16 crores in the F.Y. 2013-14 to Rs. 1125.70 crores in F.Y. 2014-15. Your Company also registered a rise in operating profit from Rs. 256.72 crores in F.Y. 2013-14 to Rs. 265.49 crores in F.Y. 2014-15. Interest cost was Rs. 109.34 crores in F.Y. 2014-15 compared to Rs. 90.61 crores in F.Y. 2013-14. Depreciation expenses decreased to Rs. 63.31 crores in F.Y. 2014-15 as against Rs.76.86 crores in previous financial year. All these factors led to a higher profit before tax of Rs. 92.84 crores, against Rs. 89.25 crores in the previous year. After tax adjustment (which is higher only due to higher deferred tax), the net profit stood at Rs. 37.29 crores, compared to Rs. 49.74 crores in the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 50% i.e. of Rs. 5/- per equity share (Rs. 1.50 per equity share in previous year) of Rs. 10/- each for the year ended 31st March 2015. There was no interim dividend declared or paid during the year ended 31st March 2015. The dividend will be paid on all 23386500 nos. of Equity Shares of Rs.10/- each and the total dividend outgo for the current year would be Rs. 14.07 crores (including dividend distribution tax of Rs. 2.38 crores) against Rs. 4.10 crores (including dividend distribution tax of Rs. 0.59 crores) in the previous year. During the year under review, the unclaimed dividend for the year 2006-07 was transferred to the Investor Education & Protection Fund.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

CORPORATE DEVELOPMENT & CAPITAL EXPENDITURE

Acquisition and Capital Expenditures

We are pleased to inform you that during the year under review your Company has executed the Business transfer agreement for the acquisition of the Chlor-Alkali Division of Jayshree Chemicals Limited on a slump sale basis for a cash consideration of Rs 212 crores, subject to necessary approvals and formalities, which are under process. The Chlor-Alkali Division of Jayshree Chemicals Limited is an environmental friendly and energy efficient membrane cell facility located at Ganjam, Odisha, also has salt works in Andhra Pradesh. After this acquisition, the existing caustic soda capacity of the Company will increase by about 57000 tonnes per annum. The financing of this transaction will be arranged from internal accruals and borrowings.

We are pleased to inform that your Company has successfully commissioned the Caustic Soda Project, having a capacity of 59400 tonnes per annum, at its Karwar unit in November 2014.

Scheme of Amalgamation

You are aware that the proposed Scheme of Amalgamation of our Company with Grasim Industries Ltd. (GIL) had been approved by Board of Directors of both of the Companies on 11th February 2015. In that scheme, the swap ratio is 1 fully paid equity share of Rs. 10 each of GIL for every 16 fully paid equity share of Rs. 10 each of the Company. All of the required details of the proposal have already been shared through press release, stock exchanges and the website of the Company. We are pleased to inform you that both the Stock Exchanges BSE Ltd. and National Stock Exchange of India Ltd., where the shares of the Companies are listed, have issued No-Objection Letters to this Scheme. Petitions have been filed before the High Courts for approval of the Scheme accordingly. The Company and GIL have also filed Combination Application before the Competition Commission of India and this is under process. The shareholders of the Company will be informed accordingly in this matter. All the requisite details and documents are posted on the website of the Company.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchanges relating to corporate governance.

The report on Corporate Governance, as stipulated under the Listing Agreement forms an integral part of this Report. The Auditors' Certificate, confirming compliance with the condition of corporate governance is attached to the report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented separately and forms part of the Annual Report.

AWARDS AND RECOGNITIONS

Your directors are pleased to share with you that during the year under review, your Company has received the "Green Tech Award" for excellence in CSR in Chemical sector by Green Tech Foundation and First prize in "National Energy Conservation Award" in Chlor Alkali Sector from Ministry of Power, New Delhi.

HUMAN RESOURCES

Your Company believes that Human Resources will play a significant role in its future growth. With its unswerving focus on nurturing and retaining talent, your Company provides avenues for learning and development through means such as functional, behavioral and leadership training programs, knowledge exchange conferences and providing communication channels for information sharing.

The Group's Corporate Human Resources plays a critical role in your Company's talent management process.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Companies Act, 2013 ('the Act') read with Companies (Corporate Social

DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee under the mentorship of Mrs. Rajashree Birla – Chairperson (Aditya Birla Centre for Community Initiatives and Rural Development). The CSR Committee is chaired by Independent Director Mr. J. C. Chopra. The other Members of the Committee are Mr. L. S. Naik, Director and Mr. K. C. Jhanwar, Managing Director of the Company. Dr. Pragnya Ram, Group Executive President - Corporate Communications & CSR is the permanent invitee on the CSR Committee. Your Company also has in place a CSR Policy and the same is available on your Company's website viz. www.adityabirlachemicalsindia.com. The Committee recommends to the Board the activities to be undertaken during the year.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. Your Company has identified several projects relating to social empowerment & welfare, infrastructure development, sustainable livelihood, health care & education during the year and initiated various activities in neighbouring villages around plant locations. During the year, the Company spent Rs. 1.58 crores (2.54% of the average net profit of the last 3 financial years as defined for the purpose of CSR) on CSR activities. The Annual Report on CSR activities of the Company for 2014-15 is enclosed as **Annexure 1** forming part of this report.

SAFETY, HEALTH, ENVIRONMENT PROTECTION AND POLLUTION CONTROL

Your Company is committed to the safety of its employees and has engaged all stakeholders', involved directly or indirectly, in 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 its efforts to implement best-in class safety practices. Cross-functional teams are working together to achieve world class safety standards and embed the safety culture throughout the organization. Our people at all levels are engaged in the safety journey, so that we achieve our goal of "Zero" incident/injuries. Recently we tied up with DSS for further work in the area of Process Safety Management (PSM) in addition to on-going workplace safety improvements.

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

Your Company's Research & Development (R&D) activities are continuously focused on providing innovative and environment friendly solutions to support the sustainable growth of business.

In addition, your Company is putting all efforts to move towards sustainable operations. This would enable substantial reduction in natural resources consumption and reduction of the carbon foot-print in the years to come. Your Company's thrust is on conserving natural resources by reducing consumption of water and auxiliary power and this involves installation of rain water harvesting systems. Your Company has taken significant steps to protect the environment by maintaining a green belt inside the plants and planting trees around the plant sites.

HOLDING AND SUBSIDIARY

Your Company continues to be a Subsidiary of Hindalco Industries Ltd. The Company has formed a foreign subsidiary named as Aditya Birla Chemicals (Belgium) BVBA [ABCB] in Belgium, Europe on 24th December 2014 in the form of Private Limited Company by partial subscription of 6198 shares (out of total subscription of 18548 shares) of Euro 1 each. Shri L. S. Naik, Director and Shri K. C. Jhanwar, Managing Director of the Company have been nominated as Directors of ABCB and both of them have made a total subscription of 1 share of Euro 1 each in ABCB.

Furthermore for commencement of business, the Company had provided counter Guarantee in favour of ABCB for availing of bank credit facilities. There was no business activity started in the subsidiary in 2014-15 and as such income and expenses thereof are nil. The investment by the Company in that subsidiary amounting to Rs. 4.80 lacs has been eliminated against the share capital thereof. The Company has availed exemption of not preparing and presenting consolidated financial statement pursuant to section 129(3) of the Companies Act, 2013 with its only overseas subsidiary in terms of MCA notification no. C.S.R 37 (E) dated 16th January 2015.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS (Contd.)

Pursuant to sub-section (3) of section 129 of the Act read with the Companies (Accounts) Rules, 2014, the statement containing the salient feature of the financial statement of subsidiary of the Company is given as **Annexure 2** to this Report. The Company does not have any associate or joint venture company. The Policy for determining material subsidiaries as approved is posted on your Company's website www.adityabirlachemicalsindia.com.

FINANCE

Your Company has adequate liquidity and a strong balance sheet. CARE has ascribed the "CARE AA-/ CARE A1+" rating for your Company's long term and short term bank facilities respectively. The details of the borrowings are given in the notes to the financial statements. During the year under review, the Company has not allotted any Equity Shares or Preference Shares or Debentures. The Company does not have any Employee Stock Option Scheme. As on 31st March, 2015, The Company did not raise/accepted funds by way of fixed deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and, no amount of principal or interest was outstanding as on the balance sheet date.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is given in **Annexure 3** to this Report.

PARTICULARS OF EMPLOYEES

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

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure 4**.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

All Related Party Transactions are approved by the Audit Committee and Board of your Company. The required details of material related party transactions with arm's length basis for the financial year 2014-15 are given in **Annexure 5**. The details of related party transactions for the financial year 2014-15 are given in the notes to the financial statement in terms of AS-18.

The policy on Related Party Transactions, as approved by the Board, is uploaded on the Company's website www.adityabirlachemicalsindia.com. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

RISK MANAGEMENT

The Company has a robust Business Risk Management framework - Enterprise Risk Management System (ERM) to identify, evaluate and mitigate the risks associated to the business of the Company. These risks are reviewed periodically by the Audit Committee and the Board of the Company. The Audit Committee and Board are informed about the risk assessment and minimization procedures, after which steps for framing, implementing and monitoring of the system are adopted by the Company.

The Framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's

DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

competitive advantage. The ERM defines the risk management approach across the Company at various levels including documentation and reporting. It incorporates different risk models which help in identifying risk trends, exposure and potential impact analysis at the Company level and product level. In today's challenging and competitive environment, strategies for mitigating the risks inherent in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: regulations, competition, business risk, technology obsolescence, investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes operational risks, safety, health and environmental risks, financial risks, political risks, fidelity risks, legal risks, etc. As a matter of policy, these risks are assessed on a continuous basis and steps are taken to mitigate the same.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has in place adequate internal control systems commensurate with the size of its operations. The internal control systems comprising of policies and procedures are designed to ensure sound management of operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Clearly defined roles and responsibilities have been institutionalized. The systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

The Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no report of material weakness in the design or operation was reportable.

DIRECTORS' RESPONSIBILITY STATEMENT

The audited accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations.

Your Directors 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, 2015 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;
- v. your Company had laid down internal financial controls and that such internal financial control are adequate and were operating effectively;
- vi. your Company has devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Changes in Board constitution

Ms. Preeti Gupta (DIN: 07118798) has been appointed as Additional Director of the Company effective from 12.03.2015, in the capacity of non-independent, non-executive Director, to hold office up to the date of ensuing Annual General Meeting of the Company. A notice pursuant to Section 160 of the Act has been received from a Member proposing Ms. Preeti Gupta as Director of your Company.

Mr. A. K. Agarwala, Director (DIN: 00023684), retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

The Board recommends these appointment /re-appointment. Items seeking your approval on the above are included in the Notice convening the Annual General Meeting. The required details of the Directors seeking appointment / re-appointment form part of the Notice of the ensuing Annual General Meeting.

During the financial year 2014-15, Mr. K. C. Jhanwar, Managing Director has not received any commission/remuneration from your Company's holding as well as subsidiary company.

Meetings of the Board

The Board of Directors of your Company met 6 times during the year under review to deliberate on various matters. The meetings were held on 07.05.2014, 06.08.2014, 08.09.2014, 07.11.2014, 22.01.2015 and 11.02.2015. Further details on the Board of Directors are provided in the Corporate Governance Report forming part of this Annual Report.

Independent Director's Statement

Mr. Biswajit Choudhuri, Mr. G. M. Dave, Mr. J. C. Chopra and Mr. P. P. Sharma are Independent Directors on the Board of your Company. They have given declarations that they meet the criteria of Independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement.

Formal Annual Evaluation

The evaluation framework for assessing the performance of Directors of your Company comprises criteria such as contributions at the meetings and strategic perspective or inputs regarding the growth and performance of your Company, among others.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Directors have carried out an annual performance evaluation of the Board, Independent Directors, Non-executive Directors, Executive Director and Committees of the Board. The manner of evaluation is provided in the Corporate Governance Report.

The details of the programme for familiarization of Independent Directors of your Company are available on your Company's website viz. www.adityabirlachemicalsindia.com

Policy on Appointment and Remuneration of Directors and Key Managerial Personnel and Remuneration Policy

The Nomination and Remuneration Committee has formulated the Remuneration policy of your Company which is attached as **Annexure 6** to this report.

KEY MANAGERIAL PERSONNEL

In terms of the provisions of Section 203 of the Act, Mr. K. C. Jhanwar, Managing Director; Mr. H. K. Panda, Chief Financial Officer and Mr. Akash Mishra, Company Secretary are the Key Managerial Personnel of your Company.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Biswajit Choudhuri, Mr. G. M. Dave, Mr. J. C. Chopra and Mr. L. S. Naik. Mr. K. C. Jhanwar, Managing Director is the permanent invitee. All the recommendations of the Audit Committee made in 2014-15 had been duly accepted by the Board. Further details relating to the Audit Committee are provided in the Corporate Governance Report forming part of this Annual Report.

VIGIL MECHANISM

The Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them. The Vigil Mechanism is available on your Company's website viz. www.adityabirlachemicalsindia.com.

AUDITORS

Statutory Auditors

M/s. Khimji Kunvarji & Co., Chartered Accountants, Mumbai, Statutory Auditors of your Company, holds office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

to the effect that their re-appointment, if made, would be within the limits prescribed under the Act and that they are not disqualified for re-appointment.

The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act. The Auditors' Report does not have any qualification, reservation or adverse remark.

Cost Auditors

In terms of the provisions of the Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, re-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, 2016, at a remuneration as mentioned in the Notice convening the Annual General Meeting.

As required under the Act, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to the Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

Secretarial Auditors

In terms of the provision of the Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. A. K. Labh, Practicing Company Secretary, Kolkata, as Secretarial Auditors of the Company for conducting Secretarial Audit of your Company for the financial year ended 31st March, 2015. The report of the Secretarial Auditors is enclosed as **Annexure 7** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended 31st March, 2015 is given in **Annexure 8** to this report.

OTHER DISCLOSURES

- There are no material changes and commitments affecting the financial position of your Company between the end of financial year and the date of report.
- There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. As already informed in respect of scheme of Amalgamation of the Company with Grasim Industries Ltd., Petitions have been filed by both Companies in their respective High Courts and also with the Competition Commission of India, which are sub-judice.
- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements.
- Your Company has not issued any sweat equity shares.
- During the year your Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support and look forward to their continued support in the future.

We very warmly thank all of our employees for their contribution to the Company's performance. We applaud them for their superior levels of competence, dedication and commitment to the Company.

For and on behalf of the Board of Directors

L. S. Naik

Director

(DIN : 02943588)

K.C. Jhanwar

Managing Director

(DIN : 01743559)

Place : Mumbai

Dated : May 13, 2015

Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs : To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index.

Our projects focus on – education, healthcare, sustainable livelihood, infrastructure development and social reform, epitomizing a holistic approach to inclusive growth.

