



**CORPORATION  
LIMITED**

MP BIRLA GROUP

ANNUAL REPORT AND ACCOUNTS 2008-09





Madhav Prasadji Birla  
(1918-1990)

*Visionary, Pioneer, Karmayogi. His inspiring spirit of enterprise continues to be the guiding force for all our activities and future growth.*





Priyamvadaji Birla  
(1928-2004)

*Vidya, Shradha, Chintan and Utkarsh were the principles that governed her approach to life and will be guiding us always in our pursuit for excellence*



Rajendraji S Lodha  
(1942-2008)

*His exemplary leadership will continue to inspire and motivate us to grow, develop and excel in all spheres with Discipline, Determination, Dedication and Dignity*

## DIRECTORS



Shri Harsh V. Lodha



Shri N. K. Kejriwal



Smt. Namini Nopany



Shri Pracheta Majumdar



Shri Vikram Swarup



Shri Anand Bordin



Shri B. B. Tandon



Shri D. N. Ghosh



Shri B. R. Nahar  
Executive Director & CEO

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## **BOARD OF DIRECTORS**

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Shri Rajendra S. Lodha  
Chairman (up to 03.10.2008)

Shri Harsh V. Lodha

Shri N. K. Kejriwal

Smt. Nandini Nopany

Shri Pracheta Majumdar

Shri Vikram Swarup

Shri Anand Bordia

Shri B. B. Tandon

Shri D. N. Ghosh

Shri B. R. Nahar  
Executive Director & Chief Executive Officer

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## **CHIEF FINANCIAL OFFICER**

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Shri P. K. Chand

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## **ACTING COMPANY SECRETARY**

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Shri Girish Sharma

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## **AUDITORS**

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H.P. Khandelwal & Co.  
Chartered Accountants  
Kolkata - 700 001

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## **REGISTRAR & TRANSFER AGENT**

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MCS Limited  
77/2A, Hazra Road  
Kolkata - 700 029

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## **REGISTERED & PRINCIPAL OFFICE**

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Birla Building (3rd & 4th floor)  
9/1, R. N. Mukherjee Road,  
Kolkata - 700 001

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## **SENIOR MANAGEMENT TEAM**

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Shri G. Jayaraman  
Executive President

Shri P.S. Marwah  
President  
Satna Cement Works  
Birla Vikas Cement  
Raebareli Cement Works  
Vindhyachal Steel Foundry

Shri V. K. Hamirwasia  
President  
Birla Cement Works  
Chandaria Cement Works

Shri P. C. Mathur  
Joint President  
Durgapur Cement Works  
Durga Hitech Cement

Shri K.K. Sharma  
Joint President  
Management Audit

Dr. D. Ghosh  
Joint President  
New Projects and R & D

Shri S. N. Prasad  
Sr. Vice-President (Works)  
Birla Jute Mills

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## FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	1997-98
<b>OPERATING RESULTS</b>								
<b>Turnover</b>	<b>203884</b>	<b>199678</b>	<b>179451</b>	<b>143344</b>	<b>134264</b>	<b>116891</b>	<b>112420</b>	<b>97204</b>
Surplus before Interest & Depreciation	50193	61367	51992	19187	14522	10039	7043	2416
Interest	2205	2105	1853	1362	2169	2514	3157	4543
<b>Surplus/(Deficit) after Interest but before Depreciation</b>	<b>47988</b>	<b>59262</b>	<b>50139</b>	<b>17825</b>	<b>12353</b>	<b>7525</b>	<b>3886</b>	<b>(2127)</b>
Depreciation	4342	4144	3965	3416	2983	3367	3220	3008
Income/Fringe Benefit / Deferred/Wealth Tax	11295	15761	13551	1833	683	2	247	(23)
Net Profit	32351	39357	32623	12576	8687	4156	419	(5112)
Dividend	4054	3604	3153	1976	1317	869	—	397
Dividend Percentage	45.00	40.00	35.00	22.50	15.00	10.00	—	10.00
<b>Retained Earning</b>	<b>28297</b>	<b>35753</b>	<b>29470</b>	<b>10600</b>	<b>7370</b>	<b>3287</b>	<b>419</b>	<b>(2104)</b>
<b>ASSETS &amp; LIABILITIES</b>								
Fixed Assets:								
Gross Block	144302	130010	116151	112821	98104	90301	88909	78415
Net Block	74887	62746	52630	53037	40297	32547	33490	39159
Current & Other Assets & Investments	121180	130393	85525	42807	37439	32099	31978	30693
<b>Total Assets</b>	<b>196067</b>	<b>193139</b>	<b>138155</b>	<b>95844</b>	<b>77736</b>	<b>64646</b>	<b>65468</b>	<b>69852</b>
Represented by :								
Share Capital	7701	7701	7701	7701	7701	7701	7701	3056
Reserves & Surplus	121070	92797	58880	30723	23578	18049	15738	19446
<b>Net Worth</b>	<b>128771</b>	<b>100498</b>	<b>66581</b>	<b>38424</b>	<b>31279</b>	<b>25750</b>	<b>23439</b>	<b>22502</b>
Borrowings	27645	27225	28265	27178	24156	20712	26487	35575
Current Liabilities & Provisions	39651	65416	43309	30242	22302	18185	15543	11775
<b>RATIOS</b>								
Earning per Ordinary Share (Rs.)	42.01	51.11	42.36	16.33	11.28	5.40	0.54	—
Cash Earning per Ordinary Share (Rs.) (annualised)	47.65	56.49	47.51	20.77	15.15	9.77	4.73	—
Net Worth per Ordinary Share (Rs.)	167.22	130.51	86.46	49.90	40.62	33.44	30.44	73.64
Debt Equity Ratio (on long-term loans)	0.04:1	0.07:1	0.14:1	0.32:1	0.31:1	0.25:1	0.41:1	0.75:1
Current Ratio	1.86	1.13	1.18	1.03	1.28	1.25	1.31	2.45

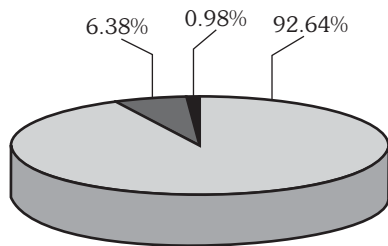
## SOURCES AND APPLICATION OF FUNDS

(Rs. in lacs)

SOURCES OF FUNDS	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
1. Generation from operations-						
Surplus/(Deficit) after taxes	32351	39357	32623	12576	8687	4301
Depreciation	4342	4144	3965	3416	2983	3367
Deferred Tax	1053	116	—	—	—	—
	<u>37746</u>	<u>43617</u>	<u>36588</u>	<u>15992</u>	<u>11670</u>	<u>7668</u>
2. Borrowings ( Net )	419	(1039)	1087	3022	3445	(5774)
3. Reduction in working Capital	—	—	—	5707	—	661
4. Decrease in Capital Reserve Others(Net)	(1)	(4)	—	—	—	—
	<u>38164</u>	<u>42574</u>	<u>37675</u>	<u>24721</u>	<u>15115</u>	<u>2555</u>
<b>APPLICATION OF FUNDS</b>						
1. Fixed Assets	16505	14289	3637	16234	10813	2569
2. Investments	(8171)	21393	24476	6511	1211	(883)
3. Increase in Working Capital	25776	3288	6409	—	1774	—
4. Dividend	4054	3604	3153	1976	1317	869
	<u>38164</u>	<u>42574</u>	<u>37675</u>	<u>24721</u>	<u>15115</u>	<u>2555</u>

### Statement of Sales by Activities 2008-09

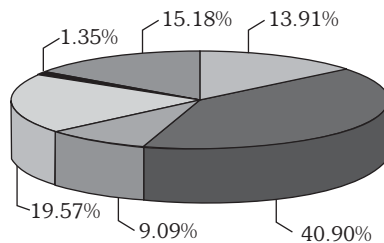
(Rs. in Lacs)



■ Cement	: 188874 (92.64%)
■ Jute	: 13017 (6.38%)
■ Others	: 1993 (0.98%)

### Revenue Distribution 2008-2009

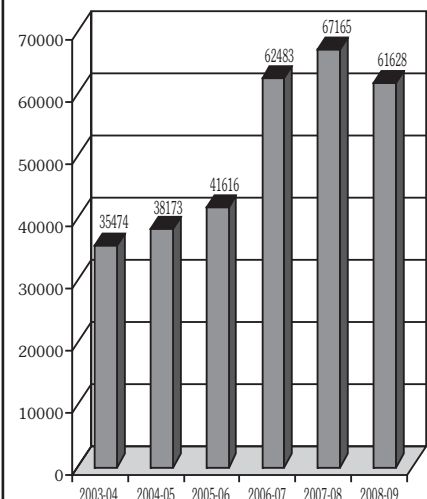
(Rs. in Lacs)



■ Raw Materials	: 22743 (13.91%)
■ Manufacturing Expenses	: 66881 (40.90%)
■ Payment to and Provisions for Employees	: 14859 (9.09%)
■ Selling, Administration & Other Expenses	: 32002 (19.57%)
■ Interest	: 2205 (1.35%)
■ Excise Duty	: 24819 (15.18%)

### Contribution to National Exchequer 2008-2009

(Rs. in Lacs)





## **DIRECTORS' REPORT**

### **To the Shareholders**

At the outset, the Directors express their deep sorrow and profound regret for the sudden and untimely demise of Shri Rajendra S. Lodha, Chairman of the Company who left for his heavenly abode on 3rd October, 2008. Shri Lodha rejoined the Board of the Company in 2001 and was unanimously elected Co-Chairman at the instance of Smt. Priyamvada Birla who wanted him to become the Chairman. After the death of Smt. Priyamvada Birla in 2004, the mantle of running the multi-product, multi-location Group fell on his shoulders. He took up the challenge and guided the Group to new heights with his astute leadership. Shri Lodha was not only a distinguished professional and entrepreneur but also a charismatic leader, great visionary, who dedicated himself towards furthering the growth of the M.P. Birla Group companies and its philanthropic activities in the areas of health-care and education. During his leadership, the Company grew from strength to strength and recorded the highest ever profit for four consecutive years, testifying to Shri Lodha's business acumen and foresight. The Company's competitiveness in relation to its performance in cement business improved during the period and after the completion of the on going projects, undertaken during his Chairmanship, the production capacity will effectively go up to 7.5 million tons. The imprint of his personality, indomitable courage, conviction and dynamic vision continues to guide every sphere of activity of the Company as well as the M.P. Birla Group.

Your Directors have pleasure in presenting their annual report together with the audited accounts of the Company for the year ended 31st March, 2009.

	31st March, 2009		31st March, 2008	
	(Rs. in Crores)			
<b><u>FINANCIAL RESULTS</u></b>				
Gross Turnover		2038.84		1996.78
Income for the year		1866.78		1762.39
Gross Profit before interest		501.93		614.33
Interest Charge		22.05		21.71
Profit before Depreciation & Tax		479.88		592.62
Provision for				
i) Depreciation	43.42		41.44	
ii) Taxation	112.95	156.37	157.61	199.05
Profit after Tax		323.51		393.57
Additions:				
Balance Brought Forward from last year	167.95		178.35	
Less: Employee benefits as per AS-15 (Revised)	—	167.95	17.93	160.42
Surplus available for Appropriation		491.46		553.99
Appropriation:				
i) Proposed Dividend	34.65		30.80	
ii) Corporate Dividend Tax	5.89		5.24	
iii) General Reserve	350.00	390.54	350.00	386.04
Balance transferred to Balance Sheet		100.92		167.95

## **DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs.4.50 per share (i.e.45%) on 7,70,05,347 ordinary shares for the year ended 31st March, 2009 aggregating to Rs.40.54 crores including Corporate Dividend Tax of Rs.5.89 crores as compared to Rs.36.04 crores (including Corporate Dividend Tax of Rs.5.24 crores) in the previous year.

## **HIGHLIGHTS OF PERFORMANCE/EVENTS**

1. Highest ever cement production at 5.29 million tons.
2. Achieved turnover of Rs.2038.84 crores for the first time.
3. Highest ever rate of Dividend of 45% and Dividend Payout of Rs.40.54 crores (including Corporate Dividend Tax).
4. Highest ever share (84%) of blended cement in the overall cement production of the Company.
5. Completed the first phase of the capacity enhancement programme at Satna and on commissioning of the second phase the clinker capacity will increase to 9600 Tons per day.
6. Expansion programme at Chanderia also completed in April, 2009 thereby increasing the clinker capacity to 4050 Tons per day.
7. Madhya Pradesh Government has recommended to the Ministry of Mines, New Delhi for allotment of Limestone Mining Lease covering an area of about 2130 hectares in Satna district to Talavadi Cements Limited, a subsidiary of the Company.
8. Allotment of Bikram Coal Block in Madhya Pradesh for captive consumption.

## **REVIEW OF OPERATIONS**

During the year 2008-09, the production of cement was at all-time high at 5.29 million tonnes. The Company also achieved the highest ever turnover of Rs.2038.84 crores. The profit after tax was Rs.323.51 crores as against Rs.393.57 crores during the previous year. The Earning per Share (EPS) was Rs.42.01.

The working of the first-half of the Company was affected on account of the ban on export of cement by the Government and duty-free import of cement from the neighbouring countries, high inflation rate and slump in the realty sector on account of the sluggish economic condition due to global recession. However, things started improving from the later part of the third quarter on the back of slew of measures taken by the Government like withdrawal of ban on export, re-introduction of Countervailing Duty on import of cement, announcement of financial and economic stimulus packages, which involved

reduction of Excise Duty on cement from 14% to 8% in two phases, emphasis on building of infrastructure, low-cost housing projects and making available housing loans at lower rate of interest.

The management was forced to declare 'Suspension of Operations' at the Durgapur plant in March, 2008 on account of gross acts of indiscipline, unruly behaviour and unreasonable demand for employment of as high as 1,000 workers in the new production facility, which had direct impact on the operations and maintenance activities in the plant. After several rounds of discussions with the unions and the Labour Department, Government of West Bengal, the matter was amicably resolved and the 'Suspension of Operations' was lifted from 9th July, 2008 with the signing of a tripartite agreement. As a result of the firm strategy, adopted by the management, to not to concede to the irrational demands, the plant did not employ any additional workforce, thereby improving the competitiveness. Subsequently, a Voluntary Retirement Scheme (VRS) was introduced at Durgapur and more than 100 workers/staff members opted for the same.

Management Discussion and Analysis Report, covering the performance details of each division separately, is annexed hereto.

## **EXPANSION AND MODERNISATION**

With the commissioning of the first phase of the capacity enhancement programme at Satna in September, 2008, production capacity at the plant has gone up to 7400 Tons per day (TPD). The second and final phase of the expansion programme is taking longer time due to the ageing factor of the plant, space limitation and blending of old and new buildings. Most of the construction work in the running plant is being carried out without affecting production. It is expected that the project would be completed by the end of the Financial Year 2009-10 and the total clinker production capacity at Satna would increase further to 9600 TPD.

The expansion project at Chanderia has been completed in April, 2009 and with this capacity enhancement, the clinker capacity has gone up to 4050 TPD.

The total cement capacity of the Company after the completion of the remaining expansion work at Satna would effectively stand enhanced to 7.5 million tons. It is heartening to mention that the expanded production capacity will not lead to any addition to the manpower.

The project work for installation of the Waste Heat Recovery System (WHRS) both at Satna and Chanderia is progressing satisfactorily and the same is likely to be completed in phases from the Second Quarter of the Financial Year 2010-11. Once the project is implemented, the Company would not only be able to reduce Green House Gases (GHG) emissions into the atmosphere but would also be able to generate power at a very

low cost. The waste hot gases coming out of pre-heater and clinker cooler will be used to generate substantial power under the system.

The Company has been allotted Bikram Coal Block in the State of Madhya Pradesh and necessary steps are being taken for approval of the mining plan and obtaining environmental clearances.

Further, in order to grow and become more competitive, the Company has planned several capacity enhancement and infrastructure development measures. These include setting up of a 1.2 million tons brownfield plant at Chanderia along with the Waste Heat Recovery System and 30 MW Captive Power Plant, increase in the grinding capacity at Durgapur by 0.6 million tons and installation of a Coal Washery along with 30 MW Captive Power Plant at Satna. These projects are likely to be completed in about two years time.

Further, the Madhya Pradesh Government has recommended to the Union Ministry of Mines for allotment of mining lease of about 2130 hectares in Satna district to Talavadi Cements Limited, a subsidiary of the Company. The recommendation has been challenged by some parties in the High Court and Tribunal and once the issue is favourably resolved, the Company plans to set up a cement plant with an annual capacity of up to 3 million tons in Satna District with an investment of Rs.1200 crores.

## **CORPORATE MATTERS**

Credit Analysis and Research Limited (CARE) has reaffirmed "CARE AA" (Double A) rating for the Company's Long and Medium Term facilities of more than one year tenure and PR 1 + (PR one plus) rating for Short Term Bank facilities aggregating Rs.650 crores. Further, the rating Committee of CARE has reaffirmed PR 1 + rating and CARE AA rating for the Short Term Debt and the Long Term borrowing programme, respectively.

## **CONTRIBUTION TO NATIONAL EXCHEQUER**

During the year under review, a sum of Rs.616.28 crores (Rs.671.65 crores in 2007-08) was paid to the various government authorities on account of taxes, duties and other levies.

## **CORPORATE GOVERNANCE**

The Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance, along with certificate from the auditors confirming the compliance, is annexed and forms part of the Annual Report.

## **AWARDS & RECOGNITION**

The Company has received the Best Corporate Ethics Award for 2008 from The Indian Institute of Planning and Management.

Further, the Company's cement divisions at Satna and Chanderia received the following Awards during the year:

- i) Greentech Environmental Silver Award from Greentech Foundation, New Delhi, received by our Satna Unit for Environment Protection and Conservation.
- ii) Our Chanderia Unit received "5-S Workplace Management System" Award from Quality Circle Forum of India, Secunderabad, for its Thermal Power Plant.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company as a part of the M.P. Birla Group is actively associated with various social and philanthropic activities undertaken by the Group. The Company has been playing a pro-active role in the socio economic growth and has contributed in all spheres ranging from health, education, rural infrastructure development, environment conservation etc.

The Company has actively supported the establishment of Priyamvada Birla Cancer Research Institute at Satna, which was inaugurated in August, 2008 by the Hon'ble Chief Minister of Madhya Pradesh. During the inauguration, Shri Rajendra S. Lodha said that "our mission is to bring world-class cancer care now within the common man's reach". The state-of-the-art facility would go a long way in bringing succour to the needy people in the Vindhya region. The Institute has been set up with technical assistance from Tata Memorial Hospital and would serve more than 3 crore people in the adjoining 11 districts of Madhya Pradesh and Uttar Pradesh. The hospital has latest equipment including the 40-channel Brachytherapy unit (the third in Asia) and dual-energy linear accelerator, with six electrons, for radiotherapy.

That apart, some of the other initiatives of the Company in the field of conservation of environment, health-care, education and social welfare are as follow:

### **A) Conservation of Environment**

Consistent efforts in promoting clean environment and making the environment eco-friendly have continued throughout the year. Extensive plantations have been undertaken at Satna and Chanderia Units both in and around mining, plant and residential area. With a view to reduce and control emission, parallel bag house and bag filters have been installed at various locations in Satna plants. The efforts made by the Company towards the conservation and protection of environment has been acknowledged and the Greentech Foundation, New Delhi, awarded Greentech Environmental Silver Award to the Satna Unit of the Company. Further, to protect the environment, the Company has consumed 935388 tonnes of Flyash during the year 2008-09 at various cement plants of the Company. This has helped us to reduce the clinker usage, which in turn reduced GHG emissions at our plants, without compromising on the quality and strength of cement. On implementation of the Waste Heat Recovery System at Satna and Chanderia plants we will use the waste hot gases coming out of the pre-heater and clinker cooler to generate substantial power thereby reducing GHG emissions into the atmosphere.



## **B) Health Initiatives**

The Medical Officer and para-medical staff visits various nearby villages in the Satna area every week for free check-up and treatment and medicines are also distributed free. A fully equipped dispensary, with a Doctor and para-medical staff is maintained round the clock at Sagmania Mines and Factories for the benefit of the villagers in the vicinity of Satna. The Company provided required infrastructure for establishing an Ayurvedic Dispensary at Sagmania Mines Colony run by Cess and Welfare Department, Government of India. Free Eye Checking and Treatment Camps were organised, which benefited 204 nos. patients from the surrounding villages at Satna. A Family Planning Camp was organised at Chanderia Unit wherein 80 operations were carried out. The Chanderia Unit also took the initiative in constructing the boundary wall and developing the Garden at Sanwaria Hospital, Chittorgarh. At Birlapur, eight Pulse Polio Camps have been organised for the wards of the employees and local inhabitants below the age of 5 years. On the occasion of AIDS DAY, a four-day long AIDS awareness camp was organised.

## **C) Education Initiatives**

A boundary wall was constructed at the Primary School in Baraj village near Satna and sports materials and stationery were provided free in the schools in the nearby locality. The Unit also undertook repair and painting work at Adivasi School, Sagmania and other schools. Bus facility for attending the school in city area was provided to the children living in the surrounding villages of Satna. A Computer room and boundary wall was constructed at Nagri School near Chanderia. The Unit also provided sports materials to various nearby schools and contributed for sports and event competition. Vocational training was provided to number of students pursuing Management and Engineering courses at our plants as well as at Corporate Office.

## **D) Social Welfare**

Drinking water was being provided regularly in RCC water tanks constructed by the Satna Unit in nearby villages. The Unit also contributed in construction of Canal to bring water from Bansagar Dam to Satna Anikut for providing water to the inhabitants of Satna. At Surjana village near Chanderia, a RCC drinking water tank of 75,000 litres capacity was constructed and water distribution pipelines were also laid. Drilling and pipe laying work was also done near Neelkanth Mahadev Temple at Chittorgarh. At Birlapur, Blood Donation Camps were organised in association with different NGOs for the inhabitants of Birlapur and its locality. "Mid Day Meals" were provided to the destitute and children in the locality once in every month.

## **SUBSIDIARY COMPANIES**

With a view to explore the possibilities of setting up Greenfield projects, the Company has formed 4 (Four) new wholly owned subsidiaries during the year namely, Thiruvaiyaru Industries Limited, Birla Cement (Assam) Limited, Birla North East Cement Limited and New-Age Cement Limited. Further, for the purpose of providing services to the various concerns of M.P. Birla Group, a wholly owned subsidiary with the name M.P. Birla Group Services Private Limited was formed during the year.

The statement pursuant to Section 212 of the Companies Act, 1956 containing details of subsidiaries of the Company, forms part of the Annual Report.

The Company has sought exemption from the Central Government under section 212(8) of the Companies Act, 1956, from attaching to the Balance Sheet of the Company, the Accounts and other reports of its subsidiary companies.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 217(2AA) of the Companies Act, 1956, your Directors state that —

- (a) in the preparation of the annual accounts for the year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures, where ever applicable;
- (b) the accounting policies adopted in the preparation of the annual accounts have been applied consistently (read with notes as appearing in Schedule 23 on Accounting Policies and Notes on Accounts) and reasonable & prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2008-09 and of the profit for the year ended 31st March, 2009;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the year ended 31st March, 2009, have been prepared on a going concern basis.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure, which is annexed hereto and forms part of the Directors' Report.