The Company's CSR policy can be accessed on: <http://www.adityabirlachemicalsindia.com>
2. Composition of the CSR Committee :
 - Mentor – Mrs. Rajashree Birla (Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development)
 - The CSR Committee of Directors at the Board level comprises of–
Mr. J. C. Chopra – Chairman (Independent Director)
Mr. L. S. Naik – Member (Non-Executive Director)
Mr. K. C. Jhanwar – Member (Managing Director)
 - Permanent Invitee - Dr. Pragnya Ram (Group Executive President - Corporate Communications & CSR)
3. Average net profit of the company for last three financial years : Rs. 62.32 crores
4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) : Rs . 1.25 crores
5. Details of CSR spent during the financial year
 - Total amount to be spent for the financial year : Rs. 1.25 crores
 - Amount unspent, if any : Not applicable

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

Manner in which the amount spent during the financial year : Details given below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project / Activity identified	Sector in which the project is covered	Project/ Programs Local Area/ others Specify the State/ District where the Project Undertaken	Amount Outlay (budget) Project/ Program wise (Rupees in Lacs)	Amount spent on the project/ programs Subheads: (1) Direct expenditure on project/programs (2) Overheads (Rupees in Lacs)	Cumulative spend upto to the reporting period (Rupees in lacs)	Amount spent: Direct/ through implementation agency*
1.	<p>1. Preschool education project Balwadies/playschools/ crèches, Strengthening Anganwadi Centre</p> <p>2. School Education Project Enrollment awareness programs/event, Formal schools outside campus (Company run), Education Material (Study materials, Uniform, Books etc), Scholarship (Merit and Need based assistance), School competitions /Best teacher award, Cultural events, Quality of Education (support teachers, Improve education methods), Specialised Coaching Exposure visits /awareness, Formal schools inside campus(Company Schools), Support to Midday Meal Project.</p> <p>3 Education support programs Knowledge centre and Library, Adult and Non formal education, Celebration of National days / International days, Computer education, Reducing drop-out and continuing Education (Kasturba balika/ bridge courses/counseling), Career counseling and orientation.</p> <p>4. Vocational and Technical Education Strengthening ITI's, Skills based Individual training program</p> <p>5. School Infrastructure Buildings and Civil structures(new), Buildings and Civil structures(renovation and maintenance), School sanitation/drinking water, School facilities and fixtures (furniture/blackboards/computers)</p>	Education	<p>Jharkhand: Palamau & Garhwa</p> <p>Uttar Pradesh: Sonebhadra</p>	<p>6.13</p> <p>0.50</p> <p>2.70</p>	<p>5.66</p> <p>0.44</p> <p>2.52</p>	8.62	All expenses incurred directly by Company

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project / Activity identified	Sector in which the project is covered	Project/ Programs Local Area/ others Specify the State/ District where the Project Undertaken	Amount Outlay (budget) Project/ Program wise (Rupees in Lacs)	Amount spent on the project/ programs Subheads: (1) Direct expenditure on project/programs (2) Overheads (Rupees in Lacs)	Cumulative spend upto to the reporting period (Rupees in lacs)	Amount spent: Direct/ through implementation agency*
2	<p>1. Preventive Health Care Immunisation, Pulse polio immunization, Health Check-up camps, Ambulance Mobile Dispensary Program, Malaria/Diarrhoea /Control programs, Health & Hygiene awareness programs, School health/Eye/ Dental camps, Yoga/fitness classes.</p> <p>2. Curative Health Care program General Health camps Specialized Health Camps, Eye camps, Treatment Camps (Skin, cleft, etc.), Cleft camp, Homeopathic/Ayurvedic Camps, Surgical camps, Tuberculosis, Leprosy, Company operated hospitals/dispensaries/clinic.</p> <p>3. Reproductive and Child Health Mother and Child Health care (Ante Natal Care, Pre Natal Care and Neonatal care), Adolescent Health care, Infant and child health (Healthy baby competition), Support to family planning /camps, Nutritional programs for mother /child.</p> <p>4. Quality/ Support Program Referral services Treatment of BPL, old age or needy patient, HIV- AIDS Awareness Program, RTI/ STD Awareness program, Support for differently able, Ambulance services, Blood donation camps, Blood Grouping.</p> <p>5. Health Infrastructure Buildings and Civil structures(new), Buildings and Civil structures(renovation and maintenance), Village Community Sanitation (toilets/drainage), Individual Toilets, Drinking water new sources, (Handpump/RO/Water Tank/well), Drinking water existing sources (operation/maintenance), Water source purification.</p>	Health	<p>Jharkhand: Palamau & Garhwa</p> <p>Uttar Pradesh: Sonebhadra</p>	<p>4.61</p> <p>11.28</p> <p>0.25</p> <p>0.85</p> <p>99.50</p>	<p>4.36</p> <p>13.56</p> <p>0.14</p> <p>0.40</p> <p>98.58</p>	117.03	All expenses incurred directly by Company

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project / Activity identified	Sector in which the project is covered	Project/ Programs Local Area/ others Specify the State/ District where the Project Undertaken	Amount Outlay (budget) Project/ Program wise (Rupees in Lacs)	Amount spent on the project/ programs Subheads: (1) Direct expenditure on project/programs (2) Overheads (Rupees in Lacs)	Cumulative spend upto to the reporting period (Rupees in lacs)	Amount spent: Direct/ through implementation agency*
3	<p>1. Agriculture and Farm Based Agriculture & Horticulture training program/ Farmers group Transfer of Technology- Demonstration plots, Support for horticulture plots, Seeds Improvement Program, Support for improved agriculture equipment and inputs, Exposure visits /Support for agricultural mela, Integrated agricultural/horticultural improvement, program/productivity improvement programs, soil health and organic farming.</p> <p>2. Animal Husbandry Based Treatment and vaccination, Breed improvement Productivity, Improvement programs and training.</p> <p>3. Non-farm& Skills Based Income generation program Capacity Building Program-Tailoring, Beauty Parlour, Mechanical, Rural Enterprise development& Income Generation Programs, Support to SHGs for entrepreneurial activities</p> <p>4. Natural Resource conservation programs & Non-conventional Energy Bio gas support program, Solar energy support and other energy support programs - (low smoke wood stoves/sky light), Plantation / Green Belt Development / Roadside Plantation, Soil conservation /Land improvement, Water conservation and harvesting (small structures/ bigger structures) , Community Pasture Land Development/ Orchard Development.</p> <p>5. Livelihood Infrastructure</p>	Environment and livelihood	Jharkhand: Palamau & Garhwa Uttar Pradesh : Sonebhadra	3.20 1.05 1.70 3.00 0.40	2.90 0.83 0.80 2.41 0.42	7.36	All expenses incurred directly by Company

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project / Activity identified	Sector in which the project is covered	Project/ Programs Local Area/ others Specify the State/ District where the Project Undertaken	Amount Outlay (budget) Project/ Program wise (Rupees in Lacs)	Amount spent on the project/ programs Subheads: (1) Direct expenditure on project/programs (2) Overheads (Rupees in Lacs)	Cumulative spend upto to the reporting period (Rupees in lacs)	Amount spent: Direct/ through implementation agency*
4	Rural Infrastructure Development other than for the purpose of Health /Education/ Livelihood New Roads/Culverts/Bridges/Bus Stands, Repair Roads/Culverts/Bridges/Bus Stands/ Community Halls/ Housing, Other Community Assets and shelters.	Rural Development Project	Jharkhand : Palamau & Garhwa Uttar Pradesh : Sonebhadra Karnataka : Uttar Kannada	12.87	13.65	13.65	All expenses incurred directly by Company
5	1. Institutional building & strengthening Strengthening/ formation of community based organization (SHGs), Support to development organizations, Old age Home, Orphanage 2. Social Security Support to old age/ Widow/ physically challenged person / poor Insurance, Pension Scheme 3. Awareness programs Community awareness program , Awareness campaign social abuse Early marriage / HIV Prevention 4. Social Events to minimise causes of poverty Support to mass marriage/ widow remarriage, National/International day celebrations with community, Support with basic necessities. 5. Promotion of culture/Sports Support to rural cultural program, Festivals & Melas Support to Rural Sports. 6. Disaster Relief Programs	Social Empowerment	Jharkhand : Palamau & Garhwa Uttar Pradesh: Sonebhadra	1.27 0.65	0.40 0.89	3.97	All expenses incurred directly by Company
	Overheads		Jharkhand: Palamau & Garhwa Uttar Pradesh: Sonebhadra	11.05	7.17	7.17	
	TOTAL			163.59	157.80	157.80	

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

7. **The Responsibility Statement of the Corporate Social Responsibility Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the Company :**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

K. C. Jhanwar
Managing Director
(DIN : 01743559)

May 13, 2015

J. C. Chopra
Chairman, CSR Committee
(DIN : 00041143)

Form AOC I

Pursuant to first proviso to sub- section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" - Subsidiaries

Sr. No.	Name of the Subsidiary Companies	Year	Currency	Share Capital Including Share application Money	Reserves and Surplus	Total Assets (Non Current Assets +Current Assets +Deferred Tax Assets) excluding Current and Non-Current Investments	Total Liabilities (Non Current Liabilities+ Current Liabilities +Deferred tax Liabilities)	Details of Current and Non Current Investments (excluding investment in the subsidiary companies)- Treasury Bill	Net Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend (including Corporate Dividend Tax)	% of shareholding
1	Aditya Birla Chemicals (Belgium) BVBA	2014-15	INR	418,562.00	-	7,04,466.85	2,85,904.85	-	-	-	-	-	-	99.97%
			Euro	6,200.00	-	10,435.00	4,235.00	-	-	-	-	-	-	99.97%

Note: For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, exchange rates are taken as on 31.03.2015 : 1 Euro = 67.51 INR
There was no business activity started in the above mentioned subsidiary in 2014-15. There is no subsidiary of the Company which is yet to commence operation or has been liquidated or sold during the year.

Part "B" - Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	
1	Latest audited Balance Sheet Date	Not Applicable
2	Shares of Joint ventures held by the company on year end Nos. Amount of Investment in Joint venture Extent of Holding (%)	
3	Networth attributable to shareholding as per latest audited Balance Sheet	
4	Profit / (Loss) for the year i. Considered in consolidation ii. Not considered in Consolidation	

There is no associate or joint venture of the Company which is yet to commence operation or has been liquidated or sold during the year.

Mumbai, May 13, 2015

H.K.Panda
CFOAkash Mishra
Company SecretaryK. C. Jhanwar
Managing DirectorA. K. Agarwala L. S. Naik
Directors

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

A. CONSERVATION OF ENERGY:

(a)	the steps taken or impact on conservation of energy	<ul style="list-style-type: none"> ● Replacement of Air Pre Heater tubes, motors & pumps with more energy efficient ones. ● Installation of VFDs in various equipments. ● Installation of new energy efficient Air compressor for Chlorine unloading ● Primary brine integration for membrane plant ● Ammonia Refrigeration system replaced with 250TR Vapor Absorption Machine ● Capacitor Banks provided at HT incoming power source ● Replacement of cell elements
(b)	the steps taken by the company for utilizing alternate sources of energy	Co-Gen Power Plant was Commissioned
(c)	the capital investment on energy conservation equipments	Rs. 5.15 crores

B. TECHNOLOGY ABSORPTION:

(a)	the efforts made towards technology absorption	<ul style="list-style-type: none"> ● Selection of energy efficient Boiler & steam turbine suitable for high steam pressure & temperature (110kg/cm² & 540 degree centigrade) ● Upgradation of DCS operating system. ● Introduction of induction light ● New Ceramic Brine Filtration System adopted
(b)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> ● Reduction in Power generation cost ● Reduction in Auxiliary power consumption
(c)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
	(i) the details of technology imported	<ul style="list-style-type: none"> ● Membrane Cell Technology from Uhde Germany ● Brine Ceramic Filter from China ● Caustic Concentration plant from M/s Bertram Switzerland
	(ii) the year of import	2013-14
	(iii) whether the technology been fully absorbed	Yes
	(iv) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	—
(d)	the expenditure incurred on Research and Development	Rs. 4.81 crores

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on foreign exchange earnings and outgo is contained in Notes B.47 of the Accounts.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

Annexure 4

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

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

Sr. No.	Name of Director/KMP and Designation	Remuneration# of Director/KMP for financial year 2014-15 (Rs. in crores)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Askaran Agarwala, Non Executive Director	Nil	N. A.	N. A.	N. A.
2	Biswajit Choudhuri, Independent Director	Nil	N. A.	N. A.	N. A.
3	G. M. Dave, Independent Director	Nil	N. A.	N. A.	N. A.
4	J. C. Chopra, Independent Director	Nil	N. A.	N. A.	N. A.
5	P. P. Sharma, Independent Director	Nil	N. A.	N. A.	N. A.
6	L. S. Naik, Non Executive Director	Nil	N. A.	N. A.	N. A.
7	Preeti Gupta, Non Executive Director*	Nil	N. A.	N. A.	N. A.
8	K. C. Jhanwar, Managing Director**	Nil	N. A.	N. A.	N. A.
9	H. K. Panda, Chief Financial Officer	0.35	10.58%	N. A.	The Profit before Interest, Depreciation and Tax has increased by 3.42% in FY 2014-15
10	Akash Mishra, Company Secretary	0.21	7.79%	N. A.	

No Remuneration/ESOP/Commission is paid to any Non Executive Director and Independent Director for the year ended 31st March, 2015 and year ended 31st March 2014. Sitting fees paid to Non Executive Director and Independent Director are excluded. The remuneration includes variable pay for the year ended 31st March, 2014 which was paid during the Financial year 2014-15.

* appointed Additional Director w.e.f. 12.03.2015; i.e. for part of the financial year 2014-15.

** No any Remuneration/ESOP/Commission/sitting fees was paid to Mr. K. C. Jhanwar, Managing Director in the financial year 2014-15 and 2013-14.

- ii. The median remuneration of employees of the Company in FY 2014-15 was Rs. 3.42 Lacs
- iii. During the financial year, there was an increase of 7.16% in the median remuneration of employees
- iv. There were 1219 permanent employees on the rolls of Company as on 31st March, 2015
- v. Relationship between average increase in remuneration and company performance:- The Profit before Interest, Depreciation and Tax for the financial year ended 31st March, 2015 increased by 3.42%. The increase in median remuneration was 7.16%. The average increase in median remuneration was in line with industry benchmark and performance of the Company.
- vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The details of the same is provided in point no. (i) above.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

- vii a. Variations in the market capitalisation of the Company : The market capitalisation as on 31st March, 2015 was Rs. 508 crores (Rs. 406 crores as on 31st March, 2014)
- b. Price Earnings ratio of the Company was 13.62 as at 31st March, 2015 and was 8.17 as at 31st March, 2014
- c. Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year- Not Applicable
- viii Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 10.19% whereas the increase in the managerial remuneration for the same financial year was nil, based on the performance of the Company for the year ended 31st March 2014.
- ix The key parameters for the variable component of remuneration availed by the directors: Not Applicable as no remuneration was paid to any Director of the Company in 2014-15 (though as per the Remuneration Philosophy / Policy of the Company, any remuneration would be based on the recommendations of the Nomination and Remuneration Committee of the Company.
- x The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable as no remuneration was paid to any Director of the Company in 2014-15.
- xi It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

Form No. AOC- 2

(Pursuant to clause (h) of sub section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form of disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis- Aditya Birla Chemicals (India) Limited (ABCIL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2014-15.
2. Details of material contracts or arrangements or transactions at arm's length basis-
 - (a) Name(s) of the related party and nature of relationship : Hindalco Industries Limited, holding company of ABCIL
 - (b) Nature of contracts/ arrangements/ transactions : Sale and purchase of goods
 - (c) Duration of the contracts / arrangements/transactions : three years for sale of Caustic Soda from year under review, monthly for purchase of Aluminium ingots.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : quantitative and qualitative specific, comparative with prevailing market price, payment within 10/15 days of invoice, other terms as per purchase order.
 - (e) Justification for entering into such contracts or arrangements or transactions : Reliable, proximate, assured business with competitive market price.
 - (f) Date(s) of approval by the Board : Not applicable, since the contracts/ arrangements/ transactions were entered in the ordinary course of business and on arm's length basis.
 - (g) Amount paid as advances, if any : Nil.

For and on behalf of the Board of Directors

L. S. Naik

K. C. Jhanwar

Director

Managing Director

(DIN : 02943588)

(DIN : 01743559)

Place : Mumbai

Dated : May 13, 2015

Annexure – 6

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

Aditya Birla Group: Executive Remuneration Philosophy/Policy

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

Our business and organizational model

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

I. Objectives of the Executive Remuneration Program

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

Our executive remuneration program is intended to:

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

II. Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

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

III. Business and Talent Competitors

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

IV. Executive Pay Positioning

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

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

V. Executive Pay-Mix

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

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

Annual Incentive Plan:

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

Long-Term Incentive:

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

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

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

VI. Performance Goal Setting

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

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

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

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

VII. Executive Benefits and Perquisites

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

Other Remuneration Elements

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

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

Risk and Compliance

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

Claw back Clause

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

Implementation

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Aditya Birla Chemicals (India) Limited
Garhwa Road, P. O. Rehla,
Distt – Palamau – 822 124,
Jharkhand

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Chemicals (India) Limited** having its Registered Office at Garhwa Road, P. O. Rehla, Distt – Palamau – 822 124, Jharkhand (hereinafter called the Company) for the audit period covering the financial year ended 31st March 2015. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws, *inter alia*, as in general applicable to the Company :
 1. The Explosives Act, 1884 and Rules made there under
 2. The Indian Boilers Act, 1923 and Rules made there under
 3. The Petroleum Act, 1934 and Rules made there under

to the extent of their applicability to the Company during the financial year ended 31st March 2015 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

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

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

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

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (vi) Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while there were no any dissenting views by any member of the Board of Directors during the period under review.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that :

- (a) The Board of Directors of the Company, in its meeting held on 11th February 2015, has approved a Scheme of Amalgamation ('the Scheme') to merge the Company with Grasim Industries Limited in terms of the provisions of sections 391 to 394 of the Companies Act, 1956 read with other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (the 'Act'). The Scheme is subject to requisite regulatory and other approvals inter alia from the shareholders and creditors of the Company and sanction of the Scheme by the Hon'ble High Courts of Jharkhand and Madhya Pradesh which are under process.
- (b) The Company has acquired, vide Business Transfer Agreement dated September 8, 2014, the Chloro-Chemical Unit of Jayshree Chemicals Ltd. situated at Ganjam, Orissa on slump sale basis for which necessary formalities and approvals are under process.
- (c) The Company has formed a foreign subsidiary named as Aditya Birla Chemicals (Belgium) BVBA [ABCB] in Belgium, Europe on 24th December 2014 in the form of Private Limited.

For **A. K. LABH & Co.**

Company Secretaries

CS A. K. LABH
Practicing Company Secretary
FCS - 4848 / CP No.-3238

Place : Kolkata
Dated : May 13, 2015

DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

Annexure 8

Form No. MGT - 9

Extract of Annual Return as on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS		
i)	CIN	L24100JH1976PLC001255
ii)	Registration Date	20th July 1976
iii)	Name of the Company	Aditya Birla Chemicals (India) Limited
iv)	Category / Sub-Category of the Company	Public Limited - Limited by shares and company having share capital
v)	Address of the Registered office and contact details	'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 Website : www.adityabirlachemicalsindia.com
vi)	Whether Listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	M/s. C. B. Management Services (P) Ltd. P-22, Bondel Road, Kolkata - 700 019 Phone No.(s) : 033 - 40116728/40116717/2280 6692-93-94/ 2486 Fax No. : 033 - 2287 0263 Email : rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated			
Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Inorganic Chemicals	2011	99

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl. No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	Hindalco Industries Ltd. Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 030	L27020MH1958 PLC011238	Holding	51.33	2(46)
2	Aditya Birla Chemicals (Belgium) BVBA 3920 Lommel, Ondernemersstraat 33, Belgium	Foreign Company	Subsidiary	99.97	2(87)

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
i) Category-wise Share Holding										
Category of shareholders		No. of Shares held at the beginning of the year (as on 1st April, 2014)				No. of Shares held at the end of the year (as on 31st March, 2015)				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters										
1 Indian										
(a) Individual/HUF										
(b) Central Govt										
(c) State Govt (s)										
(d) Bodies Corp.		13,169,987	-	13,169,987	56.31	13,169,987	-	13,169,987	56.31	-
(e) Banks / FI										
(f) Any Other....										
	Sub-total (A)(1)	13,169,987	-	13,169,987	56.31	13,169,987	-	13,169,987	56.31	-
2 Foreign										
(a) NRIs- Individuals										
(b) Other-Individuals										
(c) Bodies corp										
(d) Banks/FI										
(e) Any Other---										
	Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	13,169,987	0	13,169,987	56.31	13,169,987	0	13,169,987	56.31	-
B. Public Shareholding										
I. Institutions										
(a) Mutual Funds		-	1,500	1,500	0.01	-	1,500	1,500	0.01	-
(b) Banks/FI		150	2,350	2,500	0.01	3,678	2,350	6,028	0.03	0.02
(c) Central Govt										
(d) State Govt(s)		2,028,000	4,000	2,032,000	8.69	2,028,000	4,000	2,032,000	8.69	-
(e) Venture Capital Funds										
(f) Insurance Companies										
(g) FII's		2,339,828	-	2,339,828	10.01	3,278,000	-	3,278,000	14.02	4.01
(h) Foreign Venture Capital Funds										
(i) Others (specify)										
	Sub-total (B)(1):	4,367,978	7,850	4,375,828	18.71	5,309,678	7,850	5,317,528	22.74	4.03
2 Non-Institutions										
(a) Bodies Corp.		650,157	4,801	654,958	2.80	540,039	4,551	544,590	2.33	-0.47
(b) Individuals										
(i) Indian										
(ii) Overseas										
(j) Individual shareholders holding nominal share capital upto Rs. 1 lakh		2,610,128	329,134	2,939,262	12.57	2,497,019	317,035	2,814,054	12.03	-0.54
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh		2,032,686	-	2,032,686	8.69	1,422,488	-	1,422,488	6.08	-2.61
(c) Qualified Foreign Investor										
(c) Others (specify)										
NRI		102,927	1,500	104,427	0.45	96,511	1,500	100,011	0.43	-0.02
Clearing Member		109,352	-	109,352	0.47	17,842	-	17,842	0.08	-0.39
	Sub-total (B)(2):	5,505,250	335,435	5,840,685	24.97	4,575,899	323,086	4,898,985	20.95	-4.03
	Total Public Shareholding (B)=(B)(1)+(B)(2)	9,873,228	343,285	10,216,513	43.69	9,885,577	330,936	10,216,513	43.69	-
	TOTAL (A)+(B)	23,043,215	343,285	23,386,500	100.00	23,055,564	330,936	23,386,500	100.00	-
C. Shares held by Custodian for GDRs & ADRs										
Promoter and Promoter Group										
Public										
	Grand Total (A+B+C)	23,043,215	343,285	23,386,500	100	23,055,564	330,936	23,386,500	100	-

DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

(ii) Shareholding of Promoters								
Sl. No.	Shareholder's name	Shareholding at the beginning of the year (as on 1st April, 2014)			Share holding at the end of the year (as on 31st March, 2015)			% change in share holding during the year
		No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Hindalco Industries Ltd.	12,004,987	51.33	-	12,004,987	51.33	-	-
2	Renuka Investment & Finance Ltd.	775,000	3.31	-	775,000	3.31	-	-
3	Pilani Investment And Industries Corporation Ltd.	390,000	1.67	-	390,000	1.67	-	-
Total		13,169,987	56.31	-	13,169,987	56.31	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)					
Sl. No.		Shareholding at the beginning of the year (as on 1st April, 2014)		Cumulative Shareholding during the year (as on 31st March, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
no change					

v. Shareholding of Directors and Key Managerial Personnel					
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April, 2014)		Shareholding at the end of the year (as on 31st March, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. A.K. Agarwala, Director	14,700	0.06%	8,512	0.04%
2	Mr. Biswajit Choudhuri, Director	100	0.00%	100	0.00%
3	Mr. Akash Mishra, KMP	5	0.00%	5	0.00%
4	Mr. H.K. Panda, KMP	-	0.00%	2	0.00%

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS (Contd.)

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
Sl. No.	Name	Shareholding		Date of transaction	In crease / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year (as on 1st April, 2014) / at the end of the year (as on 31st March 2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	FIDELITY PURITAN TRUST-FIDELITY LOW-PRICED STOCK FUND	2,338,600	10.00	01.04.2014				
				30.09.2014	-19,432	Transfer	2,319,168	
				03.10.2014	-2,546	Transfer	2,316,622	
				10.10.2014	-13,706	Transfer	2,302,916	9.85
				17.10.2014	2,916	Transfer	2,300,000	9.83
		2,300,000	9.83	31.03.2015			2,300,000	9.83
2	BIHAR STATE INDUSTRIAL DEVELOPMENT CORPN. LTD	2,028,000	8.67	01.04.2014				
				31.03.2015		no transfer	2,028,000	8.67
3	DOLLY KHANNA	343,203	1.47	01.04.2014				
				02.05.2014	60,010	Transfer	403,213	1.72
				09.05.2014	6,000	Transfer	409,213	1.75
				16.05.2014	16,000	Transfer	425,213	1.82
				23.05.2014	2,000	Transfer	427,213	1.83
				06.06.2014	5,200	Transfer	432,413	1.85
				13.06.2014	2,000	Transfer	434,413	1.86
				08.08.2014	-1,000	Transfer	433,413	1.85
				15.08.2014	-1,005	Transfer	432,408	1.85
				22.08.2014	-4,000	Transfer	428,408	1.83
				29.08.2014	2,500	Transfer	425,908	1.82
				05.09.2014	750	Transfer	425,158	1.82
				12.09.2014	-11,200	Transfer	413,958	1.77
				19.09.2014	-1,905	Transfer	412,053	1.76
				30.09.2014	-500	Transfer	411,553	
				10.10.2014	-1,400	Transfer	410,153	1.75
				17.10.2014	2,000	Transfer	408,153	1.75
				24.10.2014	1,000	Transfer	407,153	1.74
				31.10.2014	-6,000	Transfer	401,153	1.72
				07.11.2014	-6,880	Transfer	394,273	1.69
				14.11.2014	-12,250	Transfer	382,023	1.63
				21.11.2014	-5,000	Transfer	377,023	1.61
				28.11.2014	6,140	Transfer	370,883	1.59
				05.12.2014	3,000	Transfer	367,883	1.57
				12.12.2014	-2,000	Transfer	365,883	1.56
				19.12.2014	-2,000	Transfer	363,883	1.56
				31.12.2014	-10,450	Transfer	353,433	1.51
				02.01.2015	-750	Transfer	352,683	1.51
				09.01.2015	4,000	Transfer	348,683	1.49
				16.01.2015	3,000	Transfer	345,683	1.48
				23.01.2015	-2,000	Transfer	343,683	1.47
				30.01.2015	-1,000	Transfer	342,683	1.47
				06.02.2015	-1,000	Transfer	341,683	1.46
		13.02.2015	-1,000	Transfer	340,683	1.46		
		20.02.2015	6,000	Transfer	334,683	1.43		
		06.03.2015	4,000	Transfer	330,683	1.41		
		13.03.2015	-13,821	Transfer	316,862	1.35		
		31.03.2015			316,862	1.35		
4	CHARANJIT SINGH	316,862	1.35	31.03.2015				
		322,128	1.38	01.04.2014				
				23.05.2014	-10,539	Transfer	311,589	1.33
				30.05.2014	10,000	Transfer	301,589	1.29
				13.06.2014	10,000	Transfer	291,589	1.25
				30.06.2014	-10,000	Transfer	281,589	1.20
				15.08.2014	-2,680	Transfer	278,909	1.19
				22.08.2014	-60,000	Transfer	218,909	0.94
				12.09.2014	-6,050	Transfer	212,859	0.91
				30.09.2014	10,345	Transfer	202,514	
				10.10.2014	9,313	Transfer	193,201	0.83
				21.10.2014	-5,000	Transfer	188,201	0.80
				12.12.2014	-21,394	Transfer	166,807	0.71
		166,807	0.71	31.03.2015			166,807	0.71
5	VLSITNANCE LTD	200,000	0.86	01.04.2014				
				04.04.2014	19,000	Transfer	181,000	0.77
				11.04.2014	8,484	Transfer	189,484	0.81
				18.04.2014	10,516	Transfer	200,000	0.86
				02.05.2014	100,000	Transfer	300,000	1.28
				30.05.2014	3,422	Transfer	303,422	1.30
				06.06.2014	22,546	Transfer	325,968	1.39
				30.06.2014	325,968	Transfer	-	0.00
				04.07.2014	8,445	Transfer	8,445	0.04
				11.07.2014	-8,445	Transfer	-	0.00
				18.07.2014	35,599	Transfer	35,599	0.21
				01.08.2014	-35,500	Transfer	99	0.00
				13.02.2015	12,000	Transfer	12,099	0.05
				20.02.2015	21,155	Transfer	33,254	0.14
		06.03.2015	32,299	Transfer	955	0.004		
		955	0.004	31.03.2015			955	0.004

DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

6	ANIL KUMAR GOEL	125,000	0.53	01.04.2014				
				25.04.2014				
				02.05.2014	-5,000	Transfer	120,000	0.51
		120,000	0.51	31.03.2015			120,000	0.51
7	HARISH BABULAL SHAH	110,000	0.47	01.04.2014				
				11.04.2014	-1,000	Transfer	109,000	0.47
				18.04.2014	-1,320	Transfer	107,680	0.46
				25.04.2014	-12,680	Transfer	95,000	0.41
				02.05.2014	-9,000	Transfer	86,000	0.37
				12.09.2014	-11,000	Transfer	75,000	0.32
				27.02.2015	-25,500	Transfer	49,500	0.21
				31.03.2015			49,500	0.21
8	SURJIT S MINIAS	49,500	0.21	31.03.2015			49,500	0.21
		104,272	0.45	01.04.2014				
				30.06.2014	-66	Transfer	104,206	0.45
				29.08.2014	-10,000	Transfer	94,206	0.40
				31.12.2014	-5,000	Transfer	89,206	0.38
				09.01.2015	-5,000	Transfer	84,206	0.36
				30.01.2015	5,516	Transfer	89,722	0.38
				06.03.2015	-89,722		0	0.00
		31.03.2015			0	0.00		
9	SEEMA GOEL	67,000	0.29	01.04.2014				
				18.04.2014				
				25.04.2014	-2,000	Transfer	65,000	0.28
		65,000	0.28	31.03.2015			65,000	0.28
10	NANDIPATI SRINIVASA REDDY	60,000	0.26	01.04.2014				
				09.05.2014	-500	Transfer	59,500	0.25
				13.06.2014	-100	Transfer	59,400	0.25
				27.02.2015	-8,000	Transfer	51,400	0.22
				06.03.2015	-21,500	Transfer	29,900	0.13
		29,900	0.13	31.03.2015			29,900	0.13
11	MORGAN STANLEY ASIA (SINGAPORE) PTE.	-	0.00	01.04.2014				
				20.02.2015	268,000	Transfer	268,000	1.15
				27.02.2015	44,000	Transfer	312,000	1.33
				06.03.2015	90,000	Transfer	402,000	1.72
				13.03.2015	26,000	Transfer	428,000	1.83
				20.03.2015	10,000	Transfer	438,000	1.87
				27.03.2015	52,000	Transfer	490,000	2.10
				492,000	2.10	31.03.2015	2,000	Transfer
12	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED	-	0.00	01.04.2014				
				27.02.2015	178,000	Transfer	178,000	0.76
				06.03.2015	126,000	Transfer	304,000	1.30
				13.03.2015	92,000	Transfer	396,000	1.69
				20.03.2015	2,000	Transfer	398,000	1.70
				27.03.2015	84,000	Transfer	482,000	2.06
		486,000	2.08	31.03.2015	4,000	Transfer	486,000	2.08
13	GLOBE CAPITAL MARKET LTD	-	0.00	01.04.2014				
				20.02.2015	83,610	Transfer	83,610	0.36
				27.02.2015	-23,126	Transfer	60,484	0.26
				06.03.2015	82,228	Transfer	142,712	0.61
				13.03.2015	-117,932	Transfer	24,780	0.11
				20.03.2015	-9,924	Transfer	14,856	0.06
				27.03.2015	-8,752	Transfer	6,104	0.03
		76,952	0.33	31.03.2015	70,848	Transfer	76,952	0.33
14	WINRO COMMERCIAL (INDIA) LTD	58,100	0.25	01.04.2014				
				04.04.2014	-4,790	Transfer	53,310	0.23
				11.04.2014	-1,510	Transfer	51,800	0.22
		51,800	0.22	31.03.2015			51,800	0.22

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS (Contd.)

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in lacs)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1st April, 2014)				
i) Principal Amount	97,364.25	3,054.49	-	100,418.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	652.32	31.94	-	684.26
Total (i+ii+iii)	98,016.57	3,086.43	-	101,103.00
Change in Indebtedness during the financial year				
▪ Addition	5,900.00	20,062.08	-	25,962.08
• Reduction	21,197.45	-	-	21,197.45
Net Change	-15,297.45	20,062.08	-	4,764.63
Indebtedness at the end of the financial year (as on 31st March, 2015)				
i) Principal Amount	82,066.80	23,116.57	-	105,183.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	706.72	100.30	-	807.02
Total (i+ii+iii)	82,773.52	23,216.87	-	105,990.39

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Rs.)			
Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. in Lacs)
		Mr. Kaillash Chandra Jhanwar Managing Director	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of Perquisites u/s 17(2) of Income tax Act, 1961 (c) Profit in lieu of Salary under section 17(3) of Income-tax Act, 1961	NIL No Salary/Remuneration/Perquisite/Profit in lieu of Salary has been paid to the Managing Director Mr. K. C. Jhanwar in 2014-15	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	Not Applicable	

B. REMUNERATION TO OTHER DIRECTORS (Rs. in Lacs)						
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors	Mr. Biswajit Choudhuri	Mr. J.C. Chopra	Mr. G.M. Dave	Mr. P. P. Sharma	
	Fee for attending board / Committee Meetings	3.60	3.30	3.10	0.90	10.90
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	3.60	3.30	3.10	0.90	10.90
	2. Other Non-Executive Directors	Mr. A.K. Agarwala	Mr. L. S. Naik	Ms. Preeti Gupta		
	Fee for attending board / Committee Meetings	1.40	3.80	-	-	5.20
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	1.40	3.80	0.00	0.00	5.20
	Total (B) = (1+2)					16.10
	Total Managerial Remuneration (only sitting fees)					16.10
	Overall Ceiling as per the Act (being 11% of the net profit as worked out as per Section 198 of the Companies Act, 2013)					Not Applicable

DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. in Lacs)				
Sl No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Akash Mishra Company Secretary	Mr. H. K. Panda, CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	15.32	27.35	42.67
	(b) Value of Perquisites u/s 17(2) of Income tax Act, 1961	0.64	2.88	3.52
	(c) Profit in lieu of Salary under section 17(3) of Income - tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweet Equity	-	-	-
4	Commission -as % of Profit -others, specify..	-	-	-
5	Others, please specify	-	-	-
	Total (A)	15.96	30.23	46.19

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES	
A. COMPANY - Nil	
Penalty	There were no penalties /punishment /compounding of offences for year ended 31st March 2015
Punishment	
Compounding	
B. DIRECTORS - Nil	
Penalty	There were no penalties /punishment /compounding of offences for year ended 31st March 2015
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT - Nil	
Penalty	There were no penalties /punishment /compounding of offences for year ended 31st March 2015
Punishment	
Compounding	

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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 the true spirit at all times. Your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

In terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details of compliance for the year ended 31st March 2015 are indicated.