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## **PARTICULARS OF EMPLOYEES**

As required under Section 217(2A) of the Companies Act, 1956, and the Rules made thereunder, particulars of the employees concerned are given in the Annexure, which is attached hereto and forms part of the Directors' Report.

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## **DIRECTORS**

Shri Pracheta Majumdar, Shri Vikram Swarup and Shri B.B. Tandon retire from the Board by rotation and, being eligible, offer themselves for re-appointment.

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## **AUDITORS & AUDITORS' REPORT**

The members are requested to appoint the auditors and to fix their remuneration.

The notes on accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

Shri Somnath Mukherjee, Cost Accountant, had been appointed as Cost Auditor relating to Cement and Jute Goods manufactured by the Company for the year under review in terms of the Central Government's approval.

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## **APPRECIATION**

We wish to place on record our appreciation for the continued assistance and co-operation extended to the Company by the

Government of India, State Governments, Financial Institutions and Banks, Dealers and Customers, Shareholders and to all others who are continuing their assistance to the Company.

HARSH V. LODHA  
NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
ANAND BORDIA  
B.B. TANDON  
D.N. GHOSH

} *Directors*

B.R. NAHAR

} *Executive Director &  
Chief Executive Officer*

Kolkata,  
Dated the 7th day of May, 2009

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The Company has since received from Central Government exemption under Section 212 vide letter No.47/314/2009-CL-III dated 20th May, 2009. Accordingly, the Audited Statement of Accounts, the Reports of the Board of Directors and Auditors of the Subsidiary companies are not annexed as required under Section 212(8) of the Companies Act, 1956. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will also be available for inspection by any shareholder at the Registered Office of the Company on any working day during business hours. A statement containing brief financial details of Subsidiaries of the Company for the year ended 31st March, 2009, forms part of the Annual Report.

**PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Auto Trim	Cement
<b>A. Conservation of Energy</b>		
a) Energy Conservation measures taken	<p>Reprogramming of heater plates for up &amp; downward motion only and bypassing lateral movement resulted in reduced cycle time. This in turn saves energy per cycle.</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p>	<p>Energy Conservation continues to receive top priority, Energy audits were carried out at all units, consumption monitored, maintenance system improved and distribution losses reduced. Clean Development Mechanism (CDM) projects for energy/fuel reduction and for blended cement implemented.</p> <p>Installation of energy efficient multi drive with VSD for Cooler &amp; Preheater Fans.</p> <p>Energy Management software installed for process control, monitoring and for all ESP'S at Satna and Chanderia unit.</p> <p>Installed Latest Generation Cooler and Low Pressure Preheater Cyclones at Satna and Chanderia unit.</p> <p>Replacement of old mining equipment by fuel efficient and higher capacity equipment, replacement of conventional bulbs with energy efficient CFL bulbs at Satna and Chanderia unit. Installation of timer based control for Plant Lighting at Durgapur Unit.</p> <p>Installation of Kiln Shell Scanner Temperature monitoring system with 3D Model of Kiln Temperature Zone at Satna &amp; Chanderia.</p> <p>Installation of Waste Heat Recovery System for Kiln and Cooler Hot Gases for Satna and Chanderia unit for generation of power at each unit is in progress.</p> <p>Installation of VRM for Raw / Coal Grinding at Satna and Chanderia Unit.</p> <p>—</p> <p>Installation of energy efficient cement grinding system.</p> <p>Installation of high efficient tertiary crusher at Chanderia.</p> <p>Use of additive in cement grinding.</p> <p>(c) Capacity optimization and reduction of fuel and energy consumption and consequently on the cost of production of cement.</p> <p>Increase in Fly Ash and Slag absorption in Blended Cement Production.</p> <p>Recovery of waste heat for productive purpose.</p> <p>Form 'A' annexed</p>
b) & c) Additional investment, proposals, if any, and impact	<p>Inclusion of Juppboard feeder mechanism in the contact heater for transportation of heated felt directly to the moulds will save manpower, reduce cycle time and eventually production cost.</p> <p>Use of low energy compact fluorescent lamps in production areas instead of high wattage flameproof lamps for saving energy.</p> <p>In non-production areas timer or Light Emitting Diode (LED) controlled lamps for saving energy.</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p>	<p>Installation of Waste Heat Recovery System for Kiln and Cooler Hot Gases for Satna and Chanderia unit for generation of power at each unit is in progress.</p> <p>Installation of VRM for Raw / Coal Grinding at Satna and Chanderia Unit.</p> <p>—</p> <p>Installation of energy efficient cement grinding system.</p> <p>Installation of high efficient tertiary crusher at Chanderia.</p> <p>Use of additive in cement grinding.</p> <p>(c) Capacity optimization and reduction of fuel and energy consumption and consequently on the cost of production of cement.</p> <p>Increase in Fly Ash and Slag absorption in Blended Cement Production.</p> <p>Recovery of waste heat for productive purpose.</p> <p>Form 'A' annexed</p>
d) Power & Fuel Consumption	Form 'A' annexed	Form 'A' annexed
<b>B. Technology Absorption</b>		
e) Research & Development		
1) Specification of Technology absorption and/or R&D	Use of Jute Polypropylene granules for injection moulding from virgin Jute & Polypropylene material.	Actively collaborated with National Council for Cement & Building Materials (NCCBM), Institute of Mineral & Materials Technology (formerly RRL), Bhubaneswar for research & development activity
	—	Latest generation coolers for better heat recuperation, low pressure cyclone for fuel and raw mix optimization for Satna & Chanderia Units, beneficiation of Limestone.
	—	Pregrinder Vertical Roller Mill for Raw Mill Grinding at Satna for Energy efficient grinding.
2&3) Benefit and future plan of action	Complex geometrical shapes for parts will be possible because of better rheological properties as compared to Jute Polypropylene felt.	Production of more blended cement.
	—	Optimum use of Limestone & Coal.
	—	To predict life of bricklining in kiln and optimize production from kiln.
	—	Efficient software based kiln process control for better production and quality.
<b>C. Foreign Exchange Earning &amp; Outgo</b>		
f) Export activities	—	—
g) Total Foreign Exchange used - Rs. 6266.44 lacs.		
h) Total Foreign Exchange earned (including export in Indian Currency) - Rs. 9041.13 lacs.		



Jute	Steel Foundry	Vinoleum
Energy Conservation continues to receive top priority, Energy Audit was carried out, consumption monitored, maintenance system improved and distribution losses reduced.	Energy Conservation continues to receive top priority, Energy audit are carried out of all Units, consumption monitored, maintenance system improved and distribution losses reduced.	Replaced Asbestos Corrugated Sheet with Translucent Sheet over the Main Plant Roof.
Installation of Eco friendly Process Steam Boiler based on Waste Jute Caddy firing under Clean Development Mechanism (CDM) project. Process Steam pipe line route optimization	Installation of Latest generation Induction Furnace.	Installed Capacitors at Operating Panel of Chilling Plant and Thermic Fluid Heater to reduce Power Consumption by increasing Power Factor.
Modification in Dornier Looms and Spinning Frames.	—	—
—	—	—
—	—	—
Modification in Spinning Frames.	Installation of oil quenching furnace for grinding media to improve quality and production capacity.	—
Installation of Waste Heat Recovery System for process steam.	—	—
Installation of 33 KV/6.6 KV Sub Station.	—	—
—	—	—
—	—	—
—	—	—
—	—	—
Form 'A' annexed	Form 'A' annexed	Form 'A' annexed
Process Steam generation by utilization of Waste Jute Caddy.	Latest technology Grinding media hardening.	In-house Chemical and Physical laboratory for testing and development activities.
Modification in Jute Spreader, Breaker, Spinning Frame.	—	—
—	—	—
Contribution towards higher productivity, improved quality of finished goods and reduction of wastage.	—	—
—	—	—
—	—	—
All out efforts are being made to develop additional export for both conventional & value-added products.	—	—

## ANNEXURE

### FORM - A

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

	AUTO TRIM		CEMENT			
	Current Year (2008-09)	Previous Year (2007-08)	Current Year (2008-09)	Previous Year (2007-08)		
<b>A. POWER &amp; FUEL CONSUMPTION</b>						
<b>1. Electricity</b>						
<b>a) Purchase</b>						
Unit in lacs (KWH)	2.48	7.08	1232.25	1272.15		
Total Amount - Rs. in lacs	13.10	45.04	6025.11	5882.89		
Cost / Unit in Rs.	5.28	6.36	4.89	4.62		
<b>b) Own Generation</b>						
i) Through Diesel Generator						
Unit in lacs (KWH)	—	0.80	38.04	49.89		
KWH per Ltr. of Diesel Oil	—	2.16	3.77	4.20		
Cost / KWH in Rs.	—	16.11	6.77	5.02		
ii) Through Steam Turbine/Generator						
Unit in lacs (KWH)	—	—	3683.31	3720.78		
KWH per Tonne of Coal	—	—	991	992		
Cost / Unit in Rs.	—	—	1.96	1.62		
<b>2. Coal : Grades-B,C, D &amp; E</b>						
<b>Quantity in Tonnes</b>						
a) Power Generation	—	—	371765	375058		
b) Process Steam	—	—	—	—		
c) Locos	—	—	—	—		
d) Kilns	—	—	580541	623859		
e) Others	—	—	4374	5331		
Total Cost - Rs. in lacs	—	—	28288.81	24943.59		
Average Rate in Rs. / Tn.	—	—	2957	2484		
<b>3. Furnace Oil / Light Diesel Oil</b>						
Quantity (K. Ltrs.)	—	20.00	649.32	1015.36		
Total Amount - Rs. in lacs	—	6.54	144.76	174.85		
Average Rate in Rs. / K. Ltrs.	—	32722	22294	17220		
	Standard (if any)	Current Year	Previous Year	Standard (if any)	Current Year	Previous Year
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>						
Products		Auto Trim Parts		Cement		
Electricity in KWH	—	5.76	5.66	105-110	86	84
					( for naked cement )	
Furnace Oil / Light Diesel Oil in Ltrs.	—	—	0.0004	—	0.062	0.033
<b>Coal: Grades - B, C, D &amp; E</b>						
<b>Consumption in Tn.</b>						
Kilns	—	—	—	0.20-0.21	0.110	0.107
<b>Coal Quality -</b>						
Kilns (UHV)	—	—	—	—	5001	5194

JUTE			STEEL FOUNDRY			VINOLEUM		
Current Year (2008-09)	Previous Year (2007-08)		Current Year (2008-09)	Previous Year (2007-08)		Current Year (2008-09)	Previous Year (2007-08)	
68.94	10.31		25.22	26.36		3.87	4.03	
385.18	69.89		146.78	145.53		21.58	27.62	
5.59	6.78		5.82	5.52		5.58	6.85	
—	—		—	—		—	—	
—	—		—	—		—	—	
—	—		—	—		—	—	
123.71	196.86		—	—		0.36	0.96	
1014.98	729		—	—		542	729	
8.20	5.79		—	—		8.20	5.79	
22840	26988		—	—		66	131	
2450	3744		—	—		—	—	
—	—		—	—		—	—	
—	—		—	—		—	—	
—	—		264	270		—	—	
855.58	1016.14		7.58	6.77		2.25	4.34	
3383	3307		2869	2507		3383	3307	
—	—		275.66	319.89		156	184	
—	—		76.72	64.12		43.68	38.20	
—	—		27830	20043		27923	20763	
Standard (if any)	Current Year	Previous Year	Standard (if any)	Current Year	Previous Year	Standard (if any)	Current Year	Previous Year
Jute Goods			Steel Casting & Ingots			PVC Goods		
—	583	545	—	2098	2148	—	0.97	0.98
—	—	—	—	229.34	260.70	—	0.36	0.36
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—



## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS OF EMPLOYEES AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER

and forming a part of Director's Report for the year ended 31st March, 2009 in respect of employees in receipt of remuneration for the year aggregating not less than Rs 24,00,000/- per year or Rs 2,00,000/- per month

Sl. No.	Name	Designation / Nature of Duties	Gross Remuneration (Rs.)	Qualification(s)	Experience ( Years )	Date of commencement of employment	Age ( Years )	Particulars of last Employment held
1.	Nahar B. R.*	Executive Director & Chief Executive Officer	74,16,872	B.Com, FCA	35	12.12.2002	57	Essar Investment Ltd. Mumbai. Executive Director 3 yrs.
2.	Jayaraman G*	Executive President	26,81,763	B.E., Dip. In Fin Management Dip I.E.	47	06.09.2006	70	Renco Technologies Pvt Ltd., Chennai. Director 3 yrs.
3.	Chand P. K.	Chief Financial Officer	34,43,491	B.Com ( Hons ) FCA, AASM	32	01.06.1981	53	Orissa Cements Ltd. New Delhi Executive Accounts 4 yrs.
4.	Hamirwasia V. K.	President, Birla Cement Works, Chanderia Cement Works	32,50,647	B.E. ( Mech. )	34	07.02.1983	55	Mysore Cement Ltd. Bangalore, Sr. Engineer ( Projects) 8 Years.
5.	Marwah P. S.*	President, Satna Cement Works, Birla Vikas Cement, Raebareli Cement Works, VSF	25,56,318	B.E.( Elect. ) PGD in Business Admn, Grad.in Industrial Enggr.	41	22.04.1993	65	Bihar Sponge Iron Ltd. Jamshedpur, Vice President (Projects) 2 Years.
6.	Joshi S. K.*	Sr. Joint President, Satna Cement Works, Satna	26,10,582	B.Com FCA	38	15.06.2004	58	Zenith Ltd. Mumbai, Joint President (Finance) 7 Years.

Notes :

1. \*Employment with these are contractual.
2. Employment of others is governed by the rules and regulations of the company.
3. Gross Remuneration includes Salary, allowances, bonus, perquisites and company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund.
4. None of the employees is related to any Directors of the Company.
5. None of the employees falls within the meaning of Section 217(2A)(a)(iii) of The Companies Act, 1956.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. HIGHLIGHTS OF FINANCIAL PERFORMANCE:

(Rs. in crores)

Particulars	2008-09	2007-08	% change
1. Total Income	1866.78	1762.39	5.92
2. Total Expenditure	1364.85	1148.06	18.88
3. Operating Profit	501.93	614.33	(18.30)
4. Interest	22.05	21.71	1.57
5. Profit after interest but before depreciation & tax	479.88	592.62	(19.02)
6. Depreciation	43.42	41.44	4.78
7. Profit before tax	436.46	551.18	(20.81)
8. Profit after tax	323.51	393.57	(17.80)

#### 1.1 CEMENT DIVISION:

##### (a) Industry Structure and Developments:

India is the world's second largest producer of cement after China with installed capacity of 211.81 million tonnes. Capacity addition during the year 2008-09 was to the tune of 13.51 million tonnes. The capacity addition by way of Greenfield Projects was 9.85 million tonnes and the remaining 3.66 million tonnes were added by way of expansion. It is expected that the industry would add a further capacity of about 30 million tonnes during 2009-10, taking the total cement capacity to 241 million tonnes by the end of next year.

The Indian Cement Industry produced 181.42 million tonnes of cement during the year 2008-09, registering a growth of 7.79% over the previous year's cement production of 168.31 million tonnes.

On the back of strong demand from the rural and semi urban region for housing projects coupled with the increased demand of cement for infrastructure projects, the despatches and prices of cement have registered improvement in the last quarter of the Financial Year and the situation is expected to continue for sometime. However, with the demand-supply gap narrowing on account of massive capacity built up, the industry may see pressure on the prices of cement from the second-half of 2009 onwards.

##### (b) Opportunities & Threats:

The per capita cement consumption in India of 130 kgs compares unfavourably with the world average of 300 kgs, which offers tremendous scope for growth in the cement industry in the long term. The demand in the Indian Cement Industry is likely to grow around 8% during the foreseeable future mainly on account of the Government's emphasis on the development of the infrastructure projects such as freight corridors, National Highway Development Project, rural roads, modernisation of airports etc. The cement industry is also expected to benefit from the economic and financial measures announced by the Government in the form of stimulus packages.

The demand-supply balance may be tilted in favour of the latter in view of the large capacity built up in the pipeline and this may put pressure on prices. The availability of good quality coal is also another area of concern as the new linkages are available only for F Grade coal and this may force us to source our requirement of coal from the open markets and through auction resulting in higher input cost.

##### (c) Review of performance:

The performance of Cement Division of the Company continued to be satisfactory with the Company's Turnover crossing Rs.2000 crores for the first time. Production of clinker at Satna was lower at 19.11 lac tonnes as compared to 20.20 lac tones during the previous year on account of stoppage of 1 kiln for hooking up the expansion project. However, the production of cement at Satna and Raebareli was highest ever at 22.76 lac tons as compared to 21.55 lac tons in the previous year on account of more emphasis on Portland Pozzolana Cement (PPC).

The clinker production at Chanderia was also at 16.55 lac tonnes as against 18.89 lac tonnes in the previous year due to stoppage of 1 kiln for hooking up the expansion project. However, on account of sourcing of substantial quantity of clinker from the market, cement production has reduced only marginally at 24.17 lac tons as against 25.12 lac tons in the previous year.

The production of cement at Durgapur plant was 5.95 lac tons as compared to 6.10 lac tons in the previous year.

The details in respect of Expansion and Modernisation projects of the Company have been elaborately covered in the Directors' Report.

##### (d) Outlook:

The industry may face surplus production due to bunching of capacity in the foreseeable future. However, if the Government initiatives in the form of stimulus packages and other measures for infrastructure development materialize, the surplus of cement will be reduced to a large extent. Other measures taken by the Government such as loan waiver scheme, 6th Pay Commission's Revision and making available housing loans at lower rate of interest may also remedy the situation partially.

##### (e) Risks & Concerns:

The economic slow-down has affected all sectors of the economy, reducing the rate of GDP growth. In order to revive the economy, the Government has announced several measures in the form of stimulus packages, which are likely to boost investments in the infrastructure sector. However, the actual impact of such measures remains to be seen.

Global economic slow-down and the consequent recessionary effects which may put pressure on demand for cement, availability of good quality coal at reasonable prices, addition of cement capacity in the pipeline and change in Government Policy are the areas of risk and concern for the industry.

## 1.2 JUTE DIVISION:

### (a) **Industry Structure and Developments:**

Jute goods possess excellent property for packaging of agricultural products. The jute products are also used in areas like road construction, mining and soil conservation. However, the industry needs to improve the quality of the products through proper and systematic research for its long-term prosperity.

### (b) **Opportunities and Threats:**

Jute, an eco-friendly natural fibre with versatile application prospects ranging from low value geo-textiles to high value carpet, apparel, composites, decoratives, upholstery furnishings, fancy non-wovens for new products, decorative color boards etc. rightfully deserves the brand as the "fibre for the future". However, for establishing such standard, continuous and adequate support from the Government is very essential.

### (c) **Performance:**

The production of jute goods during the year was lower at 32956 MT as compared to 37990 MT in the previous year, mainly on account of the industry-wide strike during the month of December, 2008 and the frequent disruption in power supply.

Soorah Jute Mills remained under "Suspension of Operations" for the entire year.

### (d) **Outlook:**

There was a shortage of raw jute during the year due to poor crop and the situation is likely to persist in 2009-10 also. In view of the above, the raw jute prices are expected to be on higher side in the ensuing year. However, the performance of the Jute Division of the Company is likely to improve on account of modernisation, productivity improvement and cost control measures, which are under implementation.

### (e) **Risks and Concerns:**

Jute industry in the country is plagued with high wage cost, age-old machinery, obsolete technology and frequent disruption of operation due to labour unrest. The dilution of jute packing order for mandatory use of jute goods and shortage of skilled labourers are the major area of concern for the jute industry.

## 1.3 OTHER DIVISIONS:

The Auto Trim Division of the Company has been badly affected on account of the global recession in the automotive sector. The Division is operating at relatively low level because of lack of orders. The division produced 43073 pcs. of door trims as compared to 139173 pcs. of door trims in the previous year.

The capacity utilisation at the Birla Vinoleum Division of the Company was lower mainly on account of slow down in demand due to recessionary conditions. The production for the year was lower at 4.36 lac sq. mtrs. against 5.08 lac sq. mtrs. in the previous year.

The Vindhychal Steel Foundry, which caters mainly to the in-house requirement of castings, produced 1202 tonnes of castings during the year as against 1235 tonnes in the previous year.

## 2. INTERNAL CONTROL AND SYSTEMS:

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and Company procedures.

Internal Audit is conducted periodically across all locations and of all functions by firms of Chartered Accountants who check and report on the functioning and effectiveness of internal controls. The Internal Audit reports, the progress in implementation of recommendations contained in such reports and the adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

## 3. HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS:

Rapid changes in the business environment ranging from the forces of globalization, domestic competition, government policies, consumer behaviour and environmental awareness in the face of global warming have resulted in greater complexity. Therefore, the effectiveness of an organization becomes a function of the efficiency with which its "People Resources" are equipped to face the challenges and opportunities thrown up by the business realities of today's economic world. Hiring the best people, retaining them and ensuring their development is a major challenge for the industry in today's competitive environment.

The Company gives high importance to growth and motivation of its manpower resources with an aim to encourage a productive, participative and collaborative work culture through appropriate intervention. This has helped the Company in building dedicated team for creating value for the Company.

In order to improve productivity and efficiency the Company is continuously making efforts towards right sizing and rationalization of manpower at all levels of operations.

A Voluntary Retirement Scheme (VRS) was introduced at the Company's cement plant at Durgapur w.e.f. 1st March, 2009. A total of 105 employees/workmen opted for the scheme.

The Company had 10327 employees on its rolls as at the close of business hours on 31st March, 2009. Barring the strike for 18 days by the workers at Birla Jute Mills, "Suspension of Operations" at Durgapur plants for 99 days and for entire year at Soorah Jute Mills, the relationship with the employees continued to be cordial at all its Units.

## CAUTIONARY STATEMENT

*Statements in this Report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations.*

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Company's philosophy on Corporate Governance is to achieve the highest levels of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the government. We believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development.

### 2. BOARD OF DIRECTORS:

The strength of the Board of Directors as on 31st March, 2009 is Nine (9) out of which Six (6) are independent. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

None of the Directors is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he/she is a Director.

During the year, 4 Meetings of the Board of Directors of the Company were held on 8th May, 2008, 31st July, 2008, 30th October, 2008 and 27th January, 2009. The maximum time gap between any two consecutive meetings was not more than four months.