I. BOARD OF DIRECTORS

● Composition

Your Company's Board of Directors comprises of 8 (eight) members, which includes the Managing Director and 4 (four) Independent 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. Out of the total strength of the Board, 50% of the Directors are independent. All the directors are above 21 years of age and are not related to other directors in any manner. None of the Directors of the Company is a relative of any other Director of the Company. The composition of the Board, attendance at Board meetings held during the financial year under review and at the last Annual General Meeting (AGM) and the details of the Directors with regard to outside directorships and committee positions are given below :

Name of Director	Executive/Non-executive/Independent ¹	No. of Board meetings held	No. of Board meetings attended	No. of outside Directorship(s) held ²	No. of outside committee position(s) held ³		Attendance at last AGM ⁵
					Chairman	Member	
Mr. A. K. Agarwala	Non Executive	6	4	6	—	—	No
Mr. L. S. Naik	Non Executive	6	6	5	—	2	No
Mr. K. C. Jhanwar	Managing Director	6	6	1	—	—	Yes
Ms. Preeti Gupta ⁴	Non Executive	6	N. A.	—	—	—	N. A.
Mr. Biswajit Choudhuri	Independent	6	6	6	4	3	Yes
Mr. P. P. Sharma	Independent	6	3	1	—	1	No
Mr. J. C. Chopra	Independent	6	6	1	—	—	No
Mr. G. M. Dave	Independent	6	6	5	2	4	No

1. Independent Director means a director defined under Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013 ("the Act").
2. Excluding Directorships in Foreign Companies, Companies under Section 8 of the Act and Private Limited Companies.
3. Only two committees viz. the Audit Committee and the Stakeholders' Relationship Committee of all public limited companies are considered.
4. Ms. Preeti Gupta appointed as Additional Director w.e.f. 12th March 2015.
5. Last AGM held on 29th September 2014 at the Registered Office of the Company at 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla – 822 124, Distt. Palamau (Jharkhand)

CORPORATE GOVERNANCE (Contd..)

- **Non-Executive Directors' compensation and disclosures**

Only Sitting fees are paid to the Non-Executive Directors and the Independent Directors and these are within the limit prescribed under the Act. The details of sitting fees paid to the Non-Executive Directors and Independent Directors are given separately in this Report.

- **Other provisions relating to the Board and the Committees**

The number of Board meetings held during the year under review, dates on which held and number of Directors present are:

Date of Board Meeting	Board Strength	No. of Directors Present
07.05.2014	7	6
06.08.2014	7	7
08.09.2014	7	6
07.11.2014	7	5
22.01.2015	7	6
11.02.2015	7	7

Your Company's Board plays a pivotal role in ensuring good governance and sound functioning of your Company. The Directors are professionals, have expertise in their respective functional areas and present a wide range of skills and experience. The Board has unfettered and complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the meeting with the permission of the Chairman. The Board periodically reviews all the relevant information, which is required to be placed before it pursuant to Annexure X to Clause 49 of the Listing Agreement with the stock exchanges and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure etc. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations. In addition to the quarterly meetings, the Board also meets to address the specific needs and business requirements of your Company.

- **Code of Conduct**

The Board of Directors have laid down a Code of Conduct ("the Code") for all Board members and senior management personnel of your Company. The Code is posted on your Company's website at www.adityabirlachemicalsindia.com. All Board members and senior management personnel have confirmed their compliance with the Code. A declaration to that effect signed by the Managing Director is attached and forms part of this Report.

- **Board training and Induction**

A formal letter of appointment together with an induction kit is given to Independent Directors at the time of their appointment stating their roles, functions, duties and responsibilities. The Independent Directors are familiarised with your Company's business and its operations. Interactions are held between the Independent Directors and senior management of your Company.

- **Performance evaluation of Board**

A formal evaluation mechanism has been adopted for evaluating the performance of the Board as well as the performance of its Committees and individual Directors. The performance of all the Directors of the Company has been carried out

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CORPORATE GOVERNANCE (Contd..)

through a structured evaluation process. The criteria for evaluation includes attendance, contribution at the meetings, preparedness for meetings, effective decision making ability etc.

- **Independent Directors' meeting**

A meeting of the Independent Directors of your Company was held without the presence of Non-Independent Directors and the management of your Company. Independent Directors discussed matters relating to functioning of your Company.

- **Prevention of Insider Trading**

Your Company's Code of Conduct for Dealing in Securities ("the Code") aims at preserving and preventing misuse of unpublished price sensitive information. All the Directors and Designated Employees of your Company have been covered under the Code. This Code also provides for periodical disclosures from Directors and Designated Employees of your Company.

II. AUDIT COMMITTEE

- **Composition, meeting, attendance during the year and sitting fees paid**

The Audit Committee of the Board comprises of three Non-Executive Independent Directors and one Non-Executive Director. The members of the Audit Committee are financially literate. The composition of the Audit Committee meets the requirements of Section 177 of the Act and Clause 49 of the Listing Agreement. During the year, the Audit Committee met 6 times to deliberate on various matters. The meetings were held on 07.05.2014, 06.08.2014, 08.09.2014, 07.11.2014, 22.01.2015 and 11.02.2015. The composition, attendance and sitting fees paid are as follows:

Name of Member	No. of meetings		Sitting fees paid (Rs. In lacs)
	Held	Attended	
Mr. Biswajit Choudhuri	6	6	1.30
Mr. L. S. Naik	6	6	1.30
Mr. J. C. Chopra	6	6	1.30
Mr. G. M. Dave	6	6	1.30

Mr. Biswajit Choudhuri is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee and the Managing Director of the Company is permanent invitee to the Audit Committee meetings. The Chief Financial Officer, the Statutory Auditors and the Internal Auditors of your Company attend the Audit Committee meetings.

The Audit Committee acts as a link between the management, the statutory and internal auditors and the Board. The Audit Committee monitors and effectively supervises your Company's financial reporting process with a view to providing accurate, timely and proper disclosure and maintaining the integrity and quality of financial reporting. The Audit Committee also reviews from time to time, the audit and internal control procedures, accounting policies and exercises oversight of the Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible.

Powers

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.

CORPORATE GOVERNANCE (Contd..)

Role

- Oversight of your Company's financial reporting process and disclosure of financial information in order to ensure that the financial statement is correct, sufficient and credible.
- Recommendation in respect of appointment, remuneration and terms of appointment of the auditors of your Company.
- Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements and Auditors' Report thereon before submitting those to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising from the audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Reviewing, with management, the quarterly financial statements, before submission of those to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Approval or any subsequent modification of transactions of your Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of your Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, the performance of statutory and internal auditors and the adequacy of the internal control systems.
- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and the frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CORPORATE GOVERNANCE (Contd..)

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reviews the following information:

- Management Discussion and analysis of the financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any;
- Internal audit reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the Chief internal auditor.

During the year, the Committee has reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In these reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company.

The Committee has also reviewed the procedures laid down by your Company for assessing and managing risks.

Vigil Mechanism

Your Company has in place a Vigil Mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud and violation of the Code of Conduct or Ethics Policy. The policy is in line with your Company's Code of Conduct, Vision and Values and forms part of good corporate governance.

III. NOMINATION AND REMUNERATION COMMITTEE

● Composition, meeting, attendance during the year and sitting fees paid

In terms of the provisions of Section 178 of the Act, your Company has re-constituted its existing Remuneration Committee as the Nomination and Remuneration Committee.

During the year, the Committee conducted businesses by circulation on 04.08.2014, 12.03.2015 and 30.03.2015. The composition and attendance of members by circulation was as follows :

Name of Member	Attended
Mr. J. C. Chopra	3
Mr. L. S. Naik	3
Mr. Biswajit Choudhuri	3

CORPORATE GOVERNANCE (Contd..)

Mr. J. C. Chopra, an Independent Director, is the Chairman of the Committee. No sitting fees were paid to the any of Committee members during the year.

- **Term of reference of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is authorised to:

- set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run your Company successfully;
- set the relationship of remuneration to performance;
- check whether the remuneration provided to Directors and Senior Management includes a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of your Company and its goals;
- formulate appropriate policies and institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in Senior Management and recommend the same to the Board;
- review and implement succession and development plans for Directors and senior management;
- devise a policy on Board diversity;
- formulate the criteria for determining qualification, positive attributes and independence of Directors.

Your Company does not have any Employee Stock Options Scheme.

- **Remuneration Policy**

Your Company has adopted Executive Remuneration Philosophy/Policy and the same is disclosed in this Annual Report.

IV. SUBSIDIARY COMPANY

Your Company does not have any Indian subsidiary company. Your Company has one unlisted subsidiary company in Belgium. There was no business activity started in the subsidiary in 2014-15 and as such income and expenses are nil. The investment by your Company in that subsidiary has been eliminated against the share capital thereof. Your Company has availed exemption of not preparing and presenting the consolidated financial statement pursuant to section 129(3) of the Companies Act, 2013 with its only overseas subsidiary in terms of MCA notification no. C.S.R 37 (E) dated 16th January 2015. Pursuant to sub-section (3) of section 129 of the Act read with the Companies (Accounts) Rules, 2014, the statement containing the salient feature of the financial statement of the subsidiary of the Company is given as Annexure to the Directors' Report.

V. RISK MANAGEMENT

Your Company has a robust Business Risk Management framework - Enterprise Risk Management System (ERM) to identify, evaluate and mitigate the risks to the business. These risks are reviewed periodically by the Audit Committee and the Board of the Company. The Audit Committee and Board are informed about risk assessment and minimization procedures, and after which steps are taken for framing, implementing and monitoring the risks.

VI. RELATED PARTY TRANSACTIONS

During the year, your Company has entered into related party transactions which were on an arm's length basis and in the ordinary course of business. There are no material transactions with any related party as defined under Section 188

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CORPORATE GOVERNANCE (Contd..)

of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. All Related Party Transactions are approved by the Audit Committee and the Board of your Company. The policy on Related Party Transactions, as approved by the Board, is available on the Company's website www.adityabirlachemicalsindia.com.

VII. DISCLOSURES

● Disclosures on materially significant related party transaction

All transactions with related parties were at arm's length basis and in the ordinary course of business. The transactions with related parties have been approved by the Audit Committee of your Company. Details of all material transactions with related parties in terms of Clause 49 of the Listing Agreement are disclosed quarterly along with the compliance report on corporate governance and sent to the Stock Exchanges. The particulars of related party transactions are listed out in Note B.39 of the Accounts.

● Disclosure on Accounting treatment

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

● Remuneration of Directors

The Non-Executive and Independent Directors are paid only sitting fees for attending Board/Committee meetings. During the year, the Board has revised the sitting fees for attending Board and Committee meetings. The decision related to sitting fees are taken by the Board in accordance with the Act. The amount of sitting fees paid to Non Executive and Independent Directors during the year under review are as follows :

Name of Director	Sitting fee paid (Rs. In lacs)
Mr. A.K. Agarwala	1.40
Mr. L. S. Naik	3.80
Mr. Biswajit Choudhuri	3.60
Mr. P. P. Sharma	0.90
Mr. J. C. Chopra	3.30
Mr. G. M. Dave	3.10
Ms. Preeti Gupta	—

There was no other pecuniary relationship or transaction of the Non-Executive and Independent Directors with your Company and the Company has not granted any stock option to any of its Directors. As on 31st March 2015, except Mr. A. K. Agarwala and Mr. Biswajit Choudhuri, Directors, who hold 8512 and 100 equity shares of the Company respectively, no other Directors of your Company hold any shares in the Company, as reported.

No Salary/ Remuneration/Perquisite/Profit in lieu of Salary/commission have been paid to the Managing Director Mr. K. C. Jhanwar in 2014-15.

The appointment of Mr. 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 your 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 Mr. Jhanwar as Managing Director of the Company until the time no remuneration is paid to him and his termination will be subject to the approval of the Board

CORPORATE GOVERNANCE (Contd..)

in terms of the Act. However, the Board reserves the right to remunerate him in line with the recommendation of the Nomination and Remuneration Committee of your Company.

- **Management**

The Management Discussion and Analysis forms part of the Annual Report and is in accordance with the requirements laid out in Clause 49 of the Listing Agreement. No material transaction has been entered into by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of your Company.

- **Shareholders**

Details of the Directors seeking re-appointment / appointment at the ensuing AGM are provided in the Notice convening the AGM. The Press Release and Financial results are made available on the website of your Company www.adityabirlachemicalsindia.com.

- **Stakeholders' Relationship Committee**

Composition, meeting, attendance and sitting fees paid during the year

In terms of the provisions of Section 178 of the Act and the Listing Agreement, your Company has renamed its existing Shareholders' Grievance Committee as Stakeholders' Relationship Committee.

During the year, the Stakeholders' Relationship Committee met on 07.05.2014, 06.08.2014, 07.11.2014 and 11.02.2015. The composition, attendance and sitting fees paid are as follows :

Name of Member	No. of meetings		Sitting fees paid (Rs. In lacs)
	Held	Attended	
Mr. L. S. Naik	4	4	0.50
Mr. Biswajit Choudhuri	4	4	0.50
Mr. K. C. Jhanwar	4	4	Nil

Mr. L. S. Naik is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee and is also the Compliance Officer.

Your Company's shares are compulsorily traded in the dematerialised form. To expedite transfers in the physical segment, necessary authority has been delegated to the Officers of your Company and Registrar and Share Transfer Agent to approve transfer /transmission of shares. Details of share transfers / transmissions approved are placed before the Committee and the Board.

Role

The Committee looks into:

- issues relating to shareholders including transfer / transmission of shares;
- issue of duplicate share certificates;
- non-receipt of dividend;
- non receipt of annual report;

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CORPORATE GOVERNANCE (Contd..)

- non –receipt of share certificates after transfers;
- delay in transfer of shares;
- any other issues of the stakeholders.

Number of shareholders' complaint received so far / number not solved to the satisfaction of the shareholders / number of pending complaints

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.	Complaints from Statutory bodies							
	SEBI	0	0	0	0	0	0	0
	Stock Exchanges	0	0	0	0	0	0	0
B.	Complaints from Shareholders	0	0	0	0	0	0	0
C.	Queries/requests from Shareholders							
	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.	08	12	22	24	66	66	0
	Total	08	12	22	24	66	66	0

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

CORPORATE GOVERNANCE (Contd..)

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

- **Details of non-compliance by your Company, penalties and strictures imposed on your Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter relating to capital markets during the year**

There has been no instance of non-compliance by your Company on any matter related to capital markets during the year under review and hence no strictures/ penalties have been imposed on your Company by the Stock Exchanges or SEBI or any statutory authority.

- **Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee was constituted under the mentorship of Mrs. Rajashree Birla – Chairperson (Aditya Birla Centre for Community Initiatives and Rural Development). Dr. Pragnya Ram, Group Executive President, Corporate Communications & CSR is the Permanent Invitee. During the year, the CSR Committee met on 11.02.2015. The composition, attendance and sitting fees paid are as follows :

Name of Member	No. of meetings		Sitting fees paid (Rs. In lacs)
	Held	Attended	
Mr. J. C. Chopra	1	1	0.20
Mr. L. S. Naik	1	1	0.20
Mr. K. C. Jhanwar	1	1	Nil

Mr. J. C. Chopra is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

The CSR Committee recommends to the Board the activities to be undertaken during the year and the amount to be spent on these activities. During the year, your Company has carried out various activities as part of its CSR initiative. The focus areas have been health care, education, sustainable livelihood, infrastructure and social reform.

- **Proceeds from public issues, rights issues, preferential issues**

During the year, your Company did not raise any funds by way of public issues, rights issues, preferential issues etc.

VIII.CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is attached and forms part of the Annual Report.

IX. REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report forms part of the Annual Report. Your Company complies with the provisions of Clause 49 of the Listing Agreement with the stock exchanges.

X. COMPLIANCE

A certificate from the Statutory Auditors, confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CORPORATE GOVERNANCE (Contd..)

- **Status of Compliance of Non-mandatory Requirements**

The statutory financial statements of your Company are unqualified.

XI. ANNUAL GENERAL MEETINGS

Date, time and place of the AGMs, held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Particulars	2012	2013	2014
Date and Time	08.08.2012 at 10:00 A.M.	10.09.2013 at 10:00 A.M.	29.09.2014 at 10:00 A.M.
Venue	Garhwa Road, P.O. Rehla – 822124 Distt. Palamau (Jharkhand)	Garhwa Road, P.O. Rehla – 822124 Distt. Palamau (Jharkhand)	Garhwa Road, P.O. Rehla – 822124 Distt. Palamau (Jharkhand)
Special Resolution(s) passed for	<ul style="list-style-type: none"> ● Approval of the appointment of Managing Director of the Company 	Nil	<ul style="list-style-type: none"> ● Approval of the appointment of Managing Director of the Company ● Approval of the Borrowing Limits of the Company under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 ● Approval for Creation of Charges/mortgage pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 ● Approval & adoption of new set of Articles of Association of the Company ● 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

- Whether any special resolution passed in the last year through postal ballots - details of voting pattern:
Yes, postal ballots were conducted last year pursuant to the provisions of Section 110 of the Companies Act, 2013 read

CORPORATE GOVERNANCE (Contd..)

with the Companies (Management & Administration) Rules, 2014 on Special Resolutions. The details of voting pattern are given here-under :

(1) Result declared on 15.10.2014 – alteration in Object Clause of Memorandum of Association of the Company

Sr. No.	Votes casted	By Physical Ballot	By Electronic voting	Total No. of votes/shares	%
1.	Favour	8110	15598621	15606731	99.99
2.	Against	300	419	719	0.01
Total				15607450	100

(2) Result declared on 19.02.2015 – alteration in Object Clause of Memorandum of Association of the Company

Sr. No.	Votes casted	By Physical Ballot	By Electronic voting	Total No. of votes/shares	%
1.	Favour	30639	15472607	15503246	99.52
2.	Against	160	75001	75161	0.48
Total				15578407	100

- Person who conducted the Postal Ballot exercises

Mr. Atul Kumar Labh, Practicing Company Secretary (Membership No. FCS 4848 & C.P. No. 3238) of M/s. A. K. Labh & Co., 40, Weston Street, 3rd Floor, Kolkata – 700013 was appointed as the Scrutinizer for conducting both postal ballot voting process in a fair and transparent manner.

- Whether any special resolution is proposed to be conducted through postal ballot and procedure for the same.
If required, shall be conducted as per law.

XII. MEANS OF COMMUNICATION

- The Quarterly results are normally published in Business Standard (English - all editions) and Ranchi Express (Hindi – Ranchi edition).
- Any website, where displayed : www.adityabirlachemicalsindia.com. Annual Report, Quarterly Results, Shareholding Patterns, Un-claimed Dividend details, official news releases, etc. of the Company are posted on the website of the Company : www.adityabirlachemicalsindia.com

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CORPORATE GOVERNANCE (Contd..)

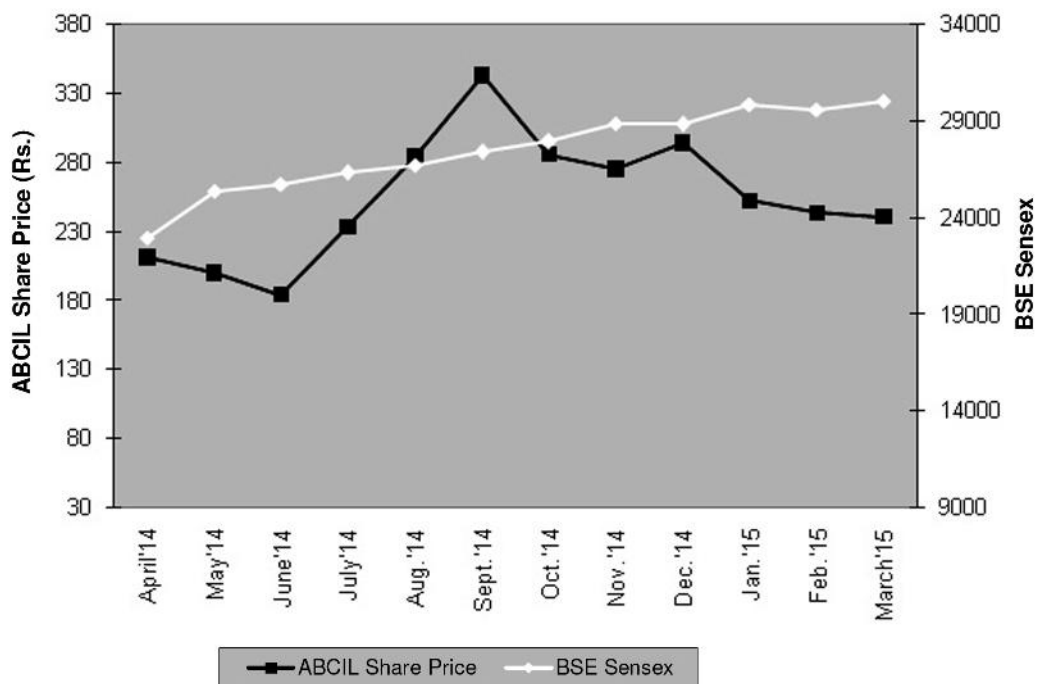
GENERAL SHAREHOLDER INFORMATION	
Registered Office	Aditya Birla Chemicals (India) Limited 'Ghanshyam Kunj' Garhwa Road, P.O. Rehla - 822 124, Distt. Palamau (Jharkhand)
Annual General Meeting	Date and Time: Thursday, 24th September 2015 at 10:30 A. M. Venue : Aditya Birla Chemicals (India) Limited 'Ghanshyam Kunj' Garhwa Road, P.O. Rehla – 822124 Distt. Palamau (Jharkhand) Dividend payment date : on or after 25th September 2015 Date of Book Closure: Friday 18th September 2015 to Thursday, 24th September 2015 (both days inclusive)
Financial calendar (Tentative)	<ul style="list-style-type: none">● Results for the quarter ending 30th June 2015 : by 14th August 2015● Results for the quarter ending 30th September 2015 : by 14th November 2015● Results for the quarter ending 31st December 2015 : by 14th February 2016● Results for the quarter/year ending 31st March 2016 : by 14th May 2016● Next Annual General Meeting (next year) : by 30th September 2016
Listing on Stock Exchanges and Stock Code	i) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Stock Code : 500057) ii) National Stock Exchange of India Ltd. “Exchange Plaza”, Plot No. C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (Symbol – “ABCIL”) Annual Listing Fee (as applicable) paid upto 2015-16
Demat ISIN in NSDL and CDSL for Equity Shares	ISIN INE605B01016

CORPORATE GOVERNANCE (Contd.)

MARKET PRICE DATA : HIGH, LOW DURING EACH MONTH IN FINANCIAL YEAR 2014-15

Month	BSE		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2014	210.90	155.70	210.90	157.00
May 2014	199.50	143.25	199.80	142.60
June 2014	183.85	155.00	183.65	155.10
July 2014	233.15	172.00	232.75	172.10
August 2014	283.75	192.10	283.80	193.50
September 2014	342.80	260.00	331.70	260.00
October 2014	285.50	240.50	295.95	242.05
November 2014	274.90	220.00	274.40	225.00
December 2014	294.00	199.05	256.40	195.00
January 2015	251.95	200.05	250.70	201.00
February 2015	243.35	215.50	248.00	214.60
March 2015	240.20	209.20	240.70	211.00

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



ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CORPORATE GOVERNANCE (Contd.)

Registrar and Transfer Agent	M/s. C. B. Management Services (P) Ltd. P-22, Bondel Road, Kolkata – 700 019 Phone No.(s) : 033-40116728/40116717/ 2280 6692-93-94/ 2486 Fax No. : 033 - 2287 0263, Email : rta@cbmsl.com																											
Share Transfer System	To expedite transfers in the physical segment, necessary authority has been delegated to the Officers of your Company and Registrar and Share Transfer Agent to approve transfer /transmission of shares within 15 days.																											
Distribution of shareholding as on 31st March 2015	<table border="1"> <thead> <tr> <th>Category</th> <th>No. of shares</th> <th>% of share-holding</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>13,169,987</td> <td>56.31</td> </tr> <tr> <td>Mutual Funds and UTI</td> <td>1,500</td> <td>0.01</td> </tr> <tr> <td>Banks/ Financial Institutions/ Central Govt. / State Govt.(s) / Insurance Companies/ Trust</td> <td>2,038,028</td> <td>8.71</td> </tr> <tr> <td>Corporate Bodies</td> <td>544,590</td> <td>2.33</td> </tr> <tr> <td>Individuals</td> <td>4,236,542</td> <td>18.12</td> </tr> <tr> <td>NRI/FII/OCB</td> <td>3,378,011</td> <td>14.44</td> </tr> <tr> <td>Clearing Member</td> <td>17,842</td> <td>0.08</td> </tr> <tr> <td>TOTAL</td> <td>23,386,500</td> <td>100.00</td> </tr> </tbody> </table>	Category	No. of shares	% of share-holding	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	2,038,028	8.71	Corporate Bodies	544,590	2.33	Individuals	4,236,542	18.12	NRI/FII/OCB	3,378,011	14.44	Clearing Member	17,842	0.08	TOTAL	23,386,500	100.00
Category	No. of shares	% of share-holding																										
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	2,038,028	8.71																										
Corporate Bodies	544,590	2.33																										
Individuals	4,236,542	18.12																										
NRI/FII/OCB	3,378,011	14.44																										
Clearing Member	17,842	0.08																										
TOTAL	23,386,500	100.00																										
Dematerialisation of shares and Liquidity as on 31st March 2015	i) NSDL : 21,305,731 ii) CDSL : 1,749,833 iii) Physical : 330,936 (1.42 % of Company's Equity Shares in physical form) Trading in shares of your Company is permitted only in the dematerialized form.																											
Outstanding GDR/ADR/warrants/convertible bonds	Your Company has not issued any GDR/ADR/ warrants/convertible bonds.																											
Details on use of public funds obtained in the last three years	No public funds have been obtained.																											
Plants' location	<ul style="list-style-type: none"> ● Garhwa Road, P.O. Rehla - 822 124 District – Palamau (Jharkhand) ● Renukoot Chemical Division, P.O. Renukoot – 231 217 District – Sonebhadra (Uttar Pradesh) ● Karwar Chemical Division, P.O. Binaga – 581 307 District – Uttara Kannada (Karnataka) 																											
Address for correspondence	Garhwa Road, P.O. Rehla – 822 124 Distt. Palamau (Jharkhand) Email : abcil.investors@adityabirla.com akash.mishra@adityabirla.com murari.prasad@adityabirla.com																											

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 personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2015.

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

Place : Mumbai

Dated : May 13, 2015

K. C. Jhanwar

[Managing Director]

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

We hereby certify that :

- A) we have reviewed financial statements and the cash flow statement of the Company for the year ending 31st March 2015 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.

Place : Mumbai

Dated : May 13, 2015

H. K. Panda

[Chief Financial Officer]

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, 2015, 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 13, 2015

Place: Mumbai

Hasmukh B Dedhia
Partner (F- 033494)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW AND OUTLOOK

For financial year 2014-15, your Company reported a growth of 4% in production volumes on account of additional volumes from the newly commissioned plant at Karwar, having a capacity of 59400 tonnes per annum at Karwar.

During the year under review, the realisations declined due to the very low level of chlorine realisation and a marginal decline in caustic realisation in line with international prices. Regional imbalances in Chlorine demand and an increase in its availability kept chlorine prices under pressure.

Caustic demand in India is driven by high demand from key consuming sectors like Alumina, Fibre, Textile and Paper industries, etc.

Caustic prices are expected to remain stable during the year. Availability of Chlorine is expected to remain high as new capacities would put extra chlorine into the markets resulting into pressure in Chlorine prices.

The Business expects to maintain high capacity utilisation given the favourable demand outlook. The Business will continue to take energy conservation measures to reduce power consumption.

The full benefit of the Karwar Caustic Plant will accrue in F.Y. 2015-16 as production is gradually ramped up. The acquisition of Jayshree Chemicals Limited located at Ganjam, Odisha will strengthen our presence in east India and increase our Pan India presence.

FINANCIAL AND OPERATIONAL PERFORMANCE REVIEW

The financial data of your Company for the previous year is inclusive of the financial data of the Karwar Chemical Division and the Singach Salt Works from the post acquisition period i.e. 1st September 2013; hence these are not fully comparable with the current year's financial data. Revenue from operations for the year under review was Rs. 1251.78 crores as compared to Rs. 1182.42 crores in the previous year, an increase of 6%. Profit before interest, depreciation and tax was Rs. 265.49 crores. After providing Rs. 109.34 crores for interest, Rs. 63.31 crores for depreciation and Rs. 55.55 crores for taxes, net profit for the year was Rs. 37.29 crores.

The production of Caustic Soda in 2014-15 was 239,977 metric tonnes (MT) against 231,221 MT in F.Y. 2013-14. The net turnover at Rs. 1076.82 crores, against Rs. 1001.41 crores in the previous year, reflects an increase of 8%. This positive performance is due to the optimum utilization of plant capacity, optimization of process parameters and various cost reduction initiatives.

Earnings per share was Rs. 15.95 compared with Rs. 21.27 last year and return on net worth was 8.38 % vis-à-vis 11.84% last year.

RISKS AND CONCERNS

Risk arises from the probability or threat of damage, liability, loss, or any other negative occurrence that can be caused by vulnerabilities. These risks can be mitigated through preemptive action. Risk management refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce the risks. Your Company has institutionalised the process of identifying, minimising and mitigating risks. These processes are periodically reviewed. Risk Management forms an integral part of your Company's operations. The common risks inter alia are: regulations, competition, business risk, technology obsolescence, investments, retention of talent and expansion of facilities. Business risk, inter-alia, further

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.,)

includes operational risks, safety, health & environmental risks, financial risks, political risks, fidelity risks, legal risks, etc. As a matter of policy, these risks are assessed and appropriate systems and steps are taken to mitigate the same.

Increases in energy costs will continue to be a major concern for the industry. Your Company will focus on optimisation of cost, reduction in power consumption and increase in capacity utilisation. Frequent movement disturbances due to bandhs, etc. in Jharkhand and excess availability of Hydrochloric Acid in the Eastern region shall also remain areas of concern.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate internal control systems commensurate with the size of its operations. The 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 reviewed 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 a risk management plan, which is regularly reviewed to ensure that it accurately reflects the current potential risks to its business.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your Company strives to foster a culture of high performance. Measuring such as ongoing learning, aligning HR systems in line with global bench-marks and 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.

Your Company had a committed work force of about 1219 employees as on 31.03.2015. Your Company enjoys a congenial and healthy industrial relations environment and there were no disputes.