The composition and category of the Directors on Board, their relationship with other Directors, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of Directorships and Committee Memberships/Chairmanships in other Companies and number of shares held by them as on 31st March, 2009 are as follows:

Name of Director	Relation-ship with other Directors	Category	No. of Board Meetings attended	Atten-dance in last AGM	No. of Shares Held	No. of other Director-ships \$	Details of other Board Committee Membership #	
							Member	Chairman
Shri Rajendra S. Lodha (Chairman) @	Father of Shri Harsh V. Lodha	Non-Independent Non-Executive	2	Yes	1500*	12	—	—
Shri Harsh V. Lodha	Son of Late Rajendra S. Lodha	Non-Independent Non-Executive	4	Yes	1260*	14	2	2
Shri N. K. Kejriwal §	None	Independent Non-Executive	—	No	1009	4	—	—
Smt. Nandini Nopany	None	Independent Non-Executive	1	No	500*	7	1	—
Shri Pracheta Majumdar	None	Non-Independent Non-Executive	4	Yes	500*	1	1	1
Shri Vikram Swarup	None	Independent Non-Executive	4	Yes	500*	4	—	—
Shri Anand Bordia	None	Independent Non-Executive	2	No	500*	3	—	1
Shri B.B. Tandon	None	Independent Non-Executive	4	No	500*	13	7	1
Shri D.N. Ghosh	None	Independent Non-Executive	4	No	500*	4	1	1

Name of Director	Relation-ship with other Directors	Category	No. of Board Meetings attended	Atten-dance in last AGM	No. of Shares Held	No. of other Director-ships \$	Details of other Board Committee Membership #	
							Member	Chairman
Shri B.R. Nahar Executive Director & Chief Executive Officer	None	Executive	4	Yes	500*	7	2	—

@ Ceased to be a Director due to death w.e.f. 3rd October, 2008.

§ Could not attend any meeting due to ill health.

\* Shares held jointly with other shareholders.

\$ Excludes Directorships in Private Limited Companies/ Foreign Companies/Section 25 Companies.

# Only covers Membership/Chairmanship of Audit Committee and Shareholders'/ Investors' Grievance Committee of Public Limited Companies.

### Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company.

All Board members and senior management personnel have confirmed compliance with the code.

A declaration signed by the Executive Director & Chief Executive Officer is attached and forms part of the Annual Report of the Company.

### 3. AUDIT COMMITTEE:

The Company has an Audit Committee functioning since 1987. The role & terms of reference of the Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee acts as a link between the statutory & internal auditors and the Board of Directors.

The terms of reference of the Audit Committee of the Company are broadly as under :

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with Stock Exchanges and legal requirements concerning financial statements.



- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors on any significant findings and follow up thereon.
- g. 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.
- h. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. 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, if any.
- k. Such other issues as may be directed by the Board.

During the year, 4 meetings of the Audit Committee of the Company were held on 8th May, 2008, 31st July, 2008, 30th October, 2008 and 27th January, 2009. The composition and the attendance of Directors at these meetings are as under:

Name of Member	Status	No. of meetings attended
Shri Pracheta Majumdar	Chairman@	4
Shri N.K. Kejriwal *	Member	-
Shri Vikram Swarup	Member	4
Shri Anand Bordia	Member	2
Shri B.B. Tandon **	Member	-

@ Chairman upto 27th January, 2009.

\* Ceased to be a member w.e.f. 27th January, 2009.

\*\* Inducted as a member w.e.f. 27th January, 2009.

The Acting Company Secretary acts as the Secretary to the Committee.

#### 4. REMUNERATION COMMITTEE:

A Remuneration Committee was constituted on 31st January, 2005 by the Board of Directors to review and/or recommend the remuneration package of the Executive Directors of the Company in accordance with the guidelines laid out by the

statute and the Listing Agreement with the Stock Exchanges.

During the year, 2 meetings of the Remuneration Committee of the Company were held on 31st July, 2008 and 27th January, 2009. The Composition and the attendance of Directors at these meetings are as under:

Name of Member	Status	No. of meetings attended
Shri Vikram Swarup	Chairman	2
Shri N.K. Kejriwal	Member	—
Shri Pracheta Majumdar	Member	2

#### Details of remuneration paid/payable to the Directors during the financial year ended 31st March, 2009:

##### (a) Executive Director & Chief Executive Officer:

(Rs. in Lacs)

Name	Salary	Perquisites & Allowances*	Sitting Fees	Performance Linked Bonus	Total amount paid/ payable in 2008-09	Period of Service Contract
Shri B.R. Nahar	35.55	23.62	—	15.00	74.17	\$

\* Including Retirement benefits.

\$ The appointment is for a period of three years w.e.f. 3rd August, 2006.

##### (b) Non-Executive Directors:

(In Rupees)

Name	Sitting Fees
Shri Rajendra S. Lodha	40000
Shri Harsh V. Lodha	90000
Shri N.K. Kejriwal	—
Smt. Nandini Nopany	30000
Shri Pracheta Majumdar	200000
Shri Vikram Swarup	200000
Shri Anand Bordia	80000
Shri B.B. Tandon	80000
Shri D.N. Ghosh	80000

No remuneration other than the sitting fees for attending Board & Committee Meetings was paid to the Non-Executive Directors.

#### 5. SHARE TRANSFER AND SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

Share Transfer and Shareholders'/Investors' Grievance Committee looks into issues relating to shareholders including transfer of shares, redressal of complaints from investors etc. The composition of the Committee is as under:

Name of Member	Status
Shri Harsh V. Lodha	Chairman
Shri N.K. Kejriwal	Member
Smt. Nandini Nopany	Member
Shri B.R. Nahar	Member

Meeting of the Share Transfer and Shareholders'/Investors' Grievance Committee was held once during the year on 27th January, 2009, which was attended by Shri Harsh V. Lodha, Smt. Nandini Nopany & Shri B.R. Nahar. In addition, the Committee approved 20 Resolutions by Circulation for effecting registration of transfer of shares and other issues concerning investor services during the year.

The Company has received 12 complaints from the shareholders during the year. All the complaints have been processed in time and replied/resolved to the satisfaction of the shareholders.

Further, all the requests for transfer of shares have also been processed in time and no transfer was pending for registration for more than 30 days as on 31st March, 2009.

Shri P.K. Chand, Chief Financial Officer, is the Compliance Officer.

## 6. COMMITTEE OF DIRECTORS:

The Committee of Directors has been constituted by the Board of Directors of the Company with necessary powers delegated to it with a view to smoothly conduct the affairs of the Company.

The composition of the Committee is as under:

Name of Member	Status
Shri Rajendra S. Lodha *	Member
Shri Harsh V. Lodha	Member
Shri Vikram Swarup **	Member
Shri Pracheta Majumdar	Member
Shri B.R. Nahar **	Member

\* Ceased to be a member due to death w.e.f. 3rd October, 2008.

\*\* Inducted as a member w.e.f. 27th January, 2009.

Meeting of the Committee of Directors was held once during the year on 27th February, 2009, which was attended by Shri Harsh V. Lodha, Shri Pracheta Majumdar, Shri Vikram Swarup and Shri B.R. Nahar.

## 7. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Year	Venue	Date	Time
2007-2008	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	30.07.2008	10.30 A.M.
2006-2007	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	17.07.2007	10.30 A.M.
2005-2006	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	19.09.2006	11.30 A.M.

No Special Resolution was passed during the Annual General Meetings held on 30.07.2008 & 17.07.2007.

In the Annual General Meeting held on 19.09.2006, a Special Resolution was passed pursuant to Section 163 of the Companies Act, 1956 in connection with the keeping of Register of Members, the Index of Members & copies of the Annual Returns, etc.

No Special Resolution was passed during the financial year ended 31st March, 2009 through Postal Ballot. At present, there is no proposal for passing any Special Resolution through Postal Ballot.

## 8. DISCLOSURES:

### i) Disclosure on materially significant related party transactions:

Details of transactions with related parties during the year have been furnished in Schedule 23 - Accounting Policies and Notes on Accounts of the Annual Accounts. However, these are not materially significant and do not have any potential conflict with the interests of the Company at large.

### ii) Disclosure on accounting treatment:

The financial statements have been prepared following the prescribed Accounting Standards and in case where a treatment different from that prescribed in an Accounting Standard were followed, the same has been appropriately disclosed and explained.

### iii) Details of non-Compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authorities on any matter related to Capital Markets:

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures were imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to Capital Markets during the last three years.

### iv) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all the applicable mandatory requirements. As regards the non-mandatory requirements, a Remuneration Committee has been set up and the terms of reference thereof defined. Other non-mandatory requirements including inter-alia, whistle blower policy shall be taken up appropriately.

## 9. CEO/CFO CERTIFICATION:

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

## 10. MEANS OF COMMUNICATION:

The quarterly, half-yearly and the annual financial results are published in English & vernacular newspapers and are also furnished to the Stock Exchanges with whom the Company has listing arrangements to enable them to put them on their websites. The Company has its own website [www.birlacorporation.com](http://www.birlacorporation.com) wherein all relevant information along with the financial results are available. As per the requirement of clause 51 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern, etc. is provided on the specified website [www.sebidifair.nic.in](http://www.sebidifair.nic.in). Half-yearly report is not sent to the Shareholders. The Management Discussion & Analysis Report forms part of the Annual Report.

## 11. GENERAL SHAREHOLDER INFORMATION:

### Annual General Meeting

Date and Time : 27th July, 2009. 10.30 A.M.

Venue : Kalpataru Uttam Mancha, 10/1/1, Manohar Pukur Road, Kolkata - 700 026

### Financial Calendar (tentative and subject to change)

1st Quarterly Results : Before the end of July, 2009  
2nd Quarterly/Half yearly Results : Before the end of October, 2009  
3rd Quarterly Results : Before the end of January, 2010  
Audited yearly Results for the year ending 31st March, 2010 : Before the end of June, 2010

**Date of Book closure** : 14th July, 2009 to 27th July, 2009 (both days inclusive)

**Dividend Payment date** : Within the statutory period of 30 days

**Listing on Stock Exchanges** : The Company's shares are listed at:

1. National Stock Exchange of India Ltd., Exchange Plaza, C - 1, Block - G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
2. Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

Listing fees as prescribed, have been paid to the above Stock Exchanges for the financial year 2008-09.

### Stock Code:

Stock Exchange	Stock Code
National Stock Exchange of India Ltd.	BIRLACORPN - EQ
Bombay Stock Exchange Ltd.	500335

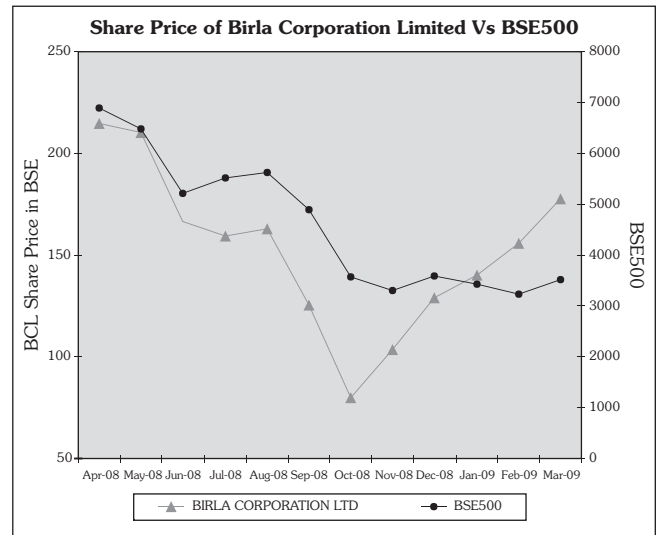
**ISIN: INE340A01012**

**Corporate Identity Number (CIN) : L01132WB1919PLC003334**

### Market Price Data during financial year 2008-2009:

Month	Bombay Stock Exchange (in Rs.)		National Stock Exchange (in Rs.)	
	High	Low	High	Low
April, 2008	227.00	187.05	226.50	187.00
May, 2008	227.00	200.00	227.00	197.50
June, 2008	211.55	161.00	213.95	163.00
July, 2008	180.00	156.00	178.90	152.30
August, 2008	190.00	156.15	189.50	156.00
September, 2008	171.80	114.10	171.95	114.00
October, 2008	126.80	71.00	127.05	70.00
November, 2008	111.00	79.30	112.00	81.40
December, 2008	132.00	98.70	132.95	98.50
January, 2009	145.00	121.50	145.35	117.05
February, 2009	158.00	136.00	170.00	136.00
March, 2009	185.50	154.00	189.90	151.05

### Stock Performance in comparison to broad-based indices:



### Registrar & Transfer Agent:

MCS Limited.  
77/2A, Hazra Road,  
Kolkata-700 029.

Phone : (033) 2476-7350/2454-1892  
Fax : (033) 2454-1961/2474-7674  
E-mail : mcsca@cal2.vsnl.net.in

### Share Transfer System:

Share transfers in physical form are generally registered within a fortnight from the date of receipt provided the documents are found to be in order. Share Transfer and Shareholders'/ Investors' Grievance Committee considers & approves the transfer proposals.

All requests for dematerialisation of shares, which are found to be in order, are generally processed within twentyone days and the confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

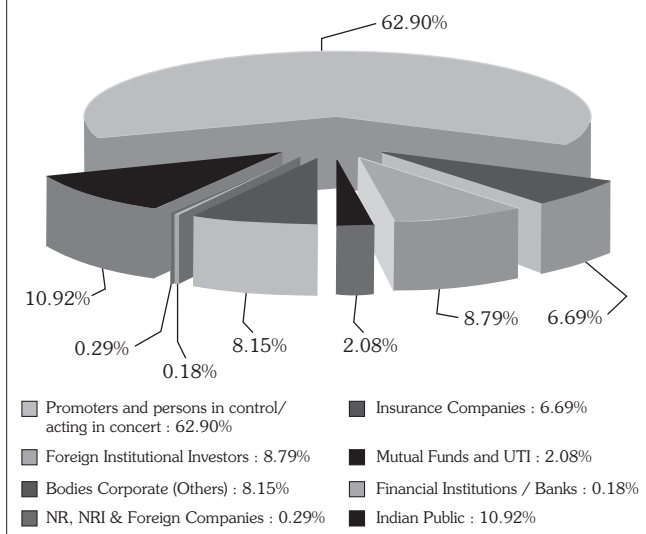
### Distribution of shareholding as on 31st March, 2009:

No. of ordinary shares held	No. of shareholders	% of share-holders	No. of ordinary shares	% of share-holding
Upto 500	29028	93.79	2532315	3.29
501 to 1000	941	3.04	735762	0.96
1001 to 2000	445	1.44	654396	0.85
2001 to 3000	149	0.48	379509	0.49
3001 to 4000	83	0.27	297200	0.39
4001 to 5000	66	0.22	312486	0.40
5001 to 10000	69	0.22	496829	0.64
10001 & above	168	0.54	71596850	92.98
<b>TOTAL</b>	<b>30949</b>	<b>100.00</b>	<b>77005347</b>	<b>100.00</b>

### Dematerialisation of Shares and liquidity:

As on 31st March, 2009, 39.06% of the Company's total ordinary shares representing 30076055 shares were held in dematerialised form and 46929292 shares representing 60.94% of paid-up share capital were held in physical form.

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2009**



**Secretarial Audit:**

As stipulated by Securities and Exchange Board of India (SEBI), a practising Chartered Accountant carries out the Secretarial Audit to reconcile the total admitted Capital with National

Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors.

**Plant Locations:**

The Company's plants are located at Satna (Madhya Pradesh), Chanderia (Rajasthan), Kolkata, Birlapur and Durgapur (West Bengal), Raebareli (Uttar Pradesh), Chakan (Maharashtra) and Gurgaon (Haryana).

**Address for Correspondence:**

The shareholders may address their communications / suggestions / grievances / queries to:

The Acting Company Secretary,  
Birla Corporation Limited,  
Birla Building,  
9/1, R.N. Mukherjee Road,  
Kolkata-700 001.

Tel. No.033 2213-1680, 033 2213-0380, 033 2248-0135,  
Fax: 033-2248-7988/2872

**Exclusive e-mail id for Investors' Grievances:**

Pursuant to Clause 47(f) of the Listing Agreement with the Stock Exchanges, the following e-mail ID has been designated for communicating investors' grievances:

E-mail: [investorsgrievance@birlacorp.com](mailto:investorsgrievance@birlacorp.com)

**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and senior management personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended 31st March, 2009 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For BIRLA CORPORATION LIMITED

B. R. NAHAR  
Executive Director &  
Chief Executive Officer

Dated the 2nd day of May, 2009



The Board of Directors  
Birla Corporation Limited  
9/1, R.N. Mukherjee Road,  
Kolkata 700 001

2nd May, 2009

### **Certification by Chief Executive Officer (CEO)/ Chief Financial Officer (CFO)**

We, B.R. Nahar, Executive Director & Chief Executive Officer and P.K. Chand, Chief Financial Officer of Birla Corporation Limited certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2009 and that to the best of our knowledge and belief:
  - i) the statements do not contain materially untrue statement, or omit any material fact or contain statements that might be misleading;
  - ii) the statements present a true and fair view of the Company's affairs and are in compliance with the 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 the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and 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 Audit Committee:
  - i) significant changes in the internal controls 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.

For BIRLA CORPORATION LIMITED

(B.R. NAHAR)  
Executive Director & Chief Executive Officer

For BIRLA CORPORATION LIMITED

(P.K. CHAND)  
Chief Financial Officer

### **AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of  
**Birla Corporation Limited,**  
"Birla Building",  
9/1, R.N. Mukherjee Road,  
Kolkata- 700 001

We have examined the compliance of conditions of Corporate Governance by Birla Corporation Limited for the year ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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.

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.

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 H. P. KHANDELWAL & CO  
Chartered Accountants

1B, Old Post Office street,  
Kolkata - 700 001  
Dated the 7th day of May, 2009

Rajiv Singhi  
Partner  
Membership No.053518

## AUDITORS' REPORT

To the Members of

### **BIRLA CORPORATION LIMITED**

We have audited the attached Balance Sheet of **BIRLA CORPORATION LIMITED** as at 31st March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 2) 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 and proper returns, adequate for the purpose of our audit, have been received from the sales depots not visited by us;

- 3) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report and read with notes comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- 5) On the basis of the written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes and in particular notes no. (B), 3 and 13 in schedule 23, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - b) In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
  - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For H.P. KHANDELWAL & CO.  
*Chartered Accountants*

Rajiv Singhi  
*Partner*

Membership No. 053518

1B, Old Post Office Street, Kolkata  
Date the 7th day of May, 2009.

## ANNEXURE TO THE AUDITORS' REPORT

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified wherever practicable on a phased manner by the management / internal auditors and the reconciliation of the quantities with the book records has been done on continuous basis. The differences, if any, arising out of such reconciliation so far have been adjusted and no serious discrepancies between book records and physical inventory have been noticed.
  - (c) Substantial part of Fixed Assets has not been disposed off during the year so as to affect the going concern.
2. (a) The inventory has been physically verified at reasonable intervals during the year by the Management/Internal Auditors.
  - (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book stocks, wherever ascertained were not significant and have been properly dealt with in the books of account.
3. (a) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. However interest free unsecured advances have been given to nine subsidiaries, the maximum balance outstanding at any time during the year and closing balance of such advances as on 31.03.09 were Rs.232.66 Lacs and 197.15 lacs respectively. The advances to seven subsidiaries have been adjusted during the year. Advance amounting to Rs.196.96 to one subsidiary will be realised/adjusted on implementation of project and balance amounting Rs. 0.19 will be realised/adjusted subsequent years. Accordingly clauses (b) and (c) of the Order are not applicable.
  - (d) There was no overdue amount of more than Rs.1 lac in respect of the above advance granted by the Company.
  - (e) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses (f) and (g) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the Internal Control System.
5. (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been duly entered in the register required to be maintained in pursuance of Section 301 of the Companies Act 1956.
  - (b) According to the information available and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to Rs 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar items have been made with other parties.
6. (a) In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public.
  - (b) There have been no proceedings before the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any Court and any other Tribunal in this matter.
7. The Company has internal audit system commensurate with the size and nature of the business of the Company.
8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company's Cement, Jute, Power and Auto Trim Units. We have broadly reviewed such accounts and records and are of the opinion that prima facie the prescribed accounts and records have been maintained but no detailed examination of such records and accounts has been carried out by us.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and any other dues during the year with the appropriate authorities. According to information and explanations given to us no undisputed statutory dues as above were outstanding as at 31st March 2009 for a period of more than six months from the date they become payable.
  - (b) According to the records of the Company, there are no dues outstanding of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess on account of any dispute, other than the following:

Rs in Lakhs

Forum	Sales Tax	Excise Duty	Service Tax
Department / Ist Appellate Authority	707.19	2140.70	128.97
Tribunals	211.67	10.26	192.94
High Court	92.11	—	—
Total	1010.97	2150.96	321.91

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/nidhi/mutual benefit fund/society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
17. On the basis of our review of statements of accounts and as confirmed by the management, funds raised on short-term basis have not been used for long-term purpose.
18. The company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures are outstanding during the financial year; accordingly this clause is not applicable.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

1B, Old Post Office Street, Kolkata  
Date the 7th day of May, 2009.

For H.P. KHANDELWAL & CO.  
*Chartered Accountants*

Rajiv Singhi  
*Partner*

Membership No. 053518



## BALANCE SHEET AS AT 31st March, 2009

	Schedule	As at 31st March, 2009	(Rs. in lacs) As at 31st March, 2008
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	7700.89	7700.89
Reserves and Surplus	2	<u>121070.07</u>	<u>92796.64</u>
		128770.96	<u>100497.53</u>
<b>LOAN FUNDS</b>			
Secured Loans	3	21940.06	20601.15
Unsecured Loans	4	<u>5704.60</u>	<u>6624.57</u>
		27644.66	<u>27225.72</u>
DEFERRED TAX LIABILITIES (NET)	5	<u>7722.76</u>	<u>6670.09</u>
<b>TOTAL</b>		<u>164138.38</u>	<u>134393.34</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	6	135419.78	117343.97
Less: Depreciation		<u>69415.43</u>	<u>67263.76</u>
Net Block		66004.35	50080.21
Capital Work in Progress		<u>8883.15</u>	<u>12666.22</u>
		74887.50	<u>62746.43</u>
INVESTMENTS	7	55229.01	<u>63400.16</u>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	8	19287.91	20044.82
Sundry Debtors	9	1999.66	3171.25
Cash and Bank Balances	10	31972.13	3150.74
Loans and Advances	11	<u>20414.14</u>	<u>16100.69</u>
		73673.84	<u>42467.50</u>
Less :			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	12	32962.06	27170.66
Provisions	13	<u>6689.91</u>	<u>7050.09</u>
		39651.97	<u>34220.75</u>
NET CURRENT ASSETS		34021.87	8246.75
<b>TOTAL</b>		<u>164138.38</u>	<u>134393.34</u>
Accounting Policies & Notes on Accounts	23		

The Schedules and Notes on Accounts referred to herein form an integral part of the Balance Sheet

As per our Report annexed.

For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518

1B, Old Post Office Street,  
Kolkata-700 001.  
Dated the 7th day of May, 2009

GIRISH SHARMA  
Vice President ( Indirect Taxes )  
& Acting Company Secretary

HARSH V. LODHA  
NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
ANAND BORDIA  
B. B. TANDON  
D. N. GHOSH  
B. R. NAHAR

Directors

Executive Director &  
Chief Executive Officer

## PROFIT & LOSS ACCOUNT for the year ended 31st March, 2009

	Schedule	For the year ended 31st March, 2009	(Rs. in lacs) For the year ended 31st March, 2008
<b>INCOME</b>			
Gross Sales	14	203883.90	199678.28
Less : Excise Duty		<u>24818.70</u>	<u>27200.32</u>
		179065.20	172477.96
Other Income	15	<u>7613.22</u>	<u>3761.11</u>
		<u>186678.42</u>	<u>176239.07</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Stocks	16	1340.15	(2962.79)
Raw Materials Consumed	17	22686.98	19646.54
Purchases of Finished Goods		55.88	110.19
Manufacturing Expenses	18	65541.27	57498.64
Payments to and Provision for Employees	19	14859.06	14145.40
Selling, Administration and Other Expenses	20	32002.14	26367.92
Interest and Other Finance Charges	21	<u>2204.50</u>	<u>2171.31</u>
		<u>138689.98</u>	<u>116977.21</u>
<b>Profit before Depreciation</b>		<b>47988.44</b>	<b>59261.86</b>
Depreciation	22	<u>4342.02</u>	<u>4144.02</u>
<b>Profit before Tax</b>		<b>43646.42</b>	<b>55117.84</b>
Provision for Current Tax		10100.00	15500.00
Provision for Fringe Benefit Tax		136.00	141.00
Provision for Deferred Tax		1052.67	115.75
Provision for Wealth Tax		<u>6.80</u>	<u>4.00</u>
<b>Profit after Tax</b>		<b>32350.95</b>	<b>39357.09</b>
Balance brought forward from previous year		16795.04	17835.36
Less : Adjustment for employees benefits net of deferred tax on implementation of AS 15 ( Revised )		<u>—</u>	<u>1793.71</u>
		<u>16795.04</u>	<u>16041.65</u>
<b>Profit available for appropriation</b>		<b>49145.99</b>	<b>55398.74</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		3465.24	3080.22
Corporate Dividend Tax		588.92	523.48
General Reserve		35000.00	35000.00
Balance carried to Balance Sheet		<u>10091.83</u>	<u>16795.04</u>
		<b>49145.99</b>	<b>55398.74</b>
Weighted average number of Ordinary shares outstanding during the year		77005347	77005347
Basic and diluted earnings per share of Rs.10/- each (in Rupees)		42.01	51.11
Accounting Policies & Notes on Accounts	23		

The Schedules and Notes on Accounts referred to herein form an integral part of the Profit and Loss Account

As per our Report annexed.

For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518

1B, Old Post Office Street,  
Kolkata-700 001.  
Dated the 7th day of May, 2009

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2009

(Rs. in lacs)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit before Tax</b>	<b>43646.42</b>	<b>55117.84</b>
<b>Adjustments for :</b>		
Depreciation	4342.02	4144.02
Investing Activities(Net)	(2370.42)	(545.05)
Adjustment for capital subsidy	(1.26)	(3.53)
Provision for Doubtful Debt Written Back (Net)	(10.90)	38.32
Excess Liabilities and unclaimed balances written back (Net)	(549.49)	(375.92)
Unrealised Loss/ (Gain) on Foreign Exchange	(37.39)	(14.23)
Interest / Dividend from financing activities	(202.94)	203.08
Miscellaneous Expenditure Amortised	—	37.75
<b>Operating Profit before Working Capital Changes</b>	<b>44816.04</b>	<b>58602.28</b>
<b>Adjustments for :</b>		
Trade and other receivables	1176.82	(486.90)
Inventories	756.91	(5785.99)
Loans and Advances	(1066.59)	(1727.60)
Trade payables	5241.66	3606.65
<b>Cash generated from operations</b>	<b>50924.84</b>	<b>54208.44</b>
Direct Taxes Paid	(10449.38)	(14799.77)
<b>Net Cash from Operating Activities</b>	<b>40475.46</b>	<b>39408.67</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(17294.18)	(14290.81)
Sale of Fixed Assets	363.66	77.12
Sale of Investments (Net)	11093.07	(20844.10)
Retention Money from/(Advances to) Suppliers of Capital Goods	(2538.83)	(252.47)
Interest received	1026.00	81.51
Dividend received	1199.22	1802.47
<b>Net Cash used in Investing Activities</b>	<b>(6151.06)</b>	<b>(33426.28)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	7250.50	800.65
Repayments of Long Term Borrowings	(4055.92)	(3566.25)
(Repayments)/Proceeds from Short Term Borrowings	(2731.92)	1634.50
Decrease/(Increase) in Advances to Subsidiary Companies	(6.54)	156.95
Interest Paid (Includes amount capitalised Rs.126.17 PY Rs. 79.14)	(2355.43)	(2154.07)
Dividend Paid	(3080.22)	(2684.80)
Corporate Dividend Tax paid	(523.48)	(458.05)
<b>Net Cash used in Financing Activities</b>	<b>(5503.01)</b>	<b>(6271.07)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>28821.39</b>	<b>(288.68)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>3150.74</b>	<b>3439.42</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>31972.13</b>	<b>3150.74</b>

### Notes:

- Cash and Cash Equivalents represent "Cash Balance in hand and Balances with Scheduled Banks" and includes Rs.42.61 (Previous Year Rs.29.35) in Unpaid Dividend Account, Rs.799.00 (Previous Year Rs.211.82) in Fixed Deposit Accounts pledged with scheduled banks, Rs.20.00 (Previous Year Rs.30.00) in Fixed Deposit Accounts earmarked for deposit under Rule 3A of the Companies (Acceptance & Deposit) Rules, 1975 and Rs.0.10 (Previous Year Rs. 0.10) deposited with Mining Department.
- Above statement has been prepared in indirect method.

As per our Report annexed.  
For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518

1B, Old Post Office Street,  
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**Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date.**

		As at 31st March, 2009	As at 31st March, 2008
		(Rs. in lacs)	
<b>SCHEDULE 1 : SHARE CAPITAL</b>			
<b>Authorised</b>			
9,00,00,000	Ordinary Shares of Rs.10/- each	9000.00	9000.00
10,00,000	Preference Shares of Rs.100/- each	1000.00	1000.00
		<u>10000.00</u>	<u>10000.00</u>
<b>Issued</b>			
7,70,13,416	Ordinary Shares of Rs.10/- each	7701.34	7701.34
<b>Subscribed and Paid-up</b>			
7,70,05,347	Ordinary Shares of Rs.10/- each fully paid-up	7700.53	7700.53
	Add: Forfeited Ordinary Shares (Amount originally paid-up)	0.36	0.36
		<u>7700.89</u>	<u>7700.89</u>
NOTES : Subscribed and paid-up Ordinary Share Capital includes -			
(i)	2,76,51,195	Shares allotted as fully paid-up Bonus Shares by capitalisation of General Reserve, Share Premium and Capital Redemption Reserve.	
(ii)	1,03,070	Shares allotted as fully paid-up to the shareholders of amalgamating Companies pursuant to the Schemes of Amalgamation (Without payments being received in cash).	
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>			
<b>Capital Reserves</b>			
i)	Revaluation of Fixed Assets - As per last Account	844.02	872.78
	Less: Adjustments in respect of sales/ discard of Fixed Assets	0.46	—
		<u>843.56</u>	<u>872.78</u>
	Less : Transfer to Profit & Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	21.64	28.76
		821.92	844.02
ii)	Surplus on amalgamation - As per last Account	105.08	105.08
iii)	Others - As per last Account	52.50	56.03
	Add : Government Grants received during the year	—	1.75
		<u>52.50</u>	<u>57.78</u>
	Less : Transferred to Profit and Loss Account	1.26	5.28
		<u>51.24</u>	<u>52.50</u>
		978.24	1001.60
<b>Securities Premium</b>			
	As per last Account	—	11.23
	Less Deferred Tax Liability	—	11.23
		<u>—</u>	<u>—</u>
<b>General Reserve</b>			
	As per last Account	75000.00	40000.00
	Add : Transferred from Profit & Loss Account	35000.00	35000.00
		<u>110000.00</u>	<u>75000.00</u>
<b>Profit &amp; Loss Account Balance</b>			
		10091.83	16795.04
		<u>121070.07</u>	<u>92796.64</u>



	As at 31st March, 2009	As at 31st March, 2008
(Rs. in lacs)		
<b>SCHEDULE 3 : SECURED LOANS</b>		
<b>Term Loans -</b>		
Rupee Loans from Banks (Payable within one year Rs. 8119.07, Previous Year Rs.3127.41 )	13498.98	10304.39
<b>Working Capital Borrowings</b>		
Rupee Loans from Banks (Includes working capital demand loan of Rs.NIL, Previous Year Rs.4500.00).	8441.08	10296.76
	<u>21940.06</u>	<u>20601.15</u>
<b>Security -</b>		
Term Loans of Rs.5864.07 are secured by first charge and mortgage on the immovable assets (except certain tenements) and hypothecation of movables Fixed Assets (save and except specific assets), both present and future, pertaining to Company's Cement Division, ranking <i>pari-passu</i> with other lenders.		
Term Loan of Rs7634.91 is secured by first charge and mortgage on the immovable assets pertaining to Company's Cement Units at Satna (Madhya Pradesh) and Chanderia (Rajasthan), ranking <i>pari-passu</i> with other lenders.		
Working Capital Borrowings are secured by hypothecation of Current Assets, viz, Raw Materials, Stock-in-Trade , Consumable Stores and Book Debts, both present & future, and further by way of second charge on movable and immovable assets of the Cement Division , ranking <i>pari-passu</i> with term lenders.		
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
<b>Short Term Loans &amp; Advances -</b>		
Trade Deposits	4868.53	4475.73
Staff and Other Deposits	388.20	520.33
From Banks - Under Buyers Credit Arrangement	321.81	1502.45
	<u>5578.54</u>	<u>6498.51</u>
<b>Other Loans &amp; Advances -</b>		
Deferred Payment of Sales Tax (Payable within one year Rs.NIL, Previous Year Rs.NIL )	126.06	126.06
	<u>5704.60</u>	<u>6624.57</u>
<b>SCHEDULE 5 : DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	10184.57	8957.46
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	2151.60	2087.76
Others	310.21	199.61
	<u>2461.81</u>	<u>2287.37</u>
Deferred Tax Liabilities	<u>7722.76</u>	<u>6670.09</u>

**SCHEDULE 6 : FIXED ASSETS**

(Rs. in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/Value as at 31st March, 2008	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2009	Upto 31st March, 2008	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2009	As at 31st March 2009	As at 31st March 2008
<b>Land</b>										
Leasehold	1506.76	11.28	—	1518.04	1218.57	22.29	—	1240.86	277.18	288.19
Freehold	1886.35	73.48	—	1959.83	—	—	—	—	1959.83	1886.35
Sub Total :	3393.11	84.76	—	3477.87 (A)	1218.57	22.29	—	1240.86	2237.01	2174.54
<b>Buildings</b>	13413.51	788.43	23.06	14178.88 (A&B)	6614.34	266.03	16.17	6864.20 (B)	7314.68	6799.17
<b>Plant &amp; Machinery</b>	95379.18	19875.87	2613.73	112641.32 (C)	56080.65	3838.75	1735.32	58184.08 (C)	54457.24	39298.53
<b>Railway Sidings</b>	974.83	124.80	—	1099.63	467.40	30.99	—	498.39	601.24	507.43
<b>Vehicles</b>	1475.24	136.95	362.23	1249.96	965.08	71.69	341.91	694.86	555.10	510.16
<b>Furniture &amp; Office Equipment</b>	2697.37	188.72	127.19	2758.90	1917.72	133.91	118.59	1933.04	825.86	779.65
<b>Livestock</b>	10.73	3.89	1.40	13.22	—	—	—	—	13.22	10.73
Total :	117343.97	21203.42	3127.61	135419.78	67263.76	4363.66	2211.99	69415.43	66004.35	50080.21
<b>Capital Work in Progress</b>									8883.15	12666.22
Grand Total :									74887.50	62746.43
Previous Year :									50080.21	12666.22
									62746.43	

(A) Includes Rs.8.85 in Land and Rs.915.26 in Building under co-ownership basis and also Rs 0.15 being value of investments in Shares of a Private Ltd.Co.

(B) Includes Rs.29.14 being cost of Silo on lease hold land and Rs.16.36 being amortisation thereof up to 31st March,2009.

(C) Includes Rs.583.58 being cost of flyash handling system on lease hold land and Rs.346.03 being amortisation thereof up to 31st March,2009.

(D) Assets of the Cement Division were revalued during the year ended 31.03.85 and that of other units during the year ended 31.03.89 at 'net current value' on the basis of valuation report made by valuers and the amount added on such revaluation were Rs.7367.84 and Rs.2006.35 respectively.

		As at 31st March 2009	As at 31st March 2008
(Rs. In lacs)			
<b>SCHEDULE 7 : INVESTMENTS - Other than trade (Unless otherwise stated)</b>			
( At cost unless otherwise stated )			
No. of Shares / Securities/Units			
<b>A. Long Term</b>			
<b>FULLY PAID SHARES / SECURITIES</b>			
(Face Value of Rs 10/- each unless otherwise stated))			
<b>GOVERNMENT SECURITIES</b>			
<b>Quoted</b>			
25,00,000	6.05% GOI 2019 of Rs 100/- each	2,313.65	—
<b>Unquoted</b>			
	National Savings Certificates (Face value of Rs 7500/-) (Deposited with Government Departments as Security)	0.08	0.08
		2,313.73	0.08
<b>PREFERENCE SHARES IN A JOINT STOCK COMPANY</b>			
<b>QUOTED</b>			
100	Elgin Mills Co. Ltd.	0.01	0.01
<b>EQUITY SHARES IN JOINT STOCK COMPANIES</b>			
<b>QUOTED</b>			
9,38,515	Birla Ericsson Optical Ltd.	469.18	469.18
18,07,660	Century Textiles & Industries Ltd.	940.93	940.93
2,250	Elgin Mills Co. Ltd.	0.14	0.14
19,133	Rameshwara Jute Mills Ltd.	1.19	1.19
4,68,000	Universal Cables Ltd.	106.66	106.66
100	Vindhya Telelinks Ltd.	0.06	0.06
8,812	Zenith Birla (I) Ltd.	0.88	0.88
		1519.04	1519.04
<b>UNQUOTED</b>			
600	Behar Journals Ltd.	0.03	0.03
24,000	Birla Buildings Ltd.	2.47	2.47
4,910	Birla Odessa Industries Pvt. Ltd.	0.50	0.50
5,000	Birla Readymix (P) Ltd.	0.50	0.50
50	Craig Jute Mills Ltd. (Face Value of Rs 3/- each)	0.01	0.01
400	Eastern Economist Ltd.	0.40	0.40
52,000	Indian Smelting & Refining Co. Ltd.	1.19	1.19
600	Industry House Ltd.	0.40	0.40
1	Lotus Court Ltd.	0.46	0.46
		5.96	5.96
<b>EQUITY SHARES IN CO-OPERATIVE SOCIETIES - UNQUOTED</b>			
250	Bally Jute Mills Employees Consumers' Co-operative Stores Ltd.	0.03	0.03
15	Gangagiri Park Co-Operative Housing Society Ltd.	0.01	0.01
10	Twin Star Venus Co-Operative Housing Society Ltd.	0.01	0.01
		0.05	0.05
<b>EQUITY SHARES IN SUBSIDIARY COMPANIES- UNQUOTED</b>			
50,000	Birla Cement (Assam) Ltd.	5.00	—
6,000	Birla Jute Supply Co. Ltd. - Trade	3.00	3.00
50,000	Birla North East Cement Ltd.	5.00	—
40,00,000	Budge Budge Floor Coverings Ltd.	200.02	200.02
10,00,700	Lok Cement Ltd.	100.56	100.56
20,000	MP Birla Group Service Pvt. Ltd	2.00	—
50,000	New Age Cement Ltd.	5.00	—
58,79,900	Talavadi Cements Ltd. - Trade	587.99	587.99
50,000	Thiruvaiyaru Industries Ltd.	5.00	—
		913.57	891.57
<b>DEBENTURES - UNQUOTED</b>			
52	1/2% Debentures of Rs.100/- each in Woodlands Medical Centre Ltd.	0.05	0.05

SCHEDULE 7 : INVESTMENTS (Contd.)		As at 31st March 2009	(Rs. In lacs) As at 31st March 2008
<b>BONDS - QUOTED</b>			
( Face Value of Rs. 10,00,000/- each )			
50	8.85% Canara Bank	505.50	—
200	9.50% Exim Bank	2042.40	—
50	11.00% IDBI Bank Limited	552.10	—
50	11.35% IDBI Bank Limited	544.65	—
50	8.90% Konkan Railway Corporation Limited	505.25	—
50	11.00% Power Finance Corporation Limited	569.70	—
50	8.55% Power Finance Corporation Limited	471.65	—
		5191.25	—
<b>UNITS IN MUTUAL FUNDS-UNQUOTED</b>			
(Units of Rs 10/- each unless otherwise stated)			
7,200	UTI Mutual Fund -"UTI Master Share Unit Scheme-Dividend Plan-Payout" (No Units subscribed during the year)	0.60	0.60
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan 26M August 2006 (1) Institutional Plan Dividend Reinvest" (784550 Units subscribed and 5784550 Units redeemed during the year)	—	500.00
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund - Institutional Plan C Series I-Institutional Dividend Plan" (5000000 Units redeemed during the year)	—	500.00
—	DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Term Plan 18M Series 1 - Institutional Growth" (5000000 Units redeemed during the year)	—	500.00
—	ICICI Pru Mutual Fund -"ICICI Pru. FMP Series 34 - 18 Months Plan Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
—	Principal Mutual Fund - "Principal PNB (FMP - 33) 540 Days Plan Series I Jan 07 Institutional Growth Plan" (5000000 Units redeemed during the year)	—	500.00
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan 18M NOV-07 VI Wholesale Plan Growth Payout" (8879543 Units redeemed during the year)	—	887.95
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan 18M Oct-06 Wholesale Plan Dividend Payout" (6000000 Units redeemed during the year)	—	600.00
32,12,334	HDFC Mutual Fund - "HDFC Fixed Maturity Plan 18M Sep. 2007 (VI) Wholesale Plan Growth Payout" (No Units subscribed during the year)	321.23	321.23
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund IV - Series 7 - Institutional Growth Plan" (5000000 Units redeemed during the year)	—	500.00
—	DWS Mutual Fund - "DWS Fixed Term Fund Series 41 - Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan - 17M Nov-2006 Wholesale Plan Growth" (10000000 Units redeemed during the year)	—	1,000.00
20,00,000	Birla Sun Life Mutual Fund -"Birla Fixed Term Plan Institutional Series AH - Growth" (No Units subscribed during the year)	200.00	200.00
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund II - Annual Plan - Series II-Institutional Growth Plan" (5000000 Units redeemed during the year)	—	500.00
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund IV - Series 8 - Institutional Growth Plan" (9000000 Units redeemed during the year)	—	900.00
—	ICICI Pru Mutual Fund -"ICICI Pru. FMP Series 34 - 16 Months Plan Institutional Growth" (3000000 Units redeemed during the year)	—	300.00
20,00,000	ICICI Pru Mutual Fund -"ICICI Pru. FMP Series 41 - 16 Months Plan Institutional Growth" (No Units subscribed during the year)	200.00	200.00



		(Rs. In lacs)	
		As at 31st March 2009	
		As at 31st March 2008	
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)</b>			
20,00,000	ICICI Pru Mutual Fund -"ICICI Pru. FMP Series 42 - 16 Months Institutional Growth" (No Units subscribed during the year)	200.00	200.00
—	UTI Mutual Fund -"UTI Fixed Term Income Fund Series II Plan 16 Institutional Growth Plan" (1000000 Units redeemed during the year)	—	100.00
—	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 16M Series 1 - Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
50,00,000	ICICI Pru Mutual Fund -"ICICI Pru. FMP Series 42 - 15 Months Plan Institutional Growth" (5000000 Units subscribed during the year)	500.00	—
—	Religare Mutual Fund <sup>2</sup> -"Religare Fixed Maturity Plan 15 Month - Series II - Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
—	DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Term Plan 15M Series 1 - Institutional Growth" (3000000 Units redeemed during the year)	—	300.00
71,74,211	DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Term Plan 15M Series 2 - Institutional Growth" (No Units subscribed during the year)	717.42	717.42
60,37,489	Birla Sun Life Mutual Fund -"Birla Fixed Term Plan Institutional Series AL - Growth" (No Units subscribed during the year)	603.75	603.75
—	Franklin Templeton Mutual Fund -"Templeton Fixed Horizon Fund Series I 15 Months Plan- Insti. Growth" (10000000 Units redeemed during the year)	—	1,000.00
—	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series IV - 15 Months Plan 2 Instl. Growth Plan" (2000000 Units redeemed during the year)	—	200.00
—	HSBC Mutual Fund - "HSBC Fixed Term Series 21 Institutional Growth" (2000000 redeemed during the year)	—	200.00
—	HSBC Mutual Fund - "HSBC Fixed Term Series 22 Institutional Growth" (5000000 Units redeemed during the year)	—	500.00
50,00,000	HDFC Mutual Fund - "HDFC FMP 15M February 2008 (VII) Wholesale Plan Growth Payout" (No Units subscribed during the year)	500.00	500.00
—	HDFC Mutual Fund - "HDFC FMP 15M March 2007 (5) Wholesale Plan Growth" (3000000 Units redeemed during the year)	—	300.00
—	Religare Mutual Fund <sup>2</sup> -"Religare Fixed Maturity Plan 14 Month - Series II - Institutional Growth" (6000000 Units redeemed during the year)	—	600.00
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund III - Annual Plan - Series I-Institutional Growth Plan" (5000000 Units redeemed during the year)	—	500.00
50,00,000	UTI Mutual Fund -"UTI Fixed Term Income Fund - IV - III (08- 14 Months) Institutional Plan" (No Units subscribed during the year)	500.00	500.00
51,73,726	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 14M Series 3 - Retail Growth" (No Units subscribed during the year)	517.37	517.37
20,00,000	HDFC Mutual Fund - "HDFC FMP 14M February 2008 (VII) Wholesale Plan Growth Payout" (No Units subscribed during the year)	200.00	200.00
—	HDFC Mutual Fund - "HDFC FMP 14M March 2007 (3) Wholesale Plan Growth" (3500000 Units redeemed during the year)	—	350.00
30,00,000	ICICI Pru Mutual Fund -"ICICI Pru. FMP Series 42 - 13 Months Plan D Institutional Growth" (3000000 Units subscribed during the year)	300.00	—
—	Religare Mutual Fund <sup>2</sup> - "Religare Fixed Maturity Plan 13 Month Series IV - Institutional Growth" (2000000 Units redeemed during the year)	—	200.00