CAUTIONARY STATEMENT

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

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, 2015, 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 The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor’s Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
- 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 financial control relevant to the Company’s preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company’s management and Board of Directors, 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015,

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

INDEPENDENT AUDITORS' REPORT

its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 8 As required by section 143(3) of the Act, we further report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
 - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
 - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note B-36 of the financial statements
 - (ii) The Company assesses periodically the foreseeable losses on all its long term contracts. As at end of the year under report there were no such foreseeable losses. The company did not have any derivative contracts as at the date of Balance Sheet
 - (iii) There has been no delay in transferring sums, required to be transferred, to the Investor Education and Protection Fund by the Company

Place: Mumbai
Date: May 13, 2015

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W
Hasmukh B Dedhia
(Partner) F-033494

INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 7 Our Report of even date to the members of ADITYA BIRLA CHEMICALS (INDIA) LIMITED on the accounts of the company for the year ended 31st March, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at periodic intervals which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed to us no material discrepancies were noticed on such verification;
- (ii) (a) The physical verification of inventories has been conducted at periodic intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- (iii) The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence the requirement of clause (iii)(a) and (iii)(b) of paragraph 3 of the Order are not applicable to it
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories, fixed assets and for the sales of goods/services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness in the internal control system pertaining to these areas has been noticed or reported
- (v) The Company has not accepted any deposits from the public. Hence clause (v) of paragraph 3 of the Order is not applicable to it
- (vi) 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 sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been maintained
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing with the appropriate authorities the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Value Added Tax, Duty of Custom, Duty of Excise, Cess and other statutory dues as applicable to the Company;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, the following dues of Income Tax, Wealth Tax, Service Tax, Value Added Tax, Sales Tax, Duty of Customs, Duty of Excise, Cess which have not been deposited on account of disputes:

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 2007-08 , AY 2008-09, AY 2010-11	696.12	CIT (Appeals) and Petition u/s 154
		AY 2002-03 AY 2006-07 & AY 2009-10	8.44	CIT (Appeals)
Sales Tax / Trade Tax	Sales Tax	AY 2010-11	7.03	Office of the Additional Commissioner(A), Mirzapur
		FY 2009-10, FY 2010-11	40.61	The Joint Commissioner of Commercial Taxes (Appeal), Ranchi
UP Tax on Entry of Goods into Local Area Tax, 2007	Entry Tax	FY 2006-07 to FY 2011-12	212.75	Supreme court Delhi
Central Excise Act 1944	Cenvat and Penalty	FY 2000-01 to 2006-07, FY 2008-09 to FY 2012-13	869.23	CESTAT, New Delhi
		(FY 1998-1999, 1996-2000, 2007-2008)	8.13	CESTAT High Court
		FY 2004-2008	525.70	CESTAT, Kolkata
		FY 2006-07	12.78	AC, Central Excise, Mirzapur
Sec 94 of Finance act 1994	Service Tax and Penalty	FY 2005-06 & FY 11-12	159.11	CESTAT, New Delhi
		FY 2006-2007	25.11	CESTAT, New Delhi
		FY 2005-07	105.02	CESTAT, Kolkata

- (c) The Company has transferred the required sums to the Investor Education and Protection Fund during the year within time as prescribed by the relevant provisions of the Companies Act, 1956 and rules made there under
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year
- (ix) 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
- (x) In our opinion, and according to the information and explanations given to us, the company has given guarantee to a bank favoring its overseas subsidiary which has not yet availed credit facilities against the said guarantee; in our opinion, terms of such guarantee are not, prima facie, prejudicial to the interest of the company

INDEPENDENT AUDITORS' REPORT

- (xi) 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
- (xii) 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 we been informed of any such instance by the Management of the Company

Place: Mumbai
Date: May 13, 2015

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W
Hasmukh B Dedhia
(Partner) F-033494

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

(₹ in Lacs)

	<u>Note No.</u>	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	B.1	2,338.65	2,338.65
Reserves and Surplus	B.2	42,261.84	39,939.95
		<u>44,600.49</u>	<u>42,278.60</u>
Non-Current Liabilities			
Long-term Borrowings	B.3	67,031.25	73,318.75
Deferred Tax Liabilities (Net)	B.4	13,102.96	9,432.76
Long-term Provisions	B.5	1,756.54	1,541.57
		<u>81,890.75</u>	<u>84,293.08</u>
Current Liabilities			
Short-term Borrowings	B.6	25,964.62	17,724.99
Trade Payables	B.7	5,247.36	5,560.14
Other Current Liabilities	B.8	24,757.06	26,940.30
Short-term Provisions	B.9	1,993.77	1,154.63
		<u>57,962.81</u>	<u>51,380.06</u>
	Total	<u>184,454.05</u>	<u>177,951.74</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	B.10	141,833.73	129,334.84
Intangible Assets	B.11	1,517.35	1,755.45
Capital Work-in-Progress	B.12	2,611.56	5,757.96
Non-Current Investments	B.13	504.80	-
Long-term Loans and Advances	B.14	3,249.11	4,549.58
Other Non-Current Assets	B.15	283.47	309.13
		<u>150,000.02</u>	<u>141,706.96</u>
Current Assets			
Inventories	B.16	15,434.83	17,153.89
Trade Receivables	B.17	12,064.25	13,460.50
Cash and Bank Balances	B.18	399.65	618.08
Short-Term Loans and Advances	B.19	4,465.79	2,783.98
Other Current Assets	B.20	2,089.51	2,228.33
		<u>34,454.03</u>	<u>36,244.78</u>
	Total	<u>184,454.05</u>	<u>177,951.74</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			
For Khimji Kunverji & Co			
Chartered Accountants		K. C. Jhanwar	
Firm Registration No. 105146W		Managing Director	
Hasmukh B Dedhia			
Partner (Membership No. F-033494)			
Place : Mumbai	H.K. Panda	Akash Mishra	A. K. Agarwala
Dated : May 13, 2015	CFO	Company Secretary	Director
			L. S. Naik
			Director

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lacs)

	<u>Note No.</u>	<u>For the year ended March 31, 2015</u>	<u>For the year ended March 31, 2014</u>
REVENUES			
Gross Revenue from Operations	B.21	125,177.92	118,241.73
Less: Excise Duty Paid		12,608.01	11,625.48
Net Revenue from Operations		112,569.91	106,616.25
Other Income	B.22	790.95	1,095.15
Total Revenues	Total -A	113,360.86	107,711.40
EXPENSES			
Cost of Raw Materials Consumed	B.23	60,862.83	54,193.00
Purchases of Stock-in-Trade	B.24	3,649.55	5,221.59
Changes in Inventories	B.25	(81.56)	131.76
Employee Benefits Expenses	B.26	7,213.35	5,895.87
Power and Fuel	B.27	4,631.17	6,172.56
Finance Costs	B.28	10,933.68	9,060.62
Depreciation and Amortization Expenses	B.29	6,331.13	7,686.12
Other Expenses	B.30	11,670.15	10,424.85
Total Expenses	Total-B	105,210.31	98,786.37
Profit before Exceptional and Extraordinary items and Tax	Total A-B	8,150.56	8,925.03
Exceptional items	B.31	1,133.89	-
Profit before Extraordinary items and tax		9,284.45	8,925.03
Profit before tax		9,284.45	8,925.03
Tax Expenses	B.32		
Current tax		1,884.99	1,878.86
Deferred tax		3,670.20	2,071.81
Profit/ (Loss) for the period		3,729.26	4,974.36
Earnings per Share of Rs 10/- each (EPS)	B.34		
Basic EPS (Rs)		15.95	21.27
Diluted EPS (Rs)		15.95	21.27
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			
For Khimji Kunverji & Co			
Chartered Accountants		K. C. Jhanwar	
Firm Registration No. 105146W		Managing Director	
Hasmukh B Dedhia			
Partner (Membership No. F-033494)			
Place : Mumbai	H.K. Panda	Akash Mishra	A. K. Agarwala
Dated : May 13, 2015	CFO	Company Secretary	Director
			L. S. Naik
			Director

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	9,284.44	8,925.04
Adjustment for :		
Finance Costs	10,729.70	8,910.62
Depreciation and Amortization Expenses	6,331.14	7,686.12
Miscellaneous Expenditure written off	203.98	150.00
(Profit)/Loss on sale of Assets (Net)	(40.63)	131.27
(Gain) / Loss from Investing Activities (Net)	-	(5.94)
Interest / Dividend Received	(115.85)	(263.02)
Operating profit before working capital changes	26,392.78	25,534.09
Changes in working Capital:		
Change in Inventories	1,719.06	(8,096.89)
Change in Trade and other Receivables	1,396.25	(3,033.61)
Change in Trade and other Payables	(414.94)	3,861.49
Change in long term loans & advances	(0.00)	1.45
Change in other current assets	(1,082.68)	140.34
Change in long term provisions	214.95	645.57
Change in Other Balances with Banks	80.47	923.28
Change in Other Current Liabilities	(3,010.07)	2,344.87
Change in Non Current Assets	(154.33)	57.43
Cash generation from Operation	25,141.49	22,378.02
Payment of Direct Taxes	(1,967.31)	(1,903.47)
Increase in Deferred Miscellaneous Expenditure	(23.98)	(90.00)
Net Cash Generated/ (Used) - Operating Activities	23,150.20	20,384.54
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets (including assets acquired on slump sale basis)	(16,847.17)	(32,862.76)
Sale of Fixed Assets	160.56	15.09
Sale /(Purchase) of Long Term Investments (Net)	(504.80)	495.10
Sale /(Purchase) of other Investments (Net)	-	148.03
Interest Received	155.98	703.07
Net Cash Generated/ (Used) - Investing Activities	(17,035.43)	(31,501.47)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from Long-term Borrowings (Net)	(3,475.00)	14,465.00
Proceeds / (Repayment) from Short-term Borrowings (Net)	8,239.63	4,373.74
Finance Cost Paid	(10,606.94)	(8,910.35)
Dividend Paid (including Dividend Tax)	(410.42)	(273.62)
Net Cash Generated/ (Used) - Financing Activities	(6,252.72)	9,654.77
Net Increase/ (Decrease) in Cash and Cash Equivalents	(137.95)	(1,462.15)
Add : Opening Cash and Cash Equivalents	309.15	1,771.31
Closing Cash and Cash Equivalents	171.21	309.15

Notes:

- 1 "Proceeds from long term borrowings" includes current maturities of long term debt borrowed during the year (Note B.8).
- 1 Cash and Cash equivalents include cheques/drafts in hands and remittance in transit and balance with Banks.
- 2 Previous years figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

For Khimji Kunverji & Co

Chartered Accountants
Firm Registration No. 105146W

K. C. Jhanwar
Managing Director

Hasmukh B Dedhia
Partner (Membership No. F-033494)
Place : Mumbai
Dated : May 13, 2015

H.K. Panda
CFO

Akash Mishra
Company Secretary

A. K. Agarwala
Director

L. S. Naik
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.

The Board of Directors of the Company has approved the acquisition, vide Business Transfer Agreement dated September 8, 2014, the Chloro-Chemical Unit of Jayshree Chemicals Ltd. ("JCD") situated at Ganjam, Orissa on slump sale basis for which necessary formalities and approvals are under process, therefore the assets, liabilities, revenue, expenses and other details of JCD are not considered in the preparation of the financials of the Company.

In the financial year 2013-14, 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') on September 1, 2013 (effective date) from Solaris Chemtech 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 previous 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 which include items of KCD for full year.

SIGNIFICANT ACCOUNTING POLICIES**(i) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the applicable Accounting Standards as prescribed under Section 133 of the Companies Act, 2013(the "Act") read with Rule 7 of the Companies (Accounts) rules, 2014 and the "Act" (to the extend notified and applicable). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Vide MCA notification no. C.S.R 37 (E) dated January16, 2015, the Company has availed exemption of not preparing & presenting consolidated financial statement in term of section 129(3) of the Act with its only overseas subsidiary viz. Aditya Birla Chemicals(Belgium) BVBA which was set up w.e.f. December 24, 2014 with an investment of ₹ 4.80 lacs. The said subsidiary has yet not commissioned its operations; as such, the revenue and expenditure thereof are NIL as at Balance Sheet date.

(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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(iv) DEPRECIATION / AMORTISATION

Depreciation on fixed assets is provided on straight line basis, considering the useful lives of the assets as per Schedule II to the Act, or as per the management's assessment of useful life based on the technical evaluation.

According to provisions of Schedule II of the Companies Act, 2013, the carrying value of assets having nil useful life as on April 1, 2014 has been charged to the Statement of Profit and Loss and carrying value of assets having balance useful life (net of residual value) is being depreciated over the revised remaining useful life.

(v) INVESTMENTS

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

(vi) IMPAIRMENT OF ASSETS

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

(vii) INVENTORIES

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

(viii) TRANSACTION OF FOREIGN CURRENCY ITEMS

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

(ix) RETIREMENT AND OTHER EMPLOYEE BENEFITS

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

Defined Contribution Plan

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

Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act (funded/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 as income or expense. Obligation is

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

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.

(xv) CONTINGENT LIABILITIES AND PROVISIONS

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

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

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

B. NOTES ON FINANCIAL STATEMENTS

B.1 Share Capital

Authorized, Issued, Subscribed and Paid-up Share Capital

	As at March 31, 2015	As at March 31, 2014
Authorized		
24,500,000 (Previous year 24,500,000) Equity Shares of ₹ 10/- each.	2,450.00	2,450.00
50,000 (Previous year 50,000) Redeemable Cumulative Preference Shares of ₹ 100/- each	50.00	50.00
11% Redeemable Cumulative Preference Shares of ₹ 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).	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up		
23,386,500 (Previous year 23,386,500) Equity Shares of ₹ 10/- each	2,338.65	2,338.65
	2,338.65	2,338.65

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, 2015		As at March 31, 2014	
	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, 2015		As at March 31, 2014	
	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

(₹ in Lacs)

B.2 Reserves and Surplus		<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>	
Capital Reserve		1,700.00	1,700.00	
Securities Premium Reserve		1.75	1.75	
General Reserve		4,326.76	4,326.76	
Surplus in Profit and Loss Account		<u>36,233.33</u>	<u>33,911.44</u>	
		<u>42,261.84</u>	<u>39,939.95</u>	
Additions and deductions for the year ended 31.03.2015				
	Opening	Addition	Deduction	Closing
Capital Reserve	1,700.00	-	-	1,700.00
Securities Premium Reserve	1.75	-	-	1.75
General Reserve	4,326.76	-	-	4,326.76
Surplus in Profit and Loss Account	33,911.45	3,729.26	(1,407.38)	36,233.33
	<u>39,939.96</u>	<u>3,729.26</u>	<u>(1,407.38)</u>	<u>42,261.84</u>
Additions and deductions for the year ended 31.03.2014				
	Opening	Addition	Deduction	Closing
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	29,596.22	4,974.36	(659.14)	33,911.44
	<u>35,376.01</u>	<u>5,223.08</u>	<u>(659.14)</u>	<u>39,939.95</u>
Details of allocations and appropriation for balance in statement of Profit and Loss				
		<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>	
As per last Balance Sheet		33,911.45	29,596.21	
Add: Profit for the period		<u>3,729.26</u>	4,974.36	
		37,640.70	34,570.57	
Less: Dividend on Equity Shares		1,169.33	350.80	
Less: Tax on Proposed Dividend		238.05	59.62	
Less: Transfer to General Reserve		-	248.72	
Closing Balance		<u>36,233.33</u>	<u>33,911.43</u>	
B.3 Long-term Borrowings				
Secured				
Term Loans				
From Banks		<u>67,031.25</u>	<u>73,318.75</u>	
		<u>67,031.25</u>	<u>73,318.75</u>	

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

(i) Security and Terms of Term loan from Banks amounting to ₹ 67031.25 Lacs (Previous Year ₹ 73318.75 Lacs)

(a) **Nature of Securities**

Secured by way of first charge in favor of security trustee IDBI Trusteeship Services Ltd on all the immovable properties and all movable properties & 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. stored at or being stored installed at Rehla, Jharkhand and Renukoot, Uttar Pradesh, Karwar, Karnataka, Singach, Gujrat and second charge on all the stock in trade both present and future and all the book debts, outstanding money receivables, claims and bills due / to be due to the company.