		As at 31st March 2009	(Rs. In lacs) As at 31st March 2008
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)</b>			
—	Religare Mutual Fund <sup>2</sup> - "Religare Fixed Maturity Plan 13 Month Series V - Institutional Growth" (2037272 Units redeemed during the year)	—	203.73
2,00,00,000	Reliance Mutual Fund - "Reliance Fixed Horizon Fund - VIII - Series - II-Institutional Growth Plan" (20000000 Units subscribed during the year)	2,000.00	—
—	Canara Robeco Mutual Fund - "Canara Robeco Fixed Maturity Institutional Growth Plan 2 (13 Month)" (20000000 Units redeemed during the year)	—	2,000.00
—	DWS Mutual Fund - "DWS Fixed Term Fund Series 47 - Institutional Growth" (5000000 Units redeemed during the year)	—	500.00
1,02,57,576	Religare Mutual Fund <sup>2</sup> - "Religare Fixed Maturity 375 Days Series VII - Institutional Growth" (No Units subscribed during the year)	1,025.76	1,025.76
75,00,000	Birla Sun Life Mutual Fund - "Birla Fixed Term Plan Institutional Series AN - Growth" (No Units subscribed during the year)	750.00	750.00
1,50,00,000	Reliance Mutual Fund - "Reliance Fixed Horizon Fund VII - Series 4 - Institutional Growth Plan" (No Units subscribed during the year)	1,500.00	1,500.00
2,00,00,000	SBI Mutual Fund - "SBI Debt Fund Series - 13 Months -7- (18 -Mar-08) Institutional Growth" (No Units subscribed during the year)	2,000.00	2,000.00
1,02,43,863	ICICI Pru Mutual Fund - "ICICI Pru. FMP Series 43 - 13 Months Plan B Retail Growth" (No Units subscribed during the year)	1,024.39	1,024.39
50,00,000	Franklin Templeton Mutual Fund - "Templeton Fixed Horizon Fund Series VII - Plan C - Institutional Growth" (No Units subscribed during the year)	500.00	500.00
—	Sundaram Mutual Fund - "Sundaram BNP Paribas Fixed Term Plan Series XVIII - Growth Plan" (5000000 Units redeemed during the year)	—	500.00
1,00,00,000	UTI Mutual Fund - "UTI Fixed term Income Fund Series - IV - Plan V -13 Months Institutional Growth Plan" (No Units subscribed during the year)	1,000.00	1,000.00
1,50,00,000	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series XI - 13 Months Plan 1- Institutional Growth Plan" (No Units subscribed during the year)	1,500.00	1,500.00
—	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series VII - 13 Months Plan 1- Instl Growth Plan" (5000000 Units redeemed during the year)	—	500.00
2,04,65,624	Principal Mutual Fund - "Principal PNB (FMP-44) 540Days Series II Mar08 Institutional Growth Plan" (No Units subscribed during the year)	2,046.56	2,046.56
—	HSBC Mutual Fund - "HSBC Fixed Term Series 23 Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
—	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 13M Series 2 - Institutional Growth" (17038713 Units redeemed during the year)	—	1,703.87
20,00,000	HDFC Mutual Fund - "HDFC FMP 13M March 2008 (VII)(2) Wholesale Plan Dividend Payout" (No Units subscribed during the year)	200.00	200.00
—	ICICI Pru Mutual Fund - "ICICI Pru. FMP Series 42 - 13 Months Plan A Institutional Cumulative" (2000000 Units redeemed during the year)	—	200.00
—	ICICI Pru Mutual Fund - "ICICI Pru. FMP Series 42 - 13 Months Plan C Institutional Growth" (3500000 Units redeemed during the year)	—	350.00

		As at 31st March 2009	(Rs. In lacs) As at 31st March 2008
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)</b>			
1,50,00,000	DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Term Plan 12 1/2M Series 1 - Institutional Growth" (No Units subscribed during the year)	1,500.00	1,500.00
—	Sundaram Mutual Fund - "Sundaram BNP Paribas Fixed Term Plan D Institutional Growth" (5000000 Units redeemed during the year)	—	500.00
—	Birla Sun Life Mutual Fund -"Birla Fixed Term Plan Institutional Series U - Growth" (10027380 Units redeemed during the year)	—	1,002.74
—	ICICI Pru Mutual Fund -"ICICI Pru. FMP Series 34 - 1 year Plan B Institutional Growth" (23048200 Units redeemed during the year)	—	2,304.82
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund III - Annual Plan - Series IV-Institutional Growth Plan" (15435735 Units redeemed during the year)	—	1,543.57
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund II - Annual Plan - Series IV - Instl Growth Plan" (2000000 Units redeemed during the year)	—	200.00
—	Franklin Templeton Mutual Fund -"Franklin Templeton Fixed Tenure Fund Series VII 370 Days Plan Growth" (5000000 Units redeemed during the year)	—	500.00
—	Sundaram Mutual Fund - "Sundaram BNP Paribas Fixed Term Plan Series XXXII - Dividend" (733808 Units subscribed and 9905258 redeemed during the year)	—	917.15
50,00,000	IDFC Mutual Fund <sup>3</sup> - "IDFC Fixed Maturity Plan - Yearly Series 19 Plan B - Growth" (No Units subscribed during the year)	500.00	500.00
—	IDFC Mutual Fund <sup>3</sup> - "IDFC Fixed Maturity Plan - Yearly Series 3 - Growth" (3500000 Units redeemed during the year)	—	350.00
—	Principal Mutual Fund - "Principal PNB FMP -Series V (FMP-39)385 Days Plan Insti. Growth Plan AUG07" (2000000 Units redeemed during the year)	—	200.00
—	HSBC Mutual Fund - "HSBC Fixed Term Series 33 Institutional Growth" (3196816 Units redeemed during the year)	—	319.68
—	IDFC Mutual Fund <sup>3</sup> - "IDFC Fixed Maturity Plan - Yearly Series 5 - Growth" (5000000 Units redeemed during the year)	—	500.00
1,00,00,000	IDFC Mutual Fund <sup>3</sup> - "IDFC Fixed Maturity Plan - Yearly Series 20 -Plan B Growth" (No Units subscribed during the year)	1,000.00	1,000.00
50,00,000	IDFC Mutual Fund <sup>3</sup> - "IDFC Fixed Maturity Plan - Yearly Series 17 Plan B - Growth" (No Units subscribed during the year)	500.00	500.00
—	SBI Mutual Fund - "SBI Arbitrage Opportunities Fund Dividend" (5000000 Units redeemed during the year)	—	500.00
—	JM Financial Mutual Fund - "JM Arbitrage Advantage Fund Growth Plan" (6061645 Units redeemed during the year)	—	641.50
—	IDFC Mutual Fund <sup>3</sup> - "IDFC Arbitrage Fund - Plan B - Dividend" (87180 Units subscribed and 2220305 Units redeemed during the year)	—	213.67
—	HDFC Mutual Fund - "HDFC Arbitrage Fund Wholesale Plan Growth" (2000000 Units redeemed during the year)	—	200.00
1,00,00,000	TATA Mutual Fund - "Tata Fixed Investment Plan - 2 Scheme - A - Institutional Plan - Growth" (10000000 Units subscribed during the year)	1,000.00	—
—	IDFC Mutual Fund <sup>3</sup> - "IDFC Fixed Matutity Arbitrage Fund - Series 1 Plan B - Dividend" (419500 Units subscribed and 5419500 Units redeemed during the year)	—	500.00
—	DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Term Plan Series 3C - Growth Option" (50000 Units of Rs.1000/-each redeemed during the year)	—	500.00

	<u>As at 31st March 2009</u>	<u>As at 31st March 2008</u>
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>		
<b>UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)</b>		
— DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Term Plan Series 3 F Institutional Growth" (20000 Units of Rs.1000/-each redeemed during the year)	—	200.00
	<u>22,807.08</u>	<u>47,995.76</u>
	32,750.74	50,412.52
Less : Provision for diminution in value of Long Term Investments	0.81	0.81
<b>Total Long Term Investment</b>	<u>32,749.93</u>	<u>50,411.71</u>
<b>B. Current</b>		
<b>UNITS IN MUTUAL FUND - UNQUOTED</b>		
(Units of Rs. 10/- each unless otherwise stated)		
1,11,70,621 UTI Mutual Fund -"UTI-GSec-Investment Plan - Dividend Plan - Re-investment" (11170621 Units subscribed during the year)	1,255.48	—
53,39,761 IDFC Mutual Fund <sup>3</sup> - "IDFC Dynamic Bond Fund - Plan A - Growth" (5339761 Units subscribed during the year)	939.14	—
1,03,54,905 Reliance Mutual Fund - "Reliance Gilt Securities Fund- Institutional Growth Plan" (10354905 Units subscribed during the year)	1,225.28	—
72,82,852 Kotak Mahindra Mutual Fund - "Kotak Gilt (Investment Regular) - Quarterly Dividend" (7282852 Units subscribed during the year)	1,011.89	—
60,39,917 ICICI Pru Mutual Fund -"ICICI Prudential Gilt Fund - Investment Plan - Dividend" (6039917 Units subscribed during the year)	782.95	—
89,49,636 DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Govt Sec. Fund - Plan A - Monthly Dividend" (8949636 Units subscribed during the year)	1,010.66	—
17,31,366 TATA Mutual Fund - "Tata Income Fund - Appreciation" (1731366 Units subscribed during the year)	500.00	—
41,38,952 Principal Mutual Fund - "Principal Income Fund-Instl. Plan - Dividend Reinvestment - Quarterly" (4138952 Units subscribed during the year)	506.66	—
26,61,113 Reliance Mutual Fund - "Reliance Income Fund-Retail Plan - Growth Plan - Growth Option" (2661113 Units subscribed during the year)	750.00	—
51,76,376 Reliance Mutual Fund - "Reliance Income Fund-Retail Plan - Monthly Dividend Plan" (5,176,376 Units subscribed during the year)	546.73	—
17,99,704 ICICI Pru Mutual Fund -"ICICI Prudential Institutional Income Plan Growth" (1799704 Units subscribed during the year)	500.09	—
35,12,240 Canara Robeco Mutual Fund - "Canara Robeco Income Dividend (Income) Fund" (3512240 Units subscribed during the year)	540.49	—
50,00,000 HDFC Mutual Fund - "HDFC Fixed Maturity Plan 370D May 2008 (VIII) (3) Wholesale plan Growth" (5000000 Units subscribed during the year)	500.00	—
39,29,940 HDFC Mutual Fund - "HDFC Fixed Maturity Plan 370D May 2008 (VIII) Wholesale plan Dividend Payout" (3929940 Units subscribed during the year)	392.99	—
34,06,830 HDFC Mutual Fund - "HDFC Fixed Maturity Plan 370D June 2008 (VIII) (1) Wholesale plan Growth" (3406830 Units subscribed during the year)	340.68	—
20,00,000 HDFC Mutual Fund - "HDFC Fixed Maturity Plan 370D May 2008 (VIII) (2) Wholesale Plan Growth" (2000000 Units subscribed during the year)	200.00	—
1,00,00,000 Birla Sun Life Mutual Fund -"Birla Sun Life FTP Institutional Series AV Growth" (10000000 Units subscribed during the year)	1,000.00	—



		As at 31st March 2009	(Rs. In lacs) As at 31st March 2008
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)</b>			
80,00,000	Birla Sun Life Mutual Fund -"Birla Sun Life FTP Institutional Series BI Growth" (8000000 Units subscribed during the year)	800.00	—
—	FORTIS Mutual Fund <sup>4</sup> -" FORTIS Fixed Term Plan S8 Yearly Plan D - Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
—	ING Mutual Fund - "ING Fixed Maturity Fund XXXII Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
—	DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Term Plan Series 3D - Insti. Div. Reinvest" (531 Units subscribed and 21480 Units redeemed of Rs.1000/- each during the year)	—	209.53
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund IV - Series 5 - Institutional Growth Plan" (2000000 Units redeemed during the year)	—	200.00
—	UTI Mutual Fund -"UTI Fixed Maturity Plan Yearly Series YFMP/0807 - Institutional Growth" (5000000 Units redeemed during the year)	—	500.00
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan 367D June 2007(5) Wholesale Plan Growth" (2000000 Units redeemed during the year)	—	200.00
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan 367D MAY 2007(5) Wholesale Plan Dividend Payout" (3000000 Units redeemed during the year)	—	300.00
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan 367D Sep 2007(6) Wholesale Plan Growth" (2000000 Units redeemed during the year)	—	200.00
—	HDFC Mutual Fund - "HDFC Fixed Maturity Plan - 367 D - August 2007 Wholesale Plan Growth" (7392566 Units redeemed during the year)	—	739.26
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund IV - Annual Plan Series II - Institutional Growth Plan" (10340195 Units redeemed during the year)	—	1,034.02
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund IV - Annual Plan Series I - Institutional Growth Plan" (3000000 Units redeemed during the year)	—	300.00
—	Franklin Templeton Mutual Fund -"Templeton Fixed Horizon Fund Series II - Plan A - Institutional Growth" (5000000 Units redeemed during the year)	—	500.00
—	Franklin Templeton Mutual Fund -"Templeton Fixed Horizon Fund Series II - Plan B - Institutional Growth" (10000000 Units redeemed during the year)	—	1,000.00
—	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 12M Series 4 - Institutional Growth" (2000000 Units redeemed during the year)	—	200.00
—	IDFC Mutual Fund <sup>3</sup> - "IDFC Fixed Maturity Plan - Yearly Series 10 - Growth" (20000000 Units redeemed during the year)	—	2,000.00
1,02,52,320	ICICI Pru Mutual Fund -"ICICI Prudential FMP Series 44 - One Year Plan A Institutional Growth" (10252320 Units subscribed during the year)	1,025.23	—
50,00,000	ICICI Pru Mutual Fund -"ICICI Prudential FMP Series 44 - One Year Plan B Institutional Growth" (5000000 Units subscribed during the year)	500.00	—
35,00,000	ICICI Pru Mutual Fund -"ICICI Prudential FMP Series 44 - One Year Plan C Institutional Growth" (3500000 Units subscribed during the year)	350.00	—
1,02,58,166	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series XI Yearly Plan - Institutional Growth Plan" (10258166 Units subscribed during the year)	1,025.81	—
1,00,00,000	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 12M Series 3 - Institutional Growth" (10000000 Units subscribed during the year)	1,000.00	—

		As at 31st March 2009	As at 31st March 2008
(Rs. In lacs)			
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)</b>			
50,00,000	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 12M Series 6 - Institutional Growth" (5000000 Units subscribed during the year)	500.00	—
30,00,000	UTI Mutual Fund -"UTI FT Income Fund-Series- IV - Plan VII (May / 08-12 Months) - Instl. Growth Plan" (3000000 Units subscribed during the year)	300.00	—
—	UTI Mutual Fund -"UTI Fixed Income Interval Fund Annual Interval Plan Series -II - Instl. Div. Plan Reinvestment" (372249 Units subscribed and 5372249 Units redeemed during the year)	—	500.00
—	Birla Sun Life Mutual Fund -"BSL Interval Income Fund - Institutional Quarterly Series 2 Dividend" (86434 Units subscribed and 7721968 Units redeemed during the year)	—	763.56
—	ICICI Pru Mutual Fund -"ICICI Pru. Interval Plan -1- Quarterly Retail Dividend" (21273 Units subscribed and 2070916 Units redeemed during the year)	—	204.96
—	AIG Mutual Fund -" AIG Short Term Fund Institutional Growth" (69789 Units redeemed during the year)	—	701.03
—	JM Financial Mutual Fund - "JM Short Term Fund Institutional Plan Dividend" (27282 Units subscribed and 5026474 Units redeemed during the year)	—	518.10
—	Principal Mutual Fund - "Principal Income Fund Institutional Plan Growth Accumulation Plan" (3708649 Units redeemed during the year)	—	500.00
1,40,84,375	Reliance Mutual Fund - "Reliance Short Term Fund Retail Plan Dividend Plan" (14947337 Units subscribed and 11568367 Units redeemed during the year)	1,500.00	1,132.00
50,00,000	Canara Robeco Mutual Fund - "Canara Robeco Short Term Institutional Dividend Fund" (5000000 Units subscribed during the year)	500.00	—
1,08,87,411	HDFC Mutual Fund - "HDFC Short Term Plan - Dividend Reinvestment" (10887411 Units subscribed during the year)	1,124.01	—
—	Franklin Templeton Mutual Fund -"Templeton India ST Income Plan Insti. Monthly Dividend Reinvestment" (1345 Units subscribed and 60411 units of Rs. 1000/- each redeemed during the year)	—	635.91
1,04,67,780	SBI Mutual Fund - "SBI Premier Liquid Fund - Super Institutional - Daily Dividend" (822216068 Units subscribed and 814240996 units redeemed during the year)	1,050.18	250.08
45,79,694	Reliance Mutual Fund - "Reliance Liquid Fund - Treasury Plan- Institutional Option - Daily Dividend Option" (186684468 Units subscribed and 182104774 Units redeemed during the year)	700.11	—
7,99,995	Reliance Mutual Fund - "Reliance Medium Term Fund- Daily Dividend Plan" (109302142 Units subscribed 108502147 Units redeemed during the year)	136.76	—
31,96,225	Canara Robeco Mutual Fund - "Canara Robeco Floating Rate ST Daily Dividend Fund" (23664062 Units subscribed and 20467837 Units redeemed during the year)	327.94	—
		22,843.08	12,988.45
	Less : Provision for diminution in value of current Investments	364.00	—
	Total Current Investment	22,479.08	12,988.45
		55,229.01	63,400.16
	Aggregate Book Value of Quoted Investments	9,023.14	1,518.24
	Aggregate Book Value of Unquoted Investments	46,205.87	61,881.92
		55,229.01	63,400.16
	Aggregate Market Value of Quoted Investments	11,781.35	13,694.11

**SCHEDULE 7 : INVESTMENTS (Contd.)**

**UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)**

<b>Units of Mutual Funds subscribed and redeemed during the year</b> (Units of Rs. 10/- each)	<b>No. of Units</b>
Birla Sun Life Mutual Fund -"Birla Sun Life Cash plus - Institutional Premium Daily Dividend - Reinvestment"	68964172
Birla Sun Life Mutual Fund -"Birla Sun Life Liquid Plus - Institutional - Daily Dividend Reinvestment"	24078666
Birla Sun Life Mutual Fund -"Birla Sun Life Short Term Fund -Institutional Daily Dividend"	55524484
Birla Sun Life Mutual Fund -"Birla Sun Life FTP Institutional Series AU Dividend Reinvestment"	5000000
Canara Robeco Mutual Fund - "Canara Robeco Interval Quarterly Institutional Dividend Fund"	5088430
Canara Robeco Mutual Fund - "Canara Robeco Liquid Fund - Institutional Daily Dividend Reinvestment"	49819265
Canara Robeco Mutual Fund - "Canara Robeco Liquid Super Institutional Daily Dividend Reinvest. Fund "	13653613
Canara Robeco Mutual Fund - "Canara Robeco Treasury Advantage Instl Daily Dividend Fund "	24283150
Canara Robeco Mutual Fund - "Canara Robeco Treasury Advantage Super Instl Daily Div Reinvest. Fund "	13831920
DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Fixed Maturity Plan 3 M Series 8- Institutional Dividend"	2034380
DWS Mutual Fund - "DWS Insta Cash Plus Fund - Super Institutional Plan - Daily Dividend Option"	15006643
DWS Mutual Fund - "DWS Ultra Short Term Fund - Regular Daily Dividend Plan"	10072190
Fidelity Mutual Fund -"Fidelity Cash Fund (Institutional) Daily Dividend"	5502008
Franklin Templeton Mutual Fund -"Templeton Floating Rate INCOME FUND LT Inst Opt. - Div Reinvest."	10080994
HDFC Mutual Fund - "HDFC Cash Management Fund Saving Plan- Daily Dividend Reinvest"	132995498
HDFC Mutual Fund - "HDFC Cash Management Fund Treasury Advantage Plan - Wholesale DDR"	119506371
HDFC Mutual Fund - "HDFC Cash Management Fund Call Plan- Daily Dividend Reinvest"	9612241
HDFC Mutual Fund - "HDFC Quarterly Interval Fund - Plan C Wholesale Dividend Reinvest"	2034762
HDFC Mutual Fund - "HDFC FMP 90D November 2008 (X) (1) Wholesale Plan Dividend Payout"	2000000
HSBC Mutual Fund - "HSBC Cash Fund Institutional Plus - Daily Dividend"	32676347
HSBC Mutual Fund - "HSBC Floating Rate - LT- Inst Daily Dividend - Daily Dividend"	43106832
HSBC Mutual Fund - "HSBC Fixed Term Series 51 - Institutional Dividend"	10351368
ICICI Pru Mutual Fund -"ICICI Prudential - Flexible Income Plan Premium Daily Dividend"	1425014
ICICI Pru Mutual Fund -"ICICI Prudential Institutional Liquid Plan Super Insti. Daily Div."	42144583
IDFC Mutual Fund <sup>3</sup> - "IDFC Arbitrage Plus Fund - Plan B - Growth"	3000000
IDFC Mutual Fund <sup>3</sup> -"IDFC Money Manager Fund - Investment Plan - Inst Plan B-Daily Div."	32028230
IDFC Mutual Fund <sup>3</sup> -"IDFC Cash Fund - Super Inst Plan C - Daily Dividend"	9402227
IDFC Mutual Fund <sup>3</sup> -"IDFC Liquidity Manager - Daily Dividend"	1589331
IDFC Mutual Fund <sup>3</sup> -"IDFC Money Manager Fund -Treasury Plan - Inst Plan B - Daily Div"	9478630
IDFC Mutual Fund <sup>3</sup> -"IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Div"	5411658
ING Mutual Fund - "ING Fixed Maturity Fund -40 Institutional- Growth"	2000000
ING Mutual Fund - "ING Fixed Maturity Fund -45 Institutional- Dividend"	2000000
ING Mutual Fund - "ING Fixed Maturity Fund -47 Institutional- Growth"	5000000
ING Mutual Fund - "ING Treasury Advantage Fund - Institutional Daily Dividend"	4198024
JP Morgan Mutual Fund - "JP Morgan India Active Bond Fund - Institutional Dividend - Reinvest"	5081151
JP Morgan Mutual Fund - "JP Morgan India Treasury Fund - Super Inst. Daily Div Reinvestment"	5070069
Kotak Mahindra Mutual Fund - "Kotak Liquid (Institutional Premium) - Daily Dividend"	8179222
Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 3 M - Series 29 - Growth"	3000000
Mirae Asset Mutual Fund - "Mirae Assets Liquid Plus Fund - Super Inst Dividend Plan (Daily)"	202259
Mirae Asset Mutual Fund - "Mirae Asset Liquid Fund - Institutional - Dividend Plan (Daily)"	49972
Principal Mutual Fund - "Principal Floating Rate Fund FMP Institutional Option - Daily Reinvest. Daily"	91580811
Principal Mutual Fund - "Principle Cash Management Fund - Liquid Opt. Inst- DDR"	13304175
Principal Mutual Fund - "Principle Cash Management Fund - Liquid Opt. Inst- Prem Plan- DDR"	157516489
Reliance Mutual Fund - "Reliance Liquidity Fund Daily Dividend Reinvestment Option"	18544181
Reliance Mutual Fund - "Reliance Floating Rate Fund-Daily Dividend Reinvestment Plan"	2947597
Reliance Mutual Fund - "Reliance Liquid Fund - Cash Plan-Daily Dividend Option"	23995576

**SCHEDULE 7 : INVESTMENTS (Contd.)**

**UNITS IN MUTUAL FUNDS-UNQUOTED (Contd.)**

	<u>No. of Units</u>
Reliance Mutual Fund - "Reliance Fixed Horizon Fund - VIII - Series 10-Institutional Dividend Plan"	10000000
Religare Mutual Fund <sup>2</sup> - "Religare FMP 375 Days Series IX Inst. Growth"	10000000
Religare Mutual Fund <sup>2</sup> - "Religare Ultra Short Term Fund - Institutional Daily Dividend"	2105206
SBI Mutual Fund - "SBI-SHF- Ultra Short Term Fund - Institutional PLAN - Daily Dividend"	2067501
Sundaram Mutual Fund - "Sundaram BNP Paribas Money Fund Super Inst.Daily Div.Rein"	4701115
Sundaram Mutual Fund - "Sundaram BNP Paribas Ultra ST Fund Super Inst.Div Rein Daily"	19697102
Sundaram Mutual Fund - "Sundaram BNP Paribas Fixed Term Plan 90days Series 5 Inst.Dividend"	5590150
Sundaram Mutual Fund - "Sundaram BNP Paribas Fixed Term Plan 16 Inst.Growth"	5000000
TATA Mutual Fund - "TATA Floater Fund - Daily Dividend"	50596371
UTI Mutual Fund -"UTI Money Market Fund - Daily Dividend Option - Re-Investment"	14151474
(Units of Rs. 1000/-each)	
Bharti AXA Mutual Fund -"Bharti AXA Liquid Fund - Institutional Plan - Daily Dividend"	50157
DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Liquidity Fund Institutional Daily Dividend"	46399
DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Money Manager Fund - Institutional Plan Daily Div."	98905
DSP BlackRock Mutual Fund <sup>1</sup> -"DSP BlackRock Cash Manager Fund - Institutional Plan Daily Div."	79467
Franklin Templeton Mutual Fund -"Templeton India TREASURY MGT A/c Super Insti. Plan - Growth"	198583
Franklin Templeton Mutual Fund -"Templeton India TREASURY MGT A/c Instl Plan - Daily Div Reinvest."	37299
Franklin Templeton Mutual Fund -"Templeton India TREASURY MGT A/c Reg. Plan - Daily Div Reinvest"	72748
IDFC Mutual Fund - "IDFC Liquid Fund - Daily Dividend"	49995
Reliance Mutual Fund - "Reliance Money Manager Fund-Institutional Option - Daily Dividend Plan"	340120
TATA Mutual Fund - "TATA Liquid Super High Investment Fund - Daily Dividend"	1045950
UTI Mutual Fund -"UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option ) - Re-Invest."	160142
UTI Mutual Fund -"UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment"	99663

Note :

<sup>1</sup> Formerly DSP Merrill Lynch Mutual Fund

<sup>2</sup> Formerly Lotus India Mutual Fund

<sup>3</sup> Formerly Standard Chartered Mutual Fund

<sup>4</sup> Formerly ABN AMRO Asset Management

**SCHEDULE 8 : INVENTORIES**

(As valued and certified by the Management)

	<u>As at 31st March, 2009</u>	<u>As at 31st March, 2008</u>
Stores, Spare Parts etc.	11169.12	9921.49
Machinery Spares not in regular use	<u>294.32</u>	<u>224.35</u>
	11463.44	10145.84
Stock-in-Trade –		
Finished Goods	3124.20	3511.93
Raw Materials	1808.78	2346.94
Materials under Process	<u>2891.49</u>	<u>4040.11</u>
	7824.47	9898.98
	<u>19287.91</u>	<u>20044.82</u>

	<u>As at 31st March 2009</u>	<u>As at 31st March 2008</u>
(Rs. In lacs)		
<b>SCHEDULE 9 : SUNDRY DEBTORS</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Secured, Considered Good	96.26	138.31
Unsecured, Considered Good ( See Note No. 7 in Schedule 23 )	173.65	202.98
Unsecured, Considered Doubtful (See Note No. 7 in Schedule 23)	510.83	521.73
	<u>780.74</u>	<u>863.02</u>
<b>Other Debts</b>		
Secured, Considered Good	232.02	304.96
Unsecured, Considered Good	1497.73	2525.00
	<u>1729.75</u>	<u>2829.96</u>
	2510.49	3692.98
Less : Provision	510.83	521.73
	<u>1999.66</u>	<u>3171.25</u>
<b>SCHEDULE 10 : CASH AND BANK BALANCES</b>		
Cash Balance in hand		
(Includes Cheques & Drafts in hand Rs. 2798.12, Previous Year Rs.1598.53 )	2812.96	1616.98
Bank Balances -		
With Scheduled Banks -		
In Current Accounts		
(Includes remittances in transit Rs. NIL, Previous Year Rs.875.80 )	1017.72	1247.40
" Unpaid Dividend Accounts	42.61	29.35
" Fixed Deposit Accounts	28098.84	257.01
(Includes accrued interest Rs. 822.90, Previous Year Rs.15.09 )	29159.17	1533.76
(Includes Rs 799.00, Previous Year Rs.211.82 pledged with Scheduled Banks, Rs.20.00, previous Year Rs 30.00 earmarked for deposit under Rule 3A of the Companies ( Acceptance & Deposit ) Rules, 1975 and Rs.0.10, Previous Year Rs 0.10 deposited with Mining Department )		
	<u>31972.13</u>	<u>3150.74</u>
<b>SCHEDULE 11 : LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Advances to subsidiary company	197.15	190.42
Advances (recoverable in cash or in kind or for value to be received or pending adjustments) -		
To Suppliers of Capital Goods	5302.86	2244.77
" Employees (See Note No. 7 in Schedule 23)	122.04	113.69
" Others, Considered Goods (See Note No. 7 in Schedule 23)	12037.53	11087.42
Others, Considered Doubtful (See Note No. 7 in Schedule 23)	12.29	12.29
	<u>17474.72</u>	<u>13458.17</u>
Interest accrued on Investments	211.79	29.57
Deposits -		
Balances with Customs , Port Trust , Other Government Authorities & Others	2542.77	2434.82
	<u>20426.43</u>	<u>16112.98</u>
Less : Provision	12.29	12.29
	<u>20414.14</u>	<u>16100.69</u>
<b>SCHEDULE 12 : CURRENT LIABILITIES</b>		
Current Liabilities -		
Sundry Creditors -		
For Goods (Includes Rs 54.94, Previous Year Rs.54.76 to Subsidiary Company)	4085.42	2827.41
" Expenses	19414.45	15579.56
( Includes Rs.Nil, Previous Year Rs. NIL to Micro Enterprises and Small Enterprises)	23499.87	18406.97
Investor Education and Protection Fund shall be credited by the following amounts namely # :		
Unpaid and unclaimed dividends	42.61	29.35
# No amount was due for deposit as on 31st March, 2009		
Other Liabilities	9359.06	8649.06
Interest accrued but not due	60.52	85.28
	<u>32962.06</u>	<u>27170.66</u>



	As at 31st March 2009	(Rs. In lacs) As at 31st March 2008
<b>SCHEDULE 13 : PROVISIONS</b>		
Provision for taxation (net)	301.15	507.73
Proposed Dividend	3465.24	3080.22
Corporate Dividend Tax	588.92	523.48
Employee Benefits	2334.60	2938.66
	<u>6689.91</u>	<u>7050.09</u>
	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>SCHEDULE 14 : SALES</b>		
Sale of Goods (Includes Export Sales Rs.9537.14, Previous Year Rs.7750.50 )	202126.71	197882.03
Own Consumption	1153.76	1156.70
Export Benefits	242.01	336.88
Miscellaneous	361.42	302.67
	<u>203883.90</u>	<u>199678.28</u>
<b>SCHEDULE 15 : OTHER INCOME</b>		
Income on Investments		
Other than Trade (Gross)		
Interest	130.27	—
Dividend (Includes Rs.370.11 on long term, Previous Year Rs. 17.31)	1199.22	1802.47
Profit on sale of Investments (Includes Rs.2499.40 on long term, Previous Year Rs. 535.31)	3285.92	548.54
	<u>4615.41</u>	<u>2351.01</u>
Interest other than on Investments (Tax deducted at source Rs.225.78, Previous Year Rs.9.55)		
From Banks	1009.53	23.40
Other than Banks - On Deposits, etc.	68.42	76.28
	<u>1077.95</u>	<u>99.68</u>
Profit on Sale of Fixed Assets	14.84	28.42
Incentives & Subsidies	1020.22	589.02
Rent (Tax deducted at source Rs.1.84, Previous Year Rs.1.18)	70.56	66.83
Excess Liabilities and Unclaimed Balances written back	549.49	375.92
Excess Depreciation written back	17.61	4.68
Insurance and Other Claims (Net)	98.22	64.74
Provision For Doubtful Debts Written Back ( Net of Provision of Rs. 1.59, Previous Year Rs. 38.32)	10.90	(38.32)
Sundry Adjustments (Net)	13.42	(27.68)
Miscellaneous Income (Tax deducted at source Rs. NIL, Previous Year Rs.0.11)	124.60	246.81
	<u>7613.22</u>	<u>3761.11</u>

	For the year ended 31st March, 2009	(Rs. In lacs) For the year ended 31st March, 2008
<b>SCHEDULE 16 : (INCREASE)/DECREASE IN STOCKS</b>		
<b>Opening Stocks</b>		
Finished Goods	3511.93	2273.79
Materials under Process	4040.11	2320.98
	<u>7552.04</u>	<u>4594.77</u>
<b>Closing Stocks</b>		
Finished Goods	3124.20	3511.93
Materials under Process	2891.49	4040.11
	<u>6015.69</u>	<u>7552.04</u>
Add : Increase/(Decrease) in Excise Duty & Cess on Stocks	(196.20)	(5.52)
	<u>1340.15</u>	<u>(2962.79)</u>
<b>SCHEDULE 17 : RAW MATERIALS CONSUMED</b>		
Opening Stock	2349.21	3032.57
Add: Purchases	22146.55	18963.23
	<u>24495.76</u>	<u>21995.80</u>
Less: Sales	—	.05
Closing Stock	1808.78	2349.21
	<u>1808.78</u>	<u>2349.26</u>
	<u>22686.98</u>	<u>19646.54</u>
<b>SCHEDULE 18 : MANUFACTURING EXPENSES</b>		
Stores, Spare Parts and Packing Materials	16847.26	14669.43
Power & Fuel	36820.56	32832.42
Royalty & Cess ( Tax Collected at source Rs 52.35 Previous Year Rs. 22.14 )	2301.01	2492.78
Repairs to Buildings	893.85	585.09
Repairs to Machinery	3221.60	2057.32
Repairs to Other Assets	101.30	111.12
Freight & Material Handling on Inter Unit Transfer	4424.41	3974.07
Other Manufacturing Expenses	931.28	776.41
	<u>65541.27</u>	<u>57498.64</u>
<b>SCHEDULE 19 : PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus etc.	12257.35	11604.37
Provident and Other Funds	1370.73	1296.30
Gratuity Fund	345.35	394.83
Superannuation Fund	296.76	304.26
Employees Welfare Expenses	588.87	545.64
	<u>14859.06</u>	<u>14145.40</u>

	For the year ended 31st March, 2009	(Rs. In lacs) For the year ended 31st March, 2008
<b>SCHEDULE 20 : SELLING, ADMINISTRATION AND OTHER EXPENSES</b>		
Brokerage & Commission on Sales	888.26	877.49
Transport & Forwarding Expenses	24427.31	20162.76
Insurance	248.16	260.95
Rent	297.76	243.66
Rates & Taxes	1488.48	1493.03
Development Cess on Cement	39.78	39.55
Other Expenses	2518.16	2239.40
Advertisement	498.98	372.76
Charity & Donation	602.75	603.74
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	15.00	15.00
Tax Audit Fees	3.75	3.75
Travelling Expenses	3.80	1.46
Issue of Certificates	12.01	8.60
	34.56	28.81
Cost Auditors -		
Audit Fees	1.90	1.65
Travelling Expenses	0.09	0.23
	1.99	1.88
Loss on sale/discard of Fixed Assets	583.95	36.59
Provision For Diminution in value of Current Investments	364.00	—
Directors' Fees	8.00	7.30
	32002.14	26367.92
<b>SCHEDULE 21 : INTEREST AND OTHER FINANCE CHARGES</b>		
Interest on Loans, Deposits, etc. -		
To Banks on Working Capital Loans	358.76	564.01
" Banks on Term Loans	1142.94	980.90
" Others	568.53	560.32
Other Finance Charges	134.27	66.08
	2204.50	2171.31
<b>SCHEDULE 22 : DEPRECIATION</b>		
On Fixed Assets	4363.66	4172.78
Less: Transferred from Reserve on Revaluation	21.64	28.76
	4342.02	4144.02

## SCHEDULE 23 : ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### A. Significant Accounting Policies

#### (a) Basis of Accounting

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principals in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

#### (b) Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialised.

#### (c) Fixed Assets

Fixed Assets, other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses. In respect of qualifying assets, related pre-operational expenses including interest are also capitalised and included in the cost. Claims in respect of capital assets are adjusted as and when settled. Revalued assets are stated at the values determined on revaluation.

Assets acquired under finance lease are recognised at lower of fair value or present value of minimum lease payments.

#### (d) Depreciation

i) Depreciation on assets is provided on Straight Line Method as follows :

On assets of Cement Division acquired after 1st April, 1987, depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956. On other assets of Cement Division, depreciation is provided on the specified period basis as per the rates as prescribed in Schedule XIV to the Companies Act, 1956 .

On the assets of other Divisions, depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 .

On amount added on revaluation, depreciation is provided at the rates considered reasonable.

ii) Leasehold land is amortised over the period of the lease.

iii) Depreciation on assets built on lease hold land, which is transferable to the lessor after the lease period is amortised over the lease period of the land.

#### (e) Investments

i) Long Term Investments are stated at cost. Provision for diminution in value is made if the decline in value is other than temporary in the opinion of the management.

ii) Current Investments are stated at lower of cost or fair value.

#### (f) Inventories

i) Stock-in-Trade viz. Raw Materials, Finished Goods and Materials under Process are valued at Cost or Net Realisable Value, whichever is lower. Cost of Raw Materials are determined on FIFO basis except for Jute division where it is determined on weighted average basis. Cost of Finished Goods and Materials under Process are determined on weighted average basis. Net Realisable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. Stores and Spare Parts etc are valued at cost determined on weighted average basis.

ii) Machinery Spares not in regular use are written off over the estimated useful life of the respective assets.

iii) Excise Duty & Cess on stocks are shown separately in (Increase) / Decrease in Stocks.

#### (g) Employee Benefits

i) Employee benefits of short term nature are recognized as expense as and when it accrues.

ii) Employee benefits of long term nature are recognized as expense based on actuarial valuation using projected unit credit method.

iii) Post employment benefits in the nature of Defined Contribution Plans are recognized as expense as and when it accrues and that in the nature of Defined Benefit Plans are recognized as expenses based on actuarial valuation using projected unit credit method.

iv) Actuarial gains and losses are recognized immediately in the Profit and Loss account as income and expense.

v) Expenditure incurred on Voluntary Retirement Scheme is charged to profit & loss account immediately.

## SCHEDULE 23 (Contd.)

(Rs. in lacs)

### (h) Foreign Currency Transactions and Derivatives

- i) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end balance of foreign currency transactions is translated at the year end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise.
- ii) In respect of transactions covered by Forward Exchange Contracts (except for firm commitments and highly probable forecast transactions), the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.
- iii) Outstanding forward contracts for firm commitments and highly probable forecast transactions and derivative contracts, other than those stated above, are marked to market and the resulting loss, if any, is charged to the profit & loss account. Gain, if any, on such marking to market is not recognized as a prudent accounting policy.

### (i) Recognition of Income and Expenditure

- i) All Income and Expenditure are accounted for on accrual basis except as otherwise stated.
- ii) Gross Sales are inclusive of excise duty and net of returns, claims and discount etc.
- iii) Export benefit entitlements to the Company under the EXIM / Foreign Trade Policy is recognised in the year of exports on accrual basis.

### (j) Taxation

Provision for Current Income Tax is made in accordance with the Income Tax Act, 1961. The deferred tax charge or credit is recognised using substantively enacted tax rates subject to consideration of prudence on timing differences between book and tax profits.

Fringe Benefit Tax are accounted for on the estimated value of fringe benefits for the period as per the provisions of the Income Tax Act, 1961

Provision for wealth tax liability is estimated in accordance with the Wealth Tax Act, 1957.

### (k) Government Grants

Grants received from Government agencies against specific fixed assets are adjusted to the cost of the assets and capital grants for Project Capital Subsidy are credited to Capital Reserve. Revenue Grants are recognized as Other Income or reduced from respective expenses.

### (l) Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognised as an expense in the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

### (m) Borrowing Costs

Interest and other borrowing costs directly attributable to the acquisition, construction or installation of qualifying capital assets till the date of commencement of commercial use of the assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### (n) Provisions

Provisions are recognised where reliable estimate can be made for probable outflow of resources to settle the present obligation as a result of past event and the same is reviewed at each Balance Sheet date.

### (o) Contingent Liabilities

Contingent Liabilities are not provided for and are separately shown by way of a note in this Schedule.

## B. Notes on Accounts

1. Contingent Liabilities not provided for -
  - (a) Bills discounted with Banks remaining outstanding - Rs. 717.68 (Previous Year Rs. 419.59).
  - (b) Guarantees and Counter-guarantees - Rs. 1578.14 (Previous Year Rs. 1035.48).
  - (c) Amount of Customs Duty which may have to be paid on account of non-fulfillment of Export Obligation under EPCG Scheme and Duty Exemption (Advance Authorisation) Scheme is Rs. 395.29 and Rs. Nil (Previous Year Rs. 269.54 and Rs. 202.45) respectively.
  - (d) The Company is liable to contribute up to a maximum of Rs. 0.75 (Previous Year Rs. 0.75) to C.A.C.O. in the event of its being wound-up during the time the Company continues to be its member or within one year thereafter.



**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

(e) Claims/Disputes/Demands not acknowledged as debts -	<u>2008-09</u>	<u>2007-08</u>
i) Demand notice for levying sales tax on packing material at the rate applicable on cement. Writ petition has been filed and the matter is pending before Hon'ble High Court, Chandigarh.	161.07	161.07
ii) Demand for Water Supply Charges under Rajasthan Irrigation & Drainage Act, 1954. Writ petition has been filed before the Hon'ble High Court, Rajasthan which has granted stay in the matter.	147.16	147.16
iii) Additional U. P. Sales tax demanded by enhancing the value of cement. The case has been decided by Tribunal in Company's favour. Department has filed revision petition before Hon'ble High Court, Allahabad against order of the Tribunal. The High Court has remanded the case to UP Trade Tax Tribunal.	146.40	146.40
iv) Demand for interest on delayed payment of Entry Tax raised by the U.P. Trade Tax Department, Allahabad. Writ petition has been filed before the Hon'ble High Court, Allahabad which has granted stay in the matter.	158.46	158.46
v) Cenvat Credit taken on GTA service on the basis of TR - 6 challan disallowed. Appeal filed before the CESTAT, New Delhi and stay granted in the matter.	190.94	190.94
vi) Excise Duty rebate received in earlier year by a Unit of the Company has been protested by the excise authorities before the Hon'ble Supreme Court. The matter has been remitted to the Assistant Commissioner of Central Excise. Hearing held before him on 13.07.07 and order awaited.	969.13	969.13
vii) Stamp Duty for registration/ execution of deed of certain Limestone Mining Lease. The matter is pending before the Hon'ble Supreme Court.	777.60	—
viii) Entry Tax as per U.P. VAT Act on clinker received at Raebareli from Satna. The matter is pending before the Hon'ble Supreme court.	573.82	—
ix) Renewable Energy surcharge on account of shortfall of energy purchase from renewable energy sources as per Rajasthan Electricity Regulatory commission notification dt. 23.03.2007. The matter is pending before the Hon'ble High Court, Rajasthan.	697.48	—
x) Demand for Entry Tax under 'Rajasthan Tax on entry of goods into Local Area Act' 1999'. Stay has been granted by the Hon'ble High Court, Rajasthan.	371.92	—
xi) Other Claims/Disputes/Demands (being less than Rs.100.00) pending in various legal forums for Sales Tax, Excise Duty & Service Tax, Rates & Taxes, E.S.I., Electricity Duty & Surcharge, Electricity Charges, and other claims - Rs.81.01, Rs.282.53, Rs.108.81, Rs.4.91, Rs. 0.56, Rs.99.15, Rs.318.91 (Previous Year Rs.330.22, Rs.164.50, Rs. 103.43, Rs.81.01, Rs.0.56, Rs.99.15, and Rs.284.62) respectively.		
2. Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs.11455.48 (Previous Year Rs.6184.01) .		
3. Disputed amount of Rs.68.61[Paid under protest Rs.68.61](Previous Year Rs.68.61[Paid under protest Rs.68.61]) in respect of difference of Fuel Cost Adjustment Charges, Rs.439.09 [Paid under protest Rs.75.00] (Previous Year Rs.429.21 [Paid under protest Rs.75.00] ) in respect of demand of water supply charges, Rs.206.02 [Paid under protest Rs.69.70] (Previous Year Rs.206.02 [Paid under protest Rs.69.70] ) in respect of Surcharge on Electricity, Rs.3265.79 [Paid under protest Rs.506.11] (Previous Year Rs.1201.50 [Paid under protest Rs.516.22] ) in respect of demand of Royalty on limestone including interest thereon, Rs.687.50 [Paid under protest Rs.10.15] (Previous Year Rs.31.36 [Paid under protest Rs.10.15] ) in respect of MODVAT/CENVAT claims, Rs.860.93 [Paid under protest Rs.127.53] (Previous Year Rs.198.44 [Paid under protest 67.69] ) in respect of Sales Tax/VAT and Rs.1285.16[Paid under protest Rs.154.75] (Previous Year Rs.1824.07 [Paid under protest Rs.154.75] ) in respect of Excise Duty have not been provided for as the matters are subjudice.		
4. The Company has mortgaged a portion of land at Birlapur and Chanderia as security for subsidies received under Subsidised Housing Scheme for Industrial Workers.		
5. Capital Work-in-progress includes other expenses during construction for project Rs.15.59 (Previous Year Rs.0.77).		
6. The amount of borrowing costs capitalised during the year is Rs.126.17 (Previous Year Rs.79.14).		
7. Sundry Debtors, Advances to Employees and Advance to others Rs.470.84, Rs.0.37 and Rs.9.17 (Previous Year Rs.442.57, Rs.0.37 and Rs. 9.17) respectively, are under litigation.		
8. Certain Sundry Debtors, Loans and Advances and Creditors are subject to confirmation.		
9. Loans and Advances includes		
(a) Rs.196.96 (Previous Year Rs.190.42) to Lok Cements Ltd., a subsidiary, being interest free for setting up new projects and will be realised/adjusted on implementation of projects. The maximum amount outstanding at any time during the year Rs.196.96 (Previous Year Rs.190.42).		
(b) Rs. 0.19 (Previous Year Rs.NIL) to Budge Budge Floorcoverings Ltd., a subsidiary, being interest free. The maximum amount outstanding at any time during the year Rs. 0.19 (Previous Year Rs.NIL).		