(b) **Term of Repayment**

i) Outstanding ₹ 39843.75 Lacs (Previous Year ₹ 49218.75 Lacs)

Repayable 21 (Previous year 25) quarterly instalment of ₹ 2,343.75 lacs each from May 31, 2015 (start date of repayment August 31, 2012) alongwith interest of 10.50% p.a. (Previous Year 11.50% p.a.) (also refer Note B.8.(i))

ii) Outstanding ₹ 27187.50 Lacs (Previous Year ₹ 24100.00 Lacs)

Repayable 32 (Previous year Nil) quarterly instalment of ₹ 937.50 lacs each from Sept 30, 2015 alongwith interest of 10.50% p.a. (Previous Year 11.10% p.a.) (also refer Note B.8.(i))

B.4 Deferred Tax

	As at March 31, 2015	As at March 31, 2014
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	13,340.60	9,791.80
	<u>13,340.60</u>	<u>9,791.80</u>
Deferred Tax Assets		
Retirement benefits Expenses	90.16	129.12
Voluntary Retirement	-	0.24
Other items	147.48	229.68
	<u>237.64</u>	<u>359.04</u>
Deferred Tax Liabilities/ (Assets) (Net)	<u>13,102.96</u>	<u>9,432.76</u>

B.5 Long-Term Provisions

Provision for Employee Benefits (Refer Note B.37)	1,756.54	1,541.57
	<u>1,756.54</u>	<u>1,541.57</u>

B.6 Short-term Borrowings

Secured		
Loans repayable on demand		
From Banks	2,848.05	14,670.50
	<u>2,848.05</u>	<u>14,670.50</u>
Unsecured		
Loans repayable on demand		
From Banks	6,116.57	3,054.37
From Others	17,000.00	0.12
	<u>23,116.57</u>	<u>3,054.49</u>
	<u>25,964.62</u>	<u>17,724.99</u>

Security

- (i) ₹ 220.06 lacs (previous year ₹ 181.43 lacs) Secured against pledge of Fixed Deposits of the Company.
- (ii) ₹ 2627.99 lacs (previous year ₹ 14489.07 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

(₹ in Lacs)

B.7 Trade Payables

	As at March 31, 2015	As at March 31, 2014
Payable to Micro, Small and Medium Enterprises	51.67	68.74
Payable to Others	5,195.69	5,491.40
	<u>5,247.36</u>	<u>5,560.14</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	51.67 —	68.74 —
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 B.3)	12,187.50	9,375.00
(ii) Interest accrued but not due on borrowings	807.02	684.26
(iii) Advance from customers	506.57	216.15
(iv) Creditors for Capex	1,507.40	4,171.91
(v) Unpaid Dividends	14.24	14.34
(vi) Foreign Currency Payable	25.16	172.68
(vii) Employee related Liabilities	508.47	555.71
(viii) Other Sundry creditors	5,718.36	8,360.66
(ix) Security & Other Deposits	463.96	432.96
(x) Statutory Dues Payables (Refer note B.44)	3,018.38	2,904.59
(xi) Book overdraft	—	52.05
	<u>24,757.06</u>	<u>26,940.30</u>

B.9 Short-term Provisions

(i) Employee Benefits (Refer note B.37)	438.53	596.35
(ii) Provisions for Others (Refer note B.36 B)	147.86	147.86
(iii) Proposed Dividends (Refer note below)	1,169.33	350.80
(iv) Tax on Proposed Dividends (Refer note below)	238.05	59.62
	<u>1,993.77</u>	<u>1,154.63</u>

For the year ended March 31, 2015, the Board of Director have recommended dividend @ 50 % i.e. Rs 5 per equity share of the company of face value of Rs. 10 each.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

B.10 Tangible Assets

	As at March 31, 2015	As at March 31, 2014
Net Carrying Amount of each class of Tangible Assets are as under :		
Freehold Land	7,740.70	7,689.58
Leasehold Land*	738.18	837.69
Buildings	18,447.74	17,233.74
Jetty Platform	13.91	21.88
Salt pans, Reservoir and condensers	197.44	310.65
Plant and Equipment	110,761.18	99,570.68
Chlorine Tonners	2,121.78	1,565.03
Vehicles	545.91	632.37
Railway Siding	750.25	884.45
Furniture and Fixtures	354.53	385.88
Office Equipment	162.11	202.88
	<u>141,833.73</u>	<u>129,334.84</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 2014-15 :

	As at 01.04.2014	KCD	Additions	Deductions /Adjustment	As at 31.03.2015
Cost					
Freehold Land	7,689.58	-	51.12	-	7,740.70
Leasehold Land	1,016.88	-	-	-	1,016.88
Buildings	18,973.71	-	2,143.30	3.33	21,113.68
Jetty Platform	52.21	-	-	-	52.21
Salt pans, Reservoir and condensers	741.10	-	-	-	741.10
Plant and Equipment	125,834.25	-	15,660.12	86.48	141,407.89
Chlorine Tonners	3,784.29	-	661.10	75.46	4,369.93
Vehicles	929.54	-	53.32	55.99	926.87
Railway Siding	1,392.77	-	-	-	1,392.77
Furniture and Fixtures	677.64	-	72.82	11.03	739.43
Office Equipment, Computers	388.05	-	43.03	1.46	429.61
	<u>161,480.00</u>	<u>-</u>	<u>18,684.81</u>	<u>233.75</u>	<u>179,931.06</u>
Accumulated Depreciation					
Leasehold Land	179.18	-	99.52	0.00	278.70
Buildings	1,739.97	-	926.26	0.29	2,665.94
Jetty Platform	30.32	-	7.98	-	38.30
Salt pans, Reservoir and condensers	430.45	-	113.21	-	543.66
Plant and Equipment	26,263.57	-	4,391.79	8.65	30,646.71
Chlorine Tonners	2,219.26	-	93.28	64.39	2,248.15
Vehicles	297.17	-	116.36	32.58	380.96
Railway Siding	508.32	-	134.20	-	642.52
Furniture and Fixtures	291.76	-	99.94	6.80	384.90
Office Equipment, Computers	185.17	-	83.45	1.11	267.51
	<u>32,145.16</u>	<u>-</u>	<u>6,065.99</u>	<u>113.82</u>	<u>38,097.33</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

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
Cost					
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	314.68	18.24	76.86	21.74	388.04
	130,701.40	14,090.71	16,885.00	197.13	161,479.98
Accumulated Depreciation					
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	184.90	-	19.86	19.59	185.17
	24,774.81	-	7,421.09	50.75	32,145.15

B.11 Intangible Assets

	As at March 31, 2015	As at March 31, 2014
Net Carrying Amount of each class of Intangible Assets		
Value of Licence	1,394.00	1,602.65
Computer software	123.35	152.80
	1,517.35	1,755.45

Reconciliation of the Gross and Net Carrying Amount of each class of Intangible Assets during FY 2014-15:

	As at 01.04.2014	Additions	Deductions /Adjustment	As at 31.03.2015
Cost				
Value of Licence	2,236.26	-	-	2,236.26
Computer software	345.97	27.04	-	373.00
	2,582.23	27.04	-	2,609.26
Accumulated Amortization				
Value of Licence	633.61	208.65	-	842.26
Computer software	193.16	56.49	-	249.66
	826.77	265.14	-	1,091.92

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

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

Cost	As at 01.04.2013	Additions	Deductions /Adjustment	As at 31.03.2015
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
Accumulated Amortization				
Value of Licence	409.98	223.63	–	633.61
Computer software	151.76	41.40	–	193.16
	561.74	265.03	–	826.77

B.12 Capital Work-in-Progress

	As at March 31, 2015	As at March 31, 2014
Capital Work in Progress	2611.56	5757.96
The Above includes Pre-operative expenses pending allocation		
Consultancy & Legal Charges	1.36	81.26
Transportaion Charges	-	42.48
Administrative & other Expenses	2.79	-
Labour & consumables	43.58	200.57
	47.73	324.31
Add: Brought forward from previous year	208.07	284.93
	255.80	609.24
Less: Allocated to Fixed Assets	198.89	410.35
Total	56.91	198.89

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

(Fully paid Shares)

Investments in Equity Shares of Subsidiary	4.80	–
11% (NC) Cumulative Preference Share in TANFAC Industries Limited	500.00	–
	504.80	–
	504.80	–
Less: Provision made for diminution in value of Investments	–	–
	504.80	–

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Aggregate amount and Market value:

Investments in Fully paid Equity Shares of Subsidiary

	Face value per Unit	As at March 31, 2015		As at March 31, 2014	
		Number	(Rs. in Lacs)	Number	(Rs. in Lacs)
Unquoted (trade)					
Aditya Birla Chemicals (Belgium) BVBA (ABCB)	EURO 1	6,198	4.80	–	–
Others					
11% (NC) Cumulative Preference Share in TANFAC Industries Limited	Rs.100	500,000	500.00	–	–
			<u>504.80</u>		<u>–</u>

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
--	---------------------------------	---------------------------------

B.14 Long-term Loans and Advances

(i) Capital Advances		
Unsecured, Considered Good	259.48	1,642.26
(ii) Current Tax Assets (Net of Provisions)	312.70	230.38
(iii) MAT Credit Entitlement	2,676.93	2,676.93
	<u>3,249.11</u>	<u>4,549.58</u>

B.15 Other Non-Current Assets

Prepaid Expenses	3.51	6.32
Other loans and advances	64.90	10.35
Balance with Banks:		
Deposits with more than 12 months maturity	0.05	27.46
Earmarked deposit with bank held as margin money	130.01	–
Unamortized Expenses	85.00	265.00
	<u>283.47</u>	<u>309.13</u>

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
B.16 Inventories		
(Valued at cost and net realisable value, whichever is less)		
(i) In Hand :		
Finished Goods	1,928.42	2,090.45
Work-in-Progress	1,051.53	767.07
Raw Materials	9,378.67	8,034.31
Packing Materials	288.86	435.67
Waste / Scrap	48.54	71.30
Stores and Spares	2,129.00	1,928.19
(ii) In Transit :		
Raw Materials	609.82	3,826.89
	<u>15,434.83</u>	<u>17,153.89</u>
B.17 Trade Receivables		
(i) Outstanding for a period exceeding six months (from the due date)		
Unsecured, Considered Good	408.47	267.46
Doubtful	28.63	346.91
(ii) Outstanding for a period less than six months (from the due date)		
Unsecured, Considered Good	11,655.78	13,193.04
	<u>12,092.88</u>	<u>13,807.41</u>
Less: Allowance for bad and doubtful debts	28.63	346.91
	<u>12,064.25</u>	<u>13,460.50</u>
Trade Receivables include dues from Holding Company, Hindalco Industries Limited, ₹ 890.95 lacs (Previous year ₹ 2379.61 lacs) maximum due at any time during the year ₹ 2701.83 lacs (Previous year ₹ 2379.61 lacs)		
B.18 Cash and Bank Balances		
(i) Cash and Cash Equivalents		
Balance with Banks:		
Current Accounts	149.53	287.36
Cash in hand	21.67	21.81
	<u>171.20</u>	<u>309.16</u>
(ii) Others		
Balance with Banks:		
Earmarked Balances	14.24	14.34
Earmarked deposit with bank held as margin money	214.21	294.57
	<u>228.45</u>	<u>308.91</u>
	<u>399.65</u>	<u>618.08</u>

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
B.19 Short-term Loans and Advances		
Unsecured, Considered Good		
Loan and Advance to Employees	58.31	44.27
Loan and Advance for Trade (Goods and Services)	3,400.05	1,755.84
Other loans and advances	58.59	21.59
Security Deposits	948.84	962.28
	<u>4,465.79</u>	<u>2,783.98</u>
B.20 Other Current Assets		
(i) Accrued Interest	15.83	55.96
(ii) Accrued Export and Other Incentives	112.11	110.80
(iii) Prepaid Expenses	217.70	111.75
(iv) Unamortized Expenses	180.00	180.00
(v) Defer Premium on Forward Cover	(0.52)	5.27
(vi) Foreign Currency Receivable	25.16	-
(vii) Claims and Other Receivables	1,539.23	1,764.54
	<u>2,089.51</u>	<u>2,228.33</u>
	<u>For the year ended March 31, 2015</u>	<u>For the year ended March 31, 2014</u>
B.21 Revenue from Operations		
Sale of Products	120,290.42	111,786.89
Other Operating Revenues		
Export and Other Incentives	94.95	133.42
Sale of Traded Goods	3,913.20	5,792.00
Sale of Scrap	868.86	493.18
Miscellaneous Receipts	10.50	36.24
Gross Revenue from Operations	125,177.92	118,241.73
Less: Excise Duty Paid	12,608.01	11,625.48
Net Revenue from Operations	<u>112,569.91</u>	<u>106,616.24</u>
Details of sale of product		
Caustic Soda	72,055.38	69,858.50
Phosphoric Acid	16,382.98	9,983.77
Aluminium Chloride	12,966.32	12,210.83
Power	489.64	116.81
Stable Bleaching Powder	6,174.64	5,245.36
Chlorinated Paraffin	7,813.31	8,521.40
Poly-Aluminium Chloride	2,637.40	2,682.22
Salt (Industrial)	531.23	97.18
Others	1,239.53	3,070.83
	<u>120,290.42</u>	<u>111,786.89</u>

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
B.22 Other Income		
(i) Interest Income		
On Long Term Investments	–	39.66
On Fixed Deposits	27.32	159.58
On Others	88.53	63.78
(ii) Gain/ (Loss) on sale of Investments (Net)		
On Long Term Investments	–	4.60
On Current Investments	–	1.34
(iii) Subsidy - Sales Tax	–	411.16
(iv) Rent Income	40.33	14.74
(v) Miscellaneous Income	368.99	31.99
(vi) Profit/(Loss) on Sale of Fixed Assets	40.63	–
(vii) Prior Period adjustment	18.73	–
(viii) Sundry Balance written off/back(Net)	152.03	368.30
(ix) Foreign Exchange Fluctuation	54.38	–
	<u>790.95</u>	<u>1,095.15</u>
B.23 Cost of Raw Materials Consumed		
Salt	12,332.73	11,540.20
Rock Phosphate	5,059.72	3,509.78
Hydrochloric Acid	1,855.86	1,546.23
Aluminium Ingots	8,653.17	7,475.87
Coal	16,987.69	15,273.54
Lime	3,239.74	2,433.64
Heavy - Normal Paraffin	5,188.70	6,269.71
Others	7,545.23	6,144.01
	<u>60,862.83</u>	<u>54,193.00</u>
B.24 Purchases of Stock-in-Trade		
Finished Goods Purchased	3,649.55	5,221.59
	<u>3,649.55</u>	<u>5,221.59</u>

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	<u>For the year ended March 31, 2015</u>	<u>For the year ended March 31, 2014</u>
B.25 Changes in Inventories		
Opening Stocks		
Finished Goods	2,089.05	2,305.97
Work-in-Progress	767.08	271.72
Stock-in-Trade	-	105.43
	<u>2,856.13</u>	<u>2,683.11</u>
Stocks acquired from KCD		
Finished Goods	-	46.47
Work-in-Progress	-	337.67
	<u>-</u>	<u>384.14</u>
	<u>2,856.13</u>	<u>3,067.25</u>
Less: Closing Stocks		
Finished Goods	1,928.43	2,089.05
Work-in-Progress	1,051.52	767.07
Stock-in-Trade	-	-
	<u>2,979.95</u>	<u>2,856.13</u>
	<u>(123.82)</u>	211.12
Change in Excise Duty on Stock (Net)	42.26	(79.36)
	<u>(81.56)</u>	<u>131.76</u>

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

	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Opening	Closing	Opening	Closing
Aluminium	213.90	276.66	172.31	213.90
Caustic Soda	83.37	117.60	63.77	83.37
Brine	25.19	41.14	33.87	25.19
Rock Phosphate	14.66	46.62	-	14.66
iso Amyl Alcohol	88.38	102.04	-	88.38
Salt	336.98	466.24	-	336.98
Others	4.60	1.22	1.77	4.60
	<u>767.08</u>	<u>1,051.52</u>	<u>271.72</u>	<u>767.08</u>

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
B.26 Employee Benefits Expenses		
Salaries, Wages and Bonus	6,167.98	5,038.59
Contractors' PF and Bonus	73.25	57.23
Contribution to Provident and other Funds	504.35	415.55
Employee Welfare	467.77	384.51
	<u>7,213.35</u>	<u>5,895.87</u>
B.27 Power and Fuel		
Power and Fuel (refer note : B.31)	4,536.49	6,038.26
Electricity Duty	94.68	134.30
	<u>4,631.17</u>	<u>6,172.56</u>
B.28 Finance Costs		
Interest Expenses	10,719.86	8,713.24
Other Borrowing Costs	213.82	347.38
	<u>10,933.68</u>	<u>9,060.62</u>
B.29 Depreciation and Amortization Expenses		
Depreciation Expenses	6,065.99	7,421.09
Amortization Expenses	265.14	265.03
	<u>6,331.13</u>	<u>7,686.12</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
B.30 Other Expenses		
Consumption of Stores and Spare parts	3,144.02	2,641.81
Legal & Professional Charges	599.92	406.56
Repairs to Buildings	248.88	466.40
Repairs to Machinery	1,158.50	1,047.93
Repairs to Others	511.31	444.59
Insurance	362.58	303.97
Rent, Rates and Taxes	188.34	140.05
Business Head Office Expenses*	557.98	53.48
Auditors' Remuneration (See Note Below)	34.01	29.97
Freight and Forwarding (Net)	1,839.12	2,947.85
Directors' Sitting Fees	16.10	10.80
(Gain)/ Loss on foreign currency transactions and translation (Net)	-	57.63
Travelling & Conveyance	232.38	219.27
Commission on Sales	242.03	307.41
Miscellaneous Expenses **	2,534.96	1,347.14
	<u>11,670.15</u>	<u>10,424.85</u>
<p>*With a view to optimise the benefits of specialisation and minimise cost to the Company, its share of expenses towards business operations of ₹ 557.51 Lacs (Previous year ₹ 53.33 lacs) contributed to Grasim Industries Limited and ₹ 0.47 Lacs (Previous year ₹ 0.15 lacs) contributed to Indo Gulf Fertilizers the same has been accounted under 'Business Head Office expenses in Notes B.30</p>		
<p>** The Company has constituted a CSR committee as required under Section 135 of the Act, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy), Rules 2014 ('CSR rules'). The Company has created the CSR Policy and has identified the CSR initiatives as also methodology for spending the same to ensure appropriate end use of funds so spent. Accordingly, during the financial year 2014-15, sum of ₹ 157.80 lacs has been spent on the said initiatives which is in compliance with the CSR Provision.</p>		
<p>Details of Auditors' Remuneration are as follows</p>		
Statutory Auditors:		
Audit Fees	10.15	8.65
Tax Audit Fees	3.88	4.00
Company Law matters & other certification	15.60	15.46
Reimbursement of expenses	3.53	1.36
Total (A)	<u>33.17</u>	<u>29.47</u>
Cost Auditors		
Statutory/ Cost Audit Fees	0.70	0.40
Reimbursement of expenses	0.15	0.11
Total (B)	<u>0.85</u>	<u>0.51</u>
Total (A+B)	<u>34.01</u>	<u>29.97</u>