**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

10. The company has made payments to Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006, within the appointed date during the year and there are no MSMEs to whom the Company owes dues on account of principal amount together with interest at the Balance sheet date, hence no additional disclosures have been made. The above information and that given in "Current Liabilities-Schedule 12" regarding MSMEs has been determined to the extent such parties have been identified on the basis of information available with the Company.
11. (a) Outstanding foreign currency booked for the purpose of hedging for receivables are USD 0.70 (Previous Year USD 6.50 , GBP 0.50 and EUR 0.50) and for payables are USD 32.50 (Previous Year USD 70.00).
- (b) Unhedged foreign currency receivables are USD 4.08 ,GBP 0.32 and EUR 0.20 (Previous Year GBP 0.04 ) and payables are USD 36.06 and EUR 0.79 (Previous Year EUR 2.10).
- (c) The marked to market gain amounting to Rs. 2.36 on forward exchange contracts for firm commitments and highly probable forecast transactions has not been accounted for.
12. Although the market value of investment in Birla Ericsson Optical Ltd. is lower than cost, considering the long term and strategic nature of the investment, in the opinion of the management, such decline is temporary in nature and no provision is necessary for the same.
13. Liability in respect of compensation / penalty, if any, for non - compliance of Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 up to 30th June, 1997 being unascertainable shall be accounted for as and when settled.
14. Net Loss of Rs.120.72 and Rs.41.25 (Previous Year Net Gain Rs.88.43 and Nil) on account of foreign exchange difference is included in "Other Expenses" under Schedule 20 and in "Other Finance Charges" under Schedule 21 respectively.
15. There being uncertainties in realisation from Insurance Claims, the same are accounted for on settlement/realisation.
16. In accordance with the revised Accounting Standard -15 i.e. Employee Benefits, the requisite disclosure are as follows:

- (a) The amount recognised as an expense for the Defined Contribution Plans are as under:

	<b>For the year ended 31st March, 2009</b>	<b>For the year ended 31st March, 2008</b>
(i) Provident Fund	40.29	51.01
(ii) Superannuation Fund	296.76	304.26
(iii) Pension Fund	462.74	526.64

- (b) In respect of Defined Benefits Plans, necessary disclosures are as under-

- (i) Benefits are of the following types:
- Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.
  - Pension is payable to certain categories of employees as per Company's Pension Scheme;
  - Provident Fund (other than government administered) as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

	<b>Gratuity</b>		<b>Pension</b>	
	<u>2008-09</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2007-08</u>
(ii) The amounts recognised in the Balance Sheet are as follows:				
Present value of funded obligations	6813.73	6996.18	—	—
Fair value of plan assets	6091.19	5618.99	—	—
Liabilities in respect of funded obligation	<u>722.54</u>	<u>1377.19</u>	<u>—</u>	<u>—</u>
Present value of unfunded obligations	—	—	68.74	57.45
Unrecognised past service cost	—	—	—	—
Liabilities in respect of unfunded obligation	<u>—</u>	<u>—</u>	<u>68.74</u>	<u>57.45</u>
Total Liabilities	<u>722.54</u>	<u>1377.19</u>	<u>68.74</u>	<u>57.45</u>

**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

	<b>Gratuity</b>		<b>Pension</b>	
	<u>2008-09</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2007-08</u>
(iii) The amounts recognised in the profit and loss account are as follow:				
Current service cost	295.08	303.22	—	—
Interest on obligation	559.68	542.60	4.59	2.06
Expected Return on plan assets	(445.53)	(376.89)	—	—
Expected Return on any reimbursement right recognised as an asset	—	—	—	—
Net actuarial losses/(gains) recognised during the year	(63.88)	(74.10)	26.02	49.45
Past service cost	—	—	—	—
Losses/(gains) on curtailments and settlements	—	—	—	—
Total, included in 'Payments to and Provision for Employees'	<u>345.35</u>	<u>394.83</u>	<u>30.61</u>	<u>51.51</u>
Actual return on plan assets	<u>458.23</u>	<u>416.70</u>	—	—
(iv) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances are as follows:				
Opening defined benefit obligation	6996.18	6782.59	57.45	25.69
Service cost	295.08	303.22	—	—
Interest cost	559.68	542.60	4.59	2.06
Actuarial losses/(gains)	(48.05)	(28.17)	26.02	49.45
Past service cost	—	—	—	—
Losses/(gains) on curtailments	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(989.16)	(604.06)	(19.32)	(19.75)
Closing defined benefit obligation	<u>6813.73</u>	<u>6996.18</u>	<u>68.74</u>	<u>57.45</u>
(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances are as follows:				
Liabilities extinguished on settlements	—	—	—	—
Opening fair value of plan assets	5618.99	4750.36	—	—
Expected return	445.53	376.89	—	—
Actuarial gains/(losses)	15.83	45.93	—	—
Contribution by employer	1000.00	1049.87	—	—
Benefits paid	(989.16)	(604.06)	—	—
Closing fair value of plan assets	<u>6091.19</u>	<u>5618.99</u>	—	—
a) Amount not recognised as an asset, because of the limit prescribed in Accounting Standard - 15 (Revised 2005) i.e. Employee Benefits is Rs. Nil;				
b) There is no reimbursement right at the balance sheet date;				
c) Fair value of plan assets does not include any amount for Companies own financial instruments or any property occupied by, or other assets used by, the Company.				

**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

	<b>Gratuity</b>		<b>Pension</b>	
	<u>2008-09</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2007-08</u>
(vi) The major categories of plan assets as a percentage of total plan assets are as follows:				
Qualifying insurance policy	100%	100%	—	—
(vii) Principal actuarial assumptions at the balance sheet date are as follows:				
Discount rate at 31st March	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Expected return on plan assets at 31st March	8.50% p.a.	8.50% p.a.	—	—
Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	—	—
Salary escalation	5%	5%	—	—
Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age	—	—

(viii) The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India and Cap Assure Group Gratuity Scheme offered by SBI Life Insurance Co. Ltd. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. It has been considered that LIC's overall portfolio of assets is well diversified and as such, the long-term return on the policy is expected to be higher than the rate of return on Central Government Bonds. As such, the expected return on assets assumption is taken by adding a margin of 0.5% on the current market yield on the Central Government bonds (of term consistent with the term of the liabilities).

(ix) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) The Company expects to contribute Rs. 1000 to its gratuity fund in 2009-10.

(xi) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs 376.35 (Previous Year Rs 381.81) during the year is recognised as expense and included in 'Payments to and Provision for Employees'. Shortfall, if any, in the contribution to the provident funds in the nature of defined benefits plan is provided to the extent of the information available with the company.

17. Repairs to Buildings' and 'Repairs to Machinery', includes Voluntary Retirement Payments to employees on separation Rs. 11.13 and Rs. 110.20 (Previous year Rs. NIL and Rs. NIL) respectively.

18. Sundry Adjustments include prior periods adjustments of Rs. 2.85 (net debit) [Previous Year Rs.26.78 (net debit)].

19. The Company's Unit: Soorah Jute Mills is under Suspension of Operations since 29th March 2004.

20. Managerial Remuneration is as under :

	<b><u>For the year ended 31st March, 2009</u></b>	<b><u>For the year ended 31st March, 2008</u></b>
Salary & Bonus	50.55	26.20
Contribution to Provident Fund	2.38	1.94
Contribution to Gratuity Fund	0.81	0.73
Contribution to Superannuation Fund	2.99	2.45
Perquisites	17.44	9.78
	<u>74.17 #</u>	<u>41.10</u>

# The Board of Directors on its meeting dated 31st July,2008 has increased the remuneration of Executive Director and CEO and the revised term had been circulated to the members. The increased amount of Rs. 28.17 is subject to approval of the members in the ensuing general meeting.

**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

**21. Segment Reporting**

**A) Primary Segment Information**

	2008-09						2007-08					
	Cement	Jute	Power	Others	Inter Segment Elimination	Total	Cement	Jute	Power	Others	Inter Segment Elimination	Total
<b>BUSINESS SEGMENT</b>												
<b>Segment Revenue</b>												
(a) External Sales	164103	12888	206	1868		179065	158455	11670		2353		172478
(b) Inter Segment Revenue	109	1	16323	—	(16433)	—	141	12	16399	38	(16590)	—
<b>Total Segment Revenue</b>	<b>164212</b>	<b>12889</b>	<b>16529</b>	<b>1868</b>	<b>(16433)</b>	<b>179065</b>	<b>158596</b>	<b>11682</b>	<b>16399</b>	<b>2391</b>	<b>(16590)</b>	<b>172478</b>
<b>Segment Result</b>	<b>35875</b>	<b>(960)</b>	<b>8278</b>	<b>(327)</b>		<b>42866</b>	<b>47368</b>	<b>(174)</b>	<b>9467</b>	<b>(101)</b>		<b>56560</b>
<b>(Profit before Interest &amp; Tax)</b>												
<b>Less :</b>												
(i) Interest						2205						2171
(ii) Other un-allocable expenditure net off un-allocable income						(2985)						(729)
<b>Profit before Tax</b>						<b>43646</b>						<b>55118</b>
<b>Provision for :</b>												
Current Tax						10100						15500
Fringe Benefit Tax						136						141
Deferred Tax						1052						116
Wealth Tax						7						4
<b>Profit after tax</b>						<b>32351</b>						<b>39357</b>
<b>OTHER INFORMATION</b>												
<b>Segment Assets</b>	92696	6692	15171	3607		<b>118166</b>	77738	6241	15102	4198		103279
Common Assets						85624						65335
<b>Total</b>						<b>203790</b>						<b>168614</b>
<b>Segment Liabilities</b>	30932	2444	28	268		33672	25865	1744	170	434		28213
Common Liabilities						13703						12678
<b>Total</b>						<b>47375</b>						<b>40891</b>
<b>Capital Expenditure</b>	16463	581	118	179		17341	12821	766	66	74		13727
Common Capital Expenditure						79						643
<b>Total</b>						<b>17420</b>						<b>14370</b>
<b>Depreciation</b>	3107	130	842	204		<b>4283</b>	2917	86	847	265		4115
Common Depreciation						59						29
<b>Total</b>						<b>4342</b>						<b>4144</b>

**B) Secondary Segment Information**

Since the Company operates mainly in the Indian market and the export turnover being 4.72% (Previous Year 3.92%) of the external sales of the Company, there are no reportable secondary segment information.

**C) Other Disclosures**

The Company's operations predominantly relate to cement and other products are Jute Goods, Generation of Power, P.V.C. Goods, Auto Trims and Steel Castings. Accordingly, these business segments comprise the primary basis of segmental information set out in these financial statements.

Inter-segment transfers are based on prevailing market prices except for Iron & Steel Castings and PVC Goods which are based on cost plus profit

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.



**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

22. a) As defined in Accounting Standard - 18, the Company has a related party relationship in the nature of control over its subsidiaries namely :

Birla Jute Supply Company Ltd ( Formerly Assam Jute Supply Company Ltd )

Talavadi Cements Ltd.

Lok Cements Ltd.

Budge Budge Floorcoverings ltd.

Birla Cement ( Assam ) Ltd

Birla North-East Cement Ltd

New- Age Cement Ltd

Thiruvaiyaru Industries Ltd

M.P.Birla Group Services P.Ltd

- b) Other related parties with whom transactions have taken place during the year and previous year are :

Key Management Personnel                      Shri Bachh Raj Nahar , E.D. & Chief Executive Officer

- c) During the year, the Company entered into the following related party transactions :

	2008-2009		2007-2008	
	Subsidiaries	Key Mgmt. Personnel	Subsidiaries	Key Mgmt. Personnel
Purchases of goods/services	259.46	—	237.56	—
Sale of goods/services	.95	—	8.66	—
Purchase of Fixed Assets	—	—	2.48	—
Receipt of rent	.02	—	.90	—
Other receipts/ ( payments )	—	—	.64	—
Investment in Equity Shares	22.00	—	559.85	—
Advances given	43.19	—	401.58	—
Advances recovered	36.46	—	558.53	—
Advances received	.03	—	—	—
Advances repaid	.03	—	—	—
Remuneration, Perquisites & Others	—	74.17	—	41.10
<b>Balance outstanding at year end</b>				
Debtors	—	—	.57	—
Creditors	62.09	—	54.94	—
Advances given	197.15	—	190.42	—

**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

23. Quantitative information of goods manufactured –

a) Licensed and Installed Capacity and Production –

Goods Manufactured	Unit	31.03.2009		31.03.2008	
		Capacities		Capacities	
		Installed	Production*	Installed	Production*
Auto Trim Parts	Pc.	780000	43073	780000	139173
Cement	Tonne	5780000	5288333	5780000	5277782
Iron & Steel Castings	"	3750	1157	3750	1235
Jute Goods	"	32	32956	32	37990
		(Broad Looms)		(Broad Looms)	
		822		822	
		(Narrow Looms)		(Narrow Looms)	
P.V.C.Goods	Sq. Mtr.	4860000	435916	4860000	508465
Power	MW/Units	56.80	366639844	56.80	370861565

Licensed Capacity per annum not indicated due to the abolition of Industrial Licences as per Notificatio No. 477 (E) dated July 25, 1991 issued under The Industries (Development and Regulation) Act, 1951.

Installed capacities have been certified by the Company's technical experts

\* Includes Inter-Unit transfers and own consumption of 12441Tonnes, 443 Tonnes, 1030 Tonnes, 7411 Sq. Mtrs.and 363072394 Units (Previous Year 14641 Tonnes, 561 Tonnes, 979 Tonnes, 22485 Sq. Mtrs.and 370861565 Units respectively) of Cement, Jute Goods, Iron & Steel Castings, PVC Goods and Power respectively.

b) Sales (excluding Departmental transfers and own consumption) -

Goods Sold	Unit	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
Auto Trim Parts	Pc.	48433	254.59	151459	929.35
Cement	Tonne	5292540	186601.68	5267229	184175.84
Clinker	"	51184	1502.35	17411	524.12
Iron & Steel Castings	"	126	153.60	124	178.00
Jute Goods	"	33835	12701.44	33317	11394.41
P.V.C.Goods	Sq. Mtr.	462062	708.36	461071	680.31
Power	Units	3567450	204.69	—	—
			<u>202126.71</u>		<u>197882.03</u>

c) Finished Goods Stock -

	Unit	Opening Stock 2007-2008		Closing Stock 2007-2008 Opening Stock 2008-2009		Closing Stock 2008-2009	
		Quantity	Value	Quantity	Value	Quantity	Value
Auto Trim Parts	Pc.	18526	32.19	6240	18.68	880	7.74
Cement	Tonne	69701	1478.11	65613	1379.91	48965	1094.33
Iron & Steel Castings	"	123	71.09	255	148.55	256	150.59
Jute Goods	"	1587	561.26	5995	1800.71	4826	1754.89
P.V.C.Goods	Sq. Mtr.	89128	121.59	114037	156.91	80480	112.90
Others			9.55		7.17		3.75
			<u>2273.79</u>		<u>3511.93</u>		<u>3124.20</u>

**SCHEDULE 23 (Contd.)**

(Rs. in lacs)

## 24. Purchases of Finished Goods (excluding Departmental transfers and own consumption) -

	Unit	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
Jute Goods	Tonne	153	55.88	296	110.19
			55.88		110.19

## 25. Raw Materials Consumption and Value of Imported and Indigenous Raw Materials &amp; Spare Parts Consumption -

## a) Raw Materials consumed

	Unit	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
Granulated Slag	Tonne	146350	882.96	150122	741.99
Gypsum	"	318274	4489.08	337156	4473.90
Iron Ore	"	230204	665.12	239431	662.95
Jute	"	34586	5583.27	39611	5145.02
Limestone (inclgd. own raising)	"	5248671	7905.13	5741511	7793.64
Molten Slag	"	57287	177.86	111739	340.23
Resin and Additives	"	522	320.79	633	350.73
Foam Backed PVC	Mtrs	16702	9.76	40770	120.26
Clinker	Tonne	235239	5287.23	103092	2949.91
Fly Ash	Tonne	935388	3846.93	839170	3417.32
Others			454.75		560.64
			29622.88		26556.59
Limestone (Own raising)	Tonne	4841601	6935.90	5380260	6910.05
			22686.98		19646.54

## b) Value of Imported and Indigenous Raw Materials and Spare Parts consumed -

	2008 - 2009				2007 - 2008			
	Raw Materials		Spare Parts		Raw Materials		Spare Parts	
	Value	% of total Consumption	Value	% of total Consumption	Value	% of total Consumption	Value	% of total Consumption
Imported	1211.83	5.34	52.93	1.03	4603.04	23.43	96.66	2.21
Indigenous	21475.15	94.66	5096.19	98.97	15043.50	76.57	4271.38	97.79
	22686.98	100.00	5149.12	100.00	19646.54	100.00	4368.04	100.00

## 26. C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency -

	2008-2009	2007-2008
(a) C.I.F. Value of Imports during the year -		
Raw Materials	610.26	3263.54
Spare Parts	409.08	1577.07
Capital Goods	3838.72	1565.73
Coal	1215.50	927.40
(b) Expenditure in Foreign Currency -		
Interest	95.73	96.20
Travelling	24.85	16.67
Others	72.30	55.26
(c) Earnings in Foreign Currency -		
Export of goods on F.O.B. basis (Including exports in Indian Currency - Rs.3672.85, Previous Year Rs.2054.31)	9041.13	7018.66

## 27. Figures for the Previous Year have been regrouped wherever necessary.

As per our Report annexed.

Signature to Schedule 1 to 23

For H. P. KHANDELWAL &amp; CO.

Chartered Accountants

RAJIV SINGHI

Partner

Membership No. 053518

1B, Old Post Office Street,

Kolkata-700 001.

Dated the 7th day of May, 2009

GIRISH SHARMA

 Vice President ( Indirect Taxes )  
& Acting Company Secretary

 HARSH V. LODHA  
NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
ANAND BORDIA  
B. B. TANDON  
D. N. GHOSH

Directors

B. R. NAHAR

 Executive Director &  
Chief Executive Officer

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration details**

Registration No.      21      03334  
Balance Sheet Date    31      03      2009  
Date                          Month                          Year

State Code      21

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	Total Assets
20379035	20379035

**Source of Funds**

Paid-up-Capital	Reserve & Surplus
770089	12107007
Secured Loans	Unsecured Loans
2194006	570460
	Deferred Tax Liabilities
	772276

**Application of Funds**

Net Fixed Assets	Investments
7488750	5522901
Net Current Assets	Accumulated losses
3402187	NIL
	Misc. Expenditure
	NIL

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover	Total Expenditure
17906520	14303200
Other Income	Profit/(Loss) after Tax
761322	3235095
Profit/(Loss) before Tax	Earnings per share in Rs.
4364642	42.01
	Dividend Rate %
	45.00

**V. Generic Names of Three Principal Products of Company**

Item Code No.(ITC Code)	252329.10
Product Description	CEMENT
Item Code No.(ITC Code)	531010.11
Product Description	JUTE GOODS
Item Code No.(ITC Code)	391810.90
Product Description	PVC GOODS

## Statement Regarding Subsidiary Companies

ATTACHED TO THE BALANCE SHEET AS AT 31ST MARCH, 2009  
AS PER SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956

(Rs. in lacs)

1. The Interest of Birla Corporation Limited in its Subsidiary Companies at the close of its financial year 31st March, 2009 is stated below:

<u>Name of the Subsidiary Company</u>	<u>Holding Company's Interest in the Subsidiary Company</u>
a) Birla Jute Supply Company Ltd	Entire Share Capital of 6,000 Ordinary Shares of Rs 100/- each issued by the (Formerly: Assam Jute Supply Co. Ltd.) Subsidiary Company.
b) Talavadi Cements Ltd.	58,79,400 Equity Shares of Rs 10/- each out of the issued capital of 60,00,000 Equity Shares of Rs 10/- each issued by the Subsidiary Company.
c) Lok Cements Ltd.	Entire Share Capital of 10,00,700 Equity Shares of Rs 10/- each issued by the Subsidiary Company.
d) Budge Budge Floorcoverings Ltd.	Entire Share Capital of 40,00,000 Equity Shares of Rs 10/- each issued by the Subsidiary Company.
e) Thiruvaiyaru Industries Ltd	Entire Share Capital of 50000 Equity Shares of Rs 10/- each issued by the Subsidiary Company.
f) Birla Cement (Assam) Ltd	Entire Share Capital of 50000 Equity Shares of Rs 10/- each issued by the Subsidiary Company.
g) Birla North East Cement Ltd	Entire Share Capital of 50000 Equity Shares of Rs 10/- each issued by the Subsidiary Company.
h) New-Age Cement Ltd	Entire Share Capital of 50000 Equity Shares of Rs 10/- each issued by the Subsidiary Company.
i) M P Birla Group Services Pvt Ltd	Entire Share Capital of 20000 Equity Shares of Rs 10/- each issued by the Subsidiary Company.

2. (A) The aggregate amount of profit or loss of the said Subsidiary Companies to the extent it concerns the members of the Holding Company and not dealt with in the attached accounts of the Holding Company are as follows :

	<u>Profit/Loss for the Financial Year ended 31st March, 2009</u>	<u>Profit/Loss for the Previous Year since they became Subsidiary</u>
a) Birla Jute Supply Company Ltd. (Formerly: Assam Jute Supply Co. Ltd.)	Profit Rs. 0.68	Loss Rs. 39.15
b) Talavadi Cements Ltd	Profit Rs. 43.02	Loss Rs. 16.56
c) Lok Cements Ltd	Rs. NIL	Rs. NIL
d) Budge Budge Floorcoverings Ltd.	Loss Rs. 34.11	Loss Rs. 125.15
e) Thiruvaiyaru Industries Ltd	Loss Rs. 1.99	Rs. NIL
f) Birla Cement (Assam) Ltd.	Rs. NIL	Rs. NIL
g) Birla North East Cement Ltd	Rs. NIL	Rs. NIL
h) New-Age Cement Ltd	Rs. NIL	Rs. NIL
i) M P Birla Group Services (P) Ltd	Loss Rs. 0.20	Rs. NIL



## Statement Regarding Subsidiary Companies (Contd.)

(Rs. in lacs)

(B) The net aggregate amounts of profit or loss of the above Subsidiary Companies which are dealt with in the attached accounts of the Holding Company

	for their above noted Financial Year	for their previous Financial Years
a) Birla Jute Supply Company Ltd. (Formerly: Assam Jute Supply Co. Ltd.)	Rs. NIL	Rs. 3.20
b) Talavadi Cements Ltd	Rs. NIL	Rs. NIL
c) Lok Cements Ltd	Rs. NIL	Rs. NIL
d) Budge Budge Floorcoverings Ltd.	Rs. NIL	Rs. NIL
e) Thiruvaiyaru Industries Ltd	Rs. NIL	Rs. NIL
f) Birla Cement (Assam) Ltd.	Rs. NIL	Rs. NIL
g) Birla North East Cement Ltd	Rs. NIL	Rs. NIL
h) New-Age Cement Ltd	Rs. NIL	Rs. NIL
i) M P Birla Group Services( P) Ltd	Rs. NIL	Rs. NIL

Registered Office  
Birla Building  
9/1 R N Mukherjee Road  
Calcutta-700 001  
Dated the 7th day of May, 2009.