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014	
B.31 Exceptional Items			
Reversal of Liabilities	1,133.89	–	
	<u>1,133.89</u>	<u>–</u>	
<p>During the year ended March 31, 2015, the management has reviewed the liability for renewable purchase obligations provided from F.Y. 2010-11 which resulted into reversal of excess provision of Rs. 1133.89 lacs.</p>			
B.32 Tax Expenses			
Current Tax Expenses			
Current Tax for the year	1,884.99	1,878.86	
	<u>1,884.99</u>	<u>1,878.86</u>	
Deferred Tax Expenses			
Deferred Tax for the year	3,670.20	2,071.81	
Deferred Tax adjustments for earlier years (Net)	–	–	
	<u>3,670.20</u>	<u>2,071.81</u>	
B.33 Segment information			
<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.34 Earning per Share (EPS)			
Net Profit (Rs. in Lacs)	3,729.26	4,974.36	
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.)	15.95	21.27	
Diluted EPS (Rs.)	15.95	21.27	
B.35 COMMITMENTS			
S.N.	Particulars	As at March 31, 2015	As at March 31, 2014
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1,429.70	6,508.96
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

(₹ in Lacs)

B.36 CONTINGENT LIABILITIES & PROVISIONS			
S.N.	Particulars	As at March 31, 2015	As at March 31, 2014
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)	1618.74	2,203.72
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 has been disclosed in the accounts.</i>)	1649.35	7046.47
	b) Delayed payment of surcharge on the amount of fuel surcharge arrears		
ii)	Amount claimed by the Kandla Port Trust not acknowledge by company, matter is pending before the Court.	382.60	382.60
iii)	Water Bills arrears to KUWSB & DB for the period Sep'13 to June'14 towards rate difference dispute	120.14	–
iv)	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
v)	Liquidated damage and interest claimed by BSIDC not acknowledged by the Company	185.24	171.22
vi)	Compensation payable against various labour cases pending with various Courts	156.00	156.00
vii)	Incremental Lease Rent with Interest to Tata Motors Ltd. as per the order of High court	48.70	45.56
viii)	Sales Tax		
	FY 2003-04 for which the Company has filed writ no. 1811/2007 before Allahabad High Court against Dy Commissioner(A), Sonbhadra Order(due to non submission of certificate of Trade tax check post at Nepal Border ₹1.63 lac was deposited). It has been adjudicated in favour of company order dated 23.02.2015.	–	18.19

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

S.N.	Particulars	As at March 31, 2015	As at March 31, 2014
	FY 2009-10 for which the Company has filed appeal before The Joint Commissioner of Commercial Taxes (Appeal), Ranchi Division against demand raised for short receipt of Form "F"	12.25	–
	FY 2010-11 for which the Company has filed appeal before The Joint Commissioner of Commercial Taxes (Appeal), Ranchi Division against demand raised for short receipt of Form "F"	28.36	–
	VAT credit for the FY 2010-11 has been disallowed by Joint Commissioner (corporate). Appeal filed at Additional (Appeal) Mirzapur.	7.03	–
ix)	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	12.40
	e) For the period April'08 to March'13 on clearance of waste and scrap of capital goods demand by Central Excise Comm. Ald., appeal filed with CESTAT.	291.91	–
x)	Service Tax		
	a) Demand of Service Tax for the period April' 05- June' 06. Cases were Pending before CESTAT, New Delhi.	160.64	159.55
	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	105.02

B) Provisions

Nature	Opening Balance	Addition	Utilization	Closing Balance
Various pending labour cases with Court	147.80	0.00	0.00	147.80

The Company's pending litigations comprise of claims against the Company by various authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

B.37 RETIREMENT BENEFITS

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

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

	As at March 31, 2015	As at March 31, 2014
A Status		
a) At the end of the period	731.19	759.54
b) Fair value of plan assets	(802.48)	(771.17)
c) Net Liability/ (Asset)	(71.29)	(11.63)

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

	Current Year	Previous Year
A Components of Employer Expenses		
a) Current Service Cost	38.22	34.61
b) Interest on Defined Benefit Obligations	59.63	71.39
c) Expected Return on Plan Assets	(62.77)	(72.20)
d) Actuarial Losses/ (Gains) on defined benefit obligation	(35.34)	(43.99)
e) Actuarial losses/ (gains) on Plan assets	20.60	3.87
f) Net Gratuity Cost	20.34	(6.32)

Actual Return on Plan Assets:

	As at March 31, 2015	As at March 31, 2014
a) Expected Return on Plan Assets	62.77	72.20
b) Actuarial Gain/ (Loss) on Plan Assets	(20.60)	(3.87)
c) Actual Return on Plan Assets	42.17	68.33

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

	As at March 31, 2015	As at March 31, 2014
A Change in Defined Benefit Obligation		
a) Opening Present Value of Defined Benefit Obligation	759.54	743.54
b) Current Service Cost	38.22	34.61
c) Interest Cost	59.63	71.39
d) Actuarial (Gains)/ losses	(35.34)	(43.99)
e) Benefits Paid	(90.86)	(46.01)
f) Closing Present Value of Defined Benefit Obligation	731.19	759.54

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
B Change in Fair Value of Assets		
a) Opening Plan assets	771.17	748.85
b) Expected Return on plan assets	62.77	72.20
c) Actual Company contributions	80.00	-
d) Employee Contributions	-	-
e) Actuarial gains/ (losses) on Plan Assets	(20.60)	(3.87)
f) Benefits paid	(90.86)	(46.01)
g) Closing Plan assets	802.48	771.17

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.

(ii) AMOUNTS RECOGNISED IN THE BALANCE SHEET IN RESPECT OF GRATUITY (UN FUNDED):

Present value of the un funded defined benefit obligation:

	As at March 31, 2015	As at March 31, 2014
A Status		
a) At the end of the period	1,654.05	1,770.32
b) Fair value of plan assets	-	-
c) Net Liability/ (Asset)	1,654.05	1,770.32

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

	Current Year	Previous Year
A Components of Employer Expenses		
a) Current Service Cost	73.14	56.59
b) Interest on Defined Benefit Obligations	136.98	122.92
c) Expected Return on Plan Assets	-	-
d) Actuarial Losses/ (Gains)	82.53	169.97
e) Actuarial losses/ (gains) on Plan assets	-	-
f) Net Gratuity Cost	292.65	349.48

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

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

	As at March 31, 2015	As at March 31, 2014
A Change in Defined Benefit Obligation		
a) Opening Present Value of Defined Benefit Obligation	1,770.32	1,636.25
b) Current Service Cost	73.14	56.59
c) Interest Cost	136.98	122.91
d) Actuarial (Gains)/ losses	82.53	169.97
e) Benefits Paid	(408.93)	(215.41)
f) Closing Present Value of Defined Benefit Obligation	1,654.04	1770.32
B Change in Fair Value of Assets		
a) Opening Plan assets	-	-
b) Expected Return on plan assets	-	-
c) Actual Company contributions	408.93	215.41
d) Employee Contributions	-	-
e) Actuarial gains/ (losses) on Plan Assets	-	-
f) Benefits paid	(408.93)	(215.41)
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.

(iii) AMOUNTS RECOGNISED IN THE BALANCE SHEET IN RESPECT OF LEAVE ENCASHMENT (UNFUNDED):**Present value of the defined benefit obligation**

	As at March 31, 2015	As at March 31, 2014
A Status		
a) At the end of the period	531.64	354.64
b) Fair value of plan assets	-	-
c) Net Liability/ (Asset)	531.64	354.64

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

	Current Year	Previous Year
A Components of Employer Expenses		
a) Current Service Cost	154.81	34.80
b) Interest on Defined Benefit Obligations	35.45	26.28
c) Expected Return on Plan Assets	-	-
d) Actuarial Losses/ (Gains)	107.41	121.17
e) Net Leave encashment Cost	297.67	182.25

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

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

	As at March 31, 2015	As at March 31, 2014
A Change in Defined Benefit Obligation		
a) Opening Present Value of Defined Benefit Obligation	354.65	267.21
b) Current Service Cost	154.81	34.80
c) Interest Cost	35.45	26.28
d) Actuarial (Gains)/ losses	107.41	121.17
e) Benefits Paid	(120.68)	(94.82)
f) Closing Present Value of Defined Benefit Obligation	531.64	354.64
B Change in Fair Value of Assets		
a) Opening Plan assets	–	–
b) Expected Return on plan assets	–	–
c) Actual Company contributions	120.68	94.82
d) Employee Contributions	–	–
e) Actuarial gains/ (losses) on Plan Assets	–	–
f) Benefits paid	(120.68)	(94.82)
g) Closing Plan assets	–	–

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

	As on March 31, 2015	As on March 31, 2014
Discount Rate	8.00%	8.25%
Rate of return on plan Assets (only in case of Gratuity)	8.00%	9.50%
Rate of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	14.53	13.10
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, 2015	As on March 31, 2014
Discount Rate	8.00%	8.25%
Rate of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	13.75	13.74
Withdrawal Rates	Varying between 8% per annum to 1% per annum depending on duration and age of the employees	

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

Principal Actuarial Assumptions at the Balance Sheet date (KCD)

	As on March 31, 2015	As on March 31, 2014
Discount Rate	8.00%	8.25%
Rate of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	13.33	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 up to 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.26 “Contribution to Provident Fund and other Funds”:

	Current Year	Previous Year
Contribution to Employee Provident Fund	368.43	305.31
Contribution to Superannuation Fund	82.78	40.04

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.38 LOANS AND ADVANCES INCLUDES

Amount Receivable from	Balance as on March 31, 2015	Balance as on March 31, 2014	Maximum amount due at any time during the year ended March 31, 2015	Maximum amount due at any time during the year ended March 31, 2014
Managing Director	NIL	NIL	NIL	NIL
Dues from Employees	42.26	40.92	58.13	93.44

B.39 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) Subsidiaries Company

Aditya Birla Chemicals (Belgium) BVBA

(iii) Fellow Subsidiaries Company

Utkal Alumina International Limited

Renuka Investment and Finance Limited

(iv) Key Managerial Personnel

Mr. K.C. Jhanwar (Managing Director)

(iv) Significant Influence

Tanfac Industries Ltd.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ 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	Subsidiary company	Fellow Subsidiary	KMP	Significant Influence	Total
1	Remuneration	– –	– –	– –	– (69.24)	– –	– (69.24)
2	Purchase of goods/ licence	8,767.07 (8,194.82)	– –	– –	– –	– –	8,767.07 (8,194.82)
3	Sale of goods	35,192.13 (36,687.81)	– –	863.03 (6.15)	– –	– –	36,055.16 (36,693.96)
4	Sale of Assets & Services	5.35 (3.04)	– –	– –	– –	– –	5.35 (3.04)
5	Dividend paid	180.07 (120.05)	– –	11.63* (7.75)	– –	– –	191.70 (127.80)
6	Sundry Debtors	890.95 (2,379.60)	– –	316.22 (3.06)	– –	– –	1,207.17 (2,382.66)
7	Sundry Creditors	420.29 (515.16)	– –	– –	– –	– –	420.29 (515.16)
8	Subscribed to 11% Non Convertible Cumulative Preference Shares	– –	– –	– –	– –	500.00 (–)	500.00 (–)
9	Dividend on 11% Non Convertible Cumulative Preference Shares	– –	– –	– –	– –	1.21 (–)	1.21 (–)
10	Subscribed to Share capital	– (–)	4.80 (–)	– (–)	– (–)	– (–)	4.80 (–)
11	Repayment of Loans and Advances	–	–	– (–)	– (–)	– (300.00)	– (300.00)
12	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.40 Power (electricity) purchase as well as sale (supply) to UPPCL & JSEB has been accounted for in the accounts as sale/purchase of power.

B.41 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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

B.43 REMUNERATION TO KEY MANAGERIAL PERSONNEL

	Current Year (Managing Director)	Previous Year (Managing Director)
Basic Salary	-	20.49
Special allowance	-	18.75
Variable Pay	-	13.67
Contribution to Provident and Other Funds*	-	2.46
Medical expenses	-	3.17
Other Allowances and Perquisites**	-	10.70
Total	-	69.24

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

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

The Computation of net profit under section 198 of the Act has not been given as no commission is payable to the Managing Director under Section 197 of the Act. No remuneration has been paid to the Managing Director in the current year.

B.43 Stores & Spares consumed includes replacement of Spare parts of Plant & Machinery, as per consistent policy followed by the company.

B.44 Statutory dues include Rs.1025.00 Lacs (Previous Year Rs. 879.36 Lacs) towards liability made under Entry Tax of Goods Act, 2007 (U.P) which is disputed.

B.45 The depreciation expense charged for the year ended March, 31 2015 is lower by Rs 2537.82 Lacs arising out of difference in useful lives of fixed assets as per Schedule XIV of Companies Act 1956 Act and Schedule II of Companies Act, 2013.

B.46 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company did not have any derivative contracts as at balance sheet date

B.47 OTHER ADDITIONAL INFORMATION**(A) DETAILS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED**

	2014-15		2013-14	
	Amount	%	Amount	%
i) Consumption of Raw Materials				
Imported	5,888.25	9.67	5,014.69	9.25
Indigenous	54,974.58	90.33	49,178.31	90.75
Total	60,862.83	100.00	54,193.00	100.00
ii) Consumption of Stores & Spares				
Imported	108.31	3.44	51.38	1.95
Indigenous	3,035.72	96.56	2,590.43	98.05
Total	3,144.03	100.00	2,641.81	100.00

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(₹ in Lacs)

(B) DETAILS OF FOREIGN CURRENCY TRANSACTIONS

	2014-15	2013-14
CIF Value of Imports		
i) Raw materials	5,772.72	5,627.95
ii) Capital Goods & Components	3,526.99	676.94
Expenditure in Foreign Currency		
Technical Know-how and Professional or Consultation Fees	1.81	–
Interest	–	–
Foreign Travels	–	–
Others	73.14	79.87
Earnings in Foreign Currency		
Export of goods on FOB basis	4,826.29	6,533.95

(C) DIVIDEND TO NON-RESIDENT SHAREHOLDERS

Year	No. of Shareholders	No. of Shares held	Amount of dividend remitted
For F Y 12-13	5	1,200	0.01
For F Y 13-14	5	1,200	0.01

B.48 Figures of previous year have been regrouped / rearranged wherever necessary

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration No. 105146W

Hasmukh B Dedhia

Partner (Membership No. F-033494)

Place : Mumbai

Dated : May 13, 2015

H.K. Panda
CFO

Akash Mishra
Company Secretary

A. K. Agarwala
Director

K. C. Jhanwar
Managing Director

L. S. Naik
Director

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

Parameters	Unit	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
Financial Results											
Gross Turnover/ Revenue from Operations	Rs. in crores	129.05	166.31	202.51	230.91	243.55	262.65	670.64	888.54	1182.42	1251.78
PBDIT	Rs.in crores	55.31	71.30	85.01	79.90	94.83	94.44	151.37	196.10	256.72	265.49
PBDT	Rs.in crores	47.52	60.58	75.81	74.32	91.26	91.80	70.67	105.76	166.11	156.16
PBT	Rs.in crores	38.12	44.76	58.45	55.60	71.22	71.44	16.65	45.74	89.25	92.84
PAT	Rs.in crores	26.15	33.76	49.27	46.08	60.74	62.30	4.29	19.65	49.74	37.29
Net Worth	Rs.in crores	108.56	146.13	195.79	239.34	289.36	352.05	353.98	373.90	420.14	445.15
Debt Equity Ratio	Numbers	1.02	0.76	0.40	0.19	0.15	0.04	2.03	2.18	2.39	2.36
Earning per share	Rs./Share	11.18	14.43	21.07	19.70	25.97	26.64	1.84	8.40	21.27	15.95
Return on Capital Employed	%	32.00	21.25	23.04	19.62	20.52	19.07	8.18	10.66	11.84	12.42
Book Value/Share	Rs./Share	46.42	62.49	83.72	102.34	123.73	150.53	151.36	159.88	179.65	190.35
Return on Net worth	%	27.51	23.10	25.16	19.25	20.99	17.70	1.21	5.26	11.84	8.38
Dividend	%	10%	15%	15%	15%	15%	5%	5%	10%	15%	50%

ADITYA BIRLA CHEMICALS (INDIA) LIMITED