GIRISH SHARMA  
Vice President (Indirect Taxation)  
& Acting Company Secretary

HARSH V. LODHA  
NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
ANAND BORDIA  
B. B. TANDON  
D. N. GHOSH

} Directors

B. R. NAHAR

Executive Director &  
Chief Executive Officer

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Rs. in Lacs)

Sl. No.	Name of the Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Other than Trade)			Turnover (Net of Excise Duty)	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
						Long Term	Current	Total					
1.	Budge Budge Floorcoverings Limited	400.00	(118.64)	458.00	458.00	—	14.63	14.63	3.52	(39.32)	(5.21)	(34.11)	—
2.	Birla Jute Supply Company Limited	6.00	62.22	70.24	70.24	—	—	—	165.19	1.01	0.33	0.68	—
3.	Talavadi Cements Limited	600.00	11.04	622.81	622.81	42.40	—	42.40	—	48.08	4.17	43.91	—
4.	Lok Cements Limited	100.07	(11.43)	297.81	297.81	—	—	—	—	—	—	—	—
5.	Thiruvaiyaru Industries Limited	5.00	(1.99)	5.15	5.15	—	—	—	—	(1.99)	—	(1.99)	—
6.	Birla Cement (Assam) Limited	5.00	—	5.10	5.10	—	—	—	—	—	—	—	—
7.	New-Age Cement Limited	5.00	—	5.10	5.10	—	—	—	—	—	—	—	—
8.	Birla North East Cement Limited	5.00	—	5.10	5.10	—	—	—	—	—	—	—	—
9.	M.P. Birla Group Services Pvt. Limited	2.00	(0.20)	2.12	2.12	—	—	—	—	(0.20)	-	(0.20)	—

## **AUDITORS' REPORT**

### **TO THE BOARD OF DIRECTORS OF BIRLA CORPORATION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BIRLA CORPORATION LIMITED, ITS SUBSIDIARIES & ASSOCIATES**

We have examined the attached Consolidated Balance Sheet of BIRLA CORPORATION LIMITED, its Subsidiaries and Associates as at 31st March, 2009, the Consolidated Profit and Loss Account for the year then ended and the Consolidated Cash flow statement for the year ended on that date.

These financial statements are the responsibility of the BIRLA CORPORATION LIMITED's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identical financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of 9 (Nine) subsidiaries of the Company namely M/s. Birla Jute Supply Co. Ltd. (Formerly Assam Jute Supply Co. Ltd.), Lok Cements Ltd., M/s. Budge Budge Floorcoverings Ltd., Talavadi Cements Ltd., Thiruvaiyaru Industries Ltd., M. P. Birla Group Services Pvt. Ltd., Birla North East Cement Ltd., Birla Cement (Assam) Ltd. and New-Age Cement Ltd., whose financial statements reflect total assets of Rs. 1300.57 lacs as at 31st March, 2009, total revenue of Rs. 265.35 Lacs and cash flow amounting to Rs. 75.18 Lacs for the year then ended and two associates namely M/s. Birla Readymix Pvt. Ltd. and Birla Odessa Industries Pvt. Ltd. having

total assets of Rs.2.08 lacs as at 31st March, 2009 and total revenue of Rs.0.12 Lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of the subsidiaries and associates are based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" as notified under The Companies Accounting Standards Rules, 2006 and on the basis of the separate audited financial statements of BIRLA CORPORATION LIMITED, its subsidiaries, and associates considered in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of BIRLA CORPORATION LIMITED, its subsidiaries and associates and read with other notes and in particular note no. 3 and 12 in Schedule 26, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs as at 31st March, 2009;
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations for the year then ended; and
- (c) the Consolidated Cash flow statement gives a true and fair view, of the cash flows for the year ended on that date.

For H P KHANDELWAL & CO.  
*Chartered Accountants*

RAJIV SINGHI  
*Partner*  
Membership No. 053518

1-B, Old Post Office Street,  
Place : Kolkata  
Dated the 7th day of May, 2009

**CONSOLIDATED FINANCIAL STATEMENTS**



**BALANCE SHEET as at 31st March, 2009**

	Schedule	As at 31st March, 2009	(Rs. in lacs) As at 31st March, 2008
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	7700.89	7700.89
Reserves and Surplus	2	<u>121240.02</u>	<u>92958.24</u>
		128940.91	100659.13
<b>MINORITY INTEREST</b>			
Equity	3	12.01	12.01
Non Equity	4	<u>(12.01)</u>	<u>(11.56)</u>
		—	0.45
<b>LOAN FUNDS</b>			
Secured Loans	5	21940.06	20601.15
Unsecured Loans	6	<u>5704.60</u>	<u>6624.82</u>
		27644.66	27225.97
DEFERRED TAX LIABILITIES (NET)	7	<u>7779.31</u>	<u>6726.05</u>
<b>TOTAL</b>		<u>164364.88</u>	<u>134611.60</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	8	136630.10	118537.76
Less: Depreciation		<u>69912.04</u>	<u>67702.60</u>
Net Block		<u>66718.06</u>	<u>50835.16</u>
Capital Work in Progress		8883.15	12666.22
Preoperative Expenses		<u>247.64</u>	<u>241.49</u>
		75848.85	63742.87
INVESTMENTS		54371.70	62529.06
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	9	19355.30	20113.43
Sundry Debtors	10	1999.66	3171.82
Cash and Bank Balances	11	32047.30	3204.96
Loans and Advances	12	<u>20272.34</u>	<u>15963.83</u>
		<u>73674.60</u>	<u>42454.04</u>
Less :			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	13	32906.10	27121.69
Provisions	14	<u>6681.25</u>	<u>7048.31</u>
		<u>39587.35</u>	<u>34170.00</u>
NET CURRENT ASSETS		34087.25	8284.04
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)	15	<u>57.08</u>	<u>55.63</u>
<b>TOTAL</b>		<u>164364.88</u>	<u>134611.60</u>

Accounting Policies & Notes on Accounts 26  
The Schedules and Notes on Accounts referred to herein form an integral part of the Balance Sheet

As per our Report annexed.

For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518

1B, Old Post Office Street,  
Kolkata-700 001.  
Dated the 7th day of May, 2009

GIRISH SHARMA  
Vice President ( Indirect Taxes )  
& Acting Company Secretary

HARSH V. LODHA  
NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
ANAND BORDIA  
B. B. TANDON  
D. N. GHOSH

B. R. NAHAR

Directors

Executive Director &  
Chief Executive Officer

**PROFIT & LOSS ACCOUNT for the year ended 31st March, 2009**

	Schedule	For the year ended 31st March, 2009	(Rs. in lacs) For the year ended 31st March, 2008
<b>INCOME</b>			
Sales	16	203887.39	199681.90
Less : Excise Duty		<u>24818.96</u>	<u>27201.13</u>
		179068.43	172480.77
Other Income	17	<u>7614.66</u>	<u>3759.06</u>
		<u>186683.09</u>	<u>176239.83</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Stocks	18	1340.56	(2962.40)
Raw Materials Consumed	19	22589.06	19595.14
Purchases of Finished Goods		55.88	110.19
Manufacturing Expenses	20	65540.98	57498.26
Payments to and Provision for Employees	21	14869.48	14169.39
Selling, Administration and Other Expenses	22	32028.44	26385.70
Interest and Other Finance Charges	23	2204.50	2171.31
Share of Loss in associates	24	<u>0.37</u>	<u>0.03</u>
		<u>138629.27</u>	<u>116967.62</u>
<b>Profit before Depreciation</b>		<b>48053.82</b>	<b>59272.21</b>
Depreciation	25	<u>4400.21</u>	<u>4194.42</u>
<b>Profit before Tax</b>		<b>43653.61</b>	<b>55077.79</b>
Provision for Current Tax		10105.21	15501.67
Less : MAT Credit Entitlement		(6.61)	—
Provision for Fringe Benefit Tax		136.07	141.30
Provision for Deferred Tax		1053.26	110.88
Provision for Wealth Tax		6.80	4.00
Provision/refunds for income Tax relating to earlier years		<u>0.03</u>	<u>—</u>
<b>Profit after Tax</b>		<b>32358.85</b>	<b>39319.94</b>
Minority Interest		<u>(0.45)</u>	<u>0.45</u>
<b>Net Profit</b>		<b>32359.30</b>	<b>39319.49</b>
Balance brought forward from previous year		16706.91	17755.01
Less : Adjustment for employees benefits net of deferred tax on implementation of AS 15 ( Revised )		<u>—</u>	<u>1763.90</u>
		<u>16706.91</u>	<u>15991.11</u>
<b>Profit available for appropriation</b>		<b>49066.21</b>	<b>55310.60</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		3465.24	3080.21
Corporate Dividend Tax		588.92	523.48
General Reserve		35000.00	35000.00
Balance carried to Balance Sheet		<u>10012.05</u>	<u>16706.91</u>
		<u>49066.21</u>	<u>55310.60</u>
Weighted average number of Ordinary shares outstanding during the year		77005347	77005347
Basic and diluted earnings per share of Rs.10/- each (in Rupees)		42.02	51.06
Accounting Policies & Notes on Accounts	26		
The Schedules and Notes on Accounts referred to herein form an integral part of the Profit and Loss Account			

As per our Report annexed.

For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518

1B, Old Post Office Street,  
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Dated the 7th day of May, 2009

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Executive Director &  
Chief Executive Officer



CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2009

(Rs. In lacs)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit before Tax</b>	<b>43653.61</b>	<b>55077.79</b>
<b>Adjustments for :</b>		
Depreciation	4400.21	4194.42
Investing Activity(Net)	(2370.88)	(546.41)
Adjustment for capital subsidy	(1.26)	(3.53)
Provision for doubtful debts and loans & advances (Net)	(10.90)	38.32
Excess liabilities and unclaimed balances written back (Net)	(549.65)	(375.95)
Unrealised Loss/ (Gain) on Foreign Exchange	(37.39)	(14.23)
Interest / Dividend	(203.66)	201.25
Miscellaneous Expenditure Amortised	—	37.75
<b>Operating Profit before Working Capital Changes</b>	<b>44880.08</b>	<b>58609.41</b>
<b>Adjustments for :</b>		
Trade and other receivables	1177.39	(487.51)
Inventories	758.13	(5782.18)
Loans and Advances	(1068.31)	(1747.05)
Trade payables	5234.65	3618.16
<b>Cash generated from operations</b>	<b>50981.94</b>	<b>54210.83</b>
Direct Taxes Paid	(10454.79)	(14798.21)
<b>Net Cash from Operating Activities</b>	<b>40527.15</b>	<b>39412.62</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(17317.35)	(14691.87)
Sale of Fixed Assets	363.71	79.71
Sale of Investments (Net)	11079.77	(20304.44)
Preliminary expenses incurred	(1.45)	—
Retention Money from/(Advances to) Suppliers of Capital Goods	(2538.83)	(252.47)
Interest received	1026.83	83.05
Dividend received	1199.22	1802.70
<b>Net Cash used in Investing Activities</b>	<b>(6188.10)</b>	<b>(33283.32)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term borrowings	7250.50	800.65
Repayments of Long Term Borrowings	(4055.92)	(3566.25)
(Repayments)/Proceeds from Short Term Borrowings	(2732.17)	1634.49
Interest Paid (Includes interest capitalised Rs.126.17, Previous Year Rs.79.14)	(2355.43)	(2154.07)
Dividend Paid	(3080.21)	(2684.80)
Corporate Dividend Tax	(523.48)	(458.05)
<b>Net Cash used in Financing Activities</b>	<b>(5496.71)</b>	<b>(6428.03)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>28842.34</b>	<b>(298.73)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>3204.96</b>	<b>3503.69</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>32047.30</b>	<b>3204.96</b>

Notes:

- Cash and Cash Equivalents consist of Cash balance in hand and balances with Scheduled Banks and includes Rs.42.61 (Previous Year Rs.39.44) in Unpaid Dividend Account, Rs.799.00 (Previous Year Rs.211.82) in Fixed Deposit Accounts pledged with scheduled banks, Rs.20.00 (Previous Year Rs. 30.00) in Fixed Deposit Accounts earmarked for deposit under Rule 3A of the Companies (Acceptance & Deposit) Rules, 1975 and Rs. 0.10 (Previous Year Rs. 0.10) deposited with Mining Department.
- Above statement has been prepared in indirect method.

As per our Report annexed.

For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518

1B, Old Post Office Street,  
Kolkata-700 001.  
Dated the 7th day of May, 2009

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Directors

Executive Director &  
Chief Executive Officer

**Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2009 and Consolidated Profit & Loss Account for the year ended on that date.**

		(Rs. in lacs)	
		As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE 1 : SHARE CAPITAL</b>			
<b>Authorised</b>			
9,00,00,000	Ordinary Shares of Rs.10/- each	9000.00	9000.00
10,00,000	Preference Shares of Rs.100/- each	1000.00	1000.00
		<u>10000.00</u>	<u>10000.00</u>
<b>Issued</b>			
7,70,13,416	Ordinary Shares of Rs.10/- each	7701.34	7701.34
<b>Subscribed and Paid-up</b>			
7,70,05,347	Ordinary Shares of Rs.10/- each fully paid-up	7700.53	7700.53
	Add: Forfeited Ordinary Shares (Amount originally paid-up)	0.36	0.36
		<u>7700.89</u>	<u>7700.89</u>
NOTES : Subscribed and paid-up Ordinary Share Capital includes -			
(i) 2,76,51,195	Shares allotted as fully paid-up Bonus Shares by capitalisation of General Reserve, Share Premium and Capital Redemption Reserve.		
(ii) 1,03,070	Shares allotted as fully paid-up to the shareholders of amalgamating Companies pursuant to the Schemes of Amalgamation (Without payments being received in cash).		
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>			
<b>Capital Reserves</b>			
i)	Revaluation of Fixed Assets -		
	As per last Account	844.02	872.78
	Less: Adjustments in respect of sales/ discard of Fixed Assets	0.46	—
		<u>843.56</u>	<u>872.78</u>
	Less : Transfer to Profit & Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	21.64	28.76
		<u>821.92</u>	<u>844.02</u>
ii)	Surplus on amalgamation -		
	As per last Account	105.08	105.08
iii)	On Consolidation	213.32	213.32
iv)	Others -		
	As per last Account	53.07	56.60
	Add : Government Grants received during the year	—	1.75
		<u>53.07</u>	<u>58.35</u>
	Less : Transferred to Profit and Loss Account	1.26	5.28
		<u>51.81</u>	<u>53.07</u>
		1192.13	1215.49
<b>Securities Premium</b>			
	As per last Account	—	11.23
	Less : Deferred Tax Liability	—	11.23
		<u>—</u>	<u>—</u>
<b>General Reserve</b>			
	As per last Account	75035.84	40035.84
	Add : Transferred from Profit & Loss Account	35000.00	35000.00
		<u>110035.84</u>	<u>75035.84</u>
<b>Profit &amp; Loss Account</b>			
		10012.05	16706.91
		<u>121240.02</u>	<u>92958.24</u>

## CONSOLIDATED FINANCIAL STATEMENTS



(Rs. in lacs)

As at 31st March, 2009

As at 31st March, 2008

### SCHEDULE 3 : MINORITY INTEREST IN EQUITY

#### Talavadi Cements Ltd.

1,20,100 Equity Shares (2007-08 : 1,20,100) held by minority having 2.00% (2007-08 : 2.00%) interest	12.01	12.01
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### SCHEDULE 4 : MINORITY INTEREST IN NON-EQUITY

#### Talavadi Cements Ltd.

Balance brought forward	(11.56)	(12.06)
Less : Adjustment during the year	—	(0.05)
Share of Profit/(Loss) for the year	(0.45)	0.45
	<u>(12.01)</u>	<u>(11.56)</u>

### SCHEDULE 5 : SECURED LOANS

#### Term Loans -

Rupee Loans from Banks (Payable within one year Rs. 8119.07, Previous Year Rs 3127.41)	13498.98	10304.39
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#### Working Capital Borrowings

Rupee Loans from Banks (Includes working capital demand loan of Rs.NIL, Previous Year Rs.4500.00).	8441.08	10296.76
	<u>21940.06</u>	<u>20601.15</u>

#### Security -

Term Loans of Rs.5864.07 are secured by first charge and mortgage on the immovable assets (except certain tenements) and hypothecation of movables Fixed Assets (save and except book debts and specific assets), both present and future, pertaining to Company's Cement Division, ranking *pari-passu* with other lenders.

Term Loan of Rs7634.91 is secured by first charge and mortgage on the immovable assets pertaining to Company's Cement Units at Satna (Madhya Pradesh) and Chanderia (Rajasthan), ranking *pari-passu* with other lenders.

Working Capital Borrowings are secured by hypothecation of Current Assets, viz, Raw Materials, Stock-in-Trade, Consumable Stores and Book Debts, both present & future, and further by way of second charge on movable and immovable assets of the Cement Division, ranking *pari-passu* with term lenders.

	As at 31st March, 2009	As at 31st March, 2008
(Rs. in lacs)		
<b>SCHEDULE 6 : UNSECURED LOANS</b>		
<b>Short Term Loans &amp; Advances -</b>		
Trade Deposits	4868.53	4475.73
Staff and Other Deposits	388.20	520.33
From Banks - Under Buyers Credit Arrangement	321.81	1502.45
From Others	—	0.25
	5578.54	6498.76
<b>Other Loans &amp; Advances -</b>		
Deferred Payment of Sales Tax (Payable within one year Rs.NIL, Previous Year Rs.NIL )	126.06	126.06
	5704.60	6624.82

**SCHEDULE 7 : DEFERRED TAX LIABILITIES (NET)**

Deferred Tax Liabilities		
Arising on account of :		
Depreciation	10286.05	9018.29
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	2151.60	2087.76
Others	355.14	204.48
	2506.74	2292.24
Deferred Tax Liabilities	7779.31	6726.05

**CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE 8 : FIXED ASSETS**

(Rs. in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/Value as at 31st March, 2008	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2009	Upto 31st March, 2008	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2009	As at 31st March 2009	As at 31st March 2008
<b>Goodwill</b>	15.23	—	—	15.23	—	—	—	—	15.23	15.23
<b>Land</b>										
Leasehold	1506.76	11.28	—	1518.04	1218.57	22.29	—	1240.86	277.18	288.19
Freehold	1886.76	73.48	—	1960.24	—	—	—	—	1960.24	1886.76
Sub Total :	<u>3393.52</u>	<u>84.76</u>	<u>—</u>	<u>3478.28 (A)</u>	<u>1218.57</u>	<u>22.29</u>	<u>—</u>	<u>1240.86</u>	<u>2237.42</u>	<u>2174.95</u>
<b>Buildings</b>	13634.22	788.43	23.06	14399.59 (A&C)	6701.02	273.36	16.17	6958.21 (C)	7441.38	6933.20
<b>Plant &amp; Machinery</b>	96315.15	19892.89	2613.73	113594.31 (D)	56415.86	3888.75	1735.32	58569.29 (D)	55025.02	39899.29
<b>Railway Sidings</b>	974.83	124.80	—	1099.63	467.40	30.99	—	498.39	601.24	507.43
<b>Vehicles</b>	1481.39	136.95	362.23	1256.11	969.60	72.03	341.91	699.72	556.39	511.79
<b>Furniture &amp; Office Equipment</b>	2712.69	188.72	127.68	2773.73	1930.15	134.45 (B)	119.03	1945.57	828.16	782.54
<b>Livestock</b>	10.73	3.89	1.40	13.22	—	—	—	—	13.22	10.73
Total :	<u>118537.76</u>	<u>21220.44</u>	<u>3128.10</u>	<u>136630.10</u>	<u>67702.60</u>	<u>4421.87</u>	<u>2212.43</u>	<u>69912.04</u>	<u>66718.06</u>	<u>50835.16</u>
<b>Capital Work in Progress</b>									8883.15	12666.22
Total :	<u>118537.76</u>	<u>21220.44</u>	<u>3128.10</u>	<u>136630.10</u>	<u>67702.60</u>	<u>4421.87</u>	<u>2212.43</u>	<u>69912.04</u>	<u>75601.21</u>	<u>63501.38</u>
Previous Year :	<u>116238.82</u>	<u>2815.18</u>	<u>516.24</u>	<u>118537.76</u>	<u>63913.28</u>	<u>4223.20</u>	<u>433.88</u>	<u>67702.60</u>	<u>50835.16</u>	<u>12666.22</u>
									<u>12666.22</u>	<u>63501.38</u>

(A) Includes Rs.8.85 in Land and Rs.915.26 in Building under co-ownership basis and also Rs 0.15 being value of investments in Shares of a Private Ltd.Co.

(B) Includes Rs. 02 being depreciation transferred to pre-operative expenses pending allocation.

(C) Includes Rs. 29.14 being cost of Silo on lease hold land and Rs.16.36 being amortisation thereof up to 31st March,2009.

(D) Includes Rs.583.58 being cost of flyash handling system on lease hold land and Rs.346.03 being amortisation thereof up to 31st March,2009.

(E) Assets of the Cement Division were revalued during the year ended 31.03.85 and that of other units during the year ended 31.03.89 at 'net current value' on the basis of valuation report made by valuers and the amount added on such revaluation were Rs.7367.84 and Rs.2006.35 respectively.

	As at 31st March, 2009	As at 31st March, 2008
		(Rs. in lacs)
<b>SCHEDULE 9 : INVENTORIES</b>		
(As valued and certified by the Management)		
Stores, Spare Parts etc.	11171.75	9924.12
Machinery Spares not in regular use	<u>294.32</u>	<u>224.35</u>
	11466.07	10148.47
Stock-in-Trade		
Finished Goods	3124.20	3511.93
Raw Materials	1873.38	2412.35
Materials under Process	<u>2891.65</u>	<u>4040.68</u>
	7889.23	9964.96
	<u>19355.30</u>	<u>20113.43</u>
<b>SCHEDULE 10 : SUNDRY DEBTORS</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Secured, Considered Good	96.26	138.31
Unsecured, Considered Good ( See Note No. 7 in Schedule 26 )	173.65	202.98
Unsecured, Considered Doubtful (See Note No. 7 in Schedule 26)	<u>510.83</u>	<u>521.73</u>
	780.74	863.02
<b>Other Debts</b>		
Secured, Considered Good	232.02	304.96
Unsecured, Considered Good	<u>1497.73</u>	<u>2525.57</u>
	1729.75	2830.53
	2510.49	3693.55
Less : Provision	<u>510.83</u>	<u>521.73</u>
	1999.66	3171.82
<b>SCHEDULE 11 : CASH AND BANK BALANCES</b>		
Cash Balance in hand		
(Including Cheques & Drafts in hand Rs. 2798.12, Previous Year Rs.1598.53 )	2813.13	1617.14
Bank Balances -		
With Scheduled Banks -		
In Current Accounts		
(Includes remittances in transit Rs. NIL, Previous Year Rs. 875.80 )	1092.72	1290.72
" Unpaid Dividend Accounts	42.61	39.44
" Fixed Deposit Accounts	<u>28098.84</u>	<u>257.66</u>
(Includes accrued interest Rs. 822.90, Previous Year Rs. 15.09 )	29234.17	1587.82
(Includes Rs 799.00, Previous Year Rs. 211.82 pledged with Scheduled Banks, Rs. 20.00, Previous Year Rs 30.00 earmarked for deposit under Rule 3A of the Companies ( Acceptance & Deposit ) Rules, 1975 and Rs. 0.10, Previous Year Rs 0.10 deposited with Mining Department )		
	<u>32047.30</u>	<u>3204.96</u>
<b>SCHEDULE 12 : LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Advances (recoverable in cash or in kind or for value to be received or pending adjustments) -		
To Suppliers of Capital Goods	5302.86	2244.77
" Employees ( See Note No. 7 in Schedule 26 )	122.05	113.69
" Others, Considered Good ( See Note No. 7 in Schedule 26 )	12054.53	11109.20
Others, Considered Doubtful (See Note No. 7 in Schedule 26)	<u>12.29</u>	<u>12.29</u>
	17491.73	13479.95
Interest accrued on Investments	211.84	29.73
Deposits -		
Balances with Government Authorities Public Bodies & Others	2574.45	2466.44
MAT Credit Entitlement	<u>6.61</u>	<u>—</u>
	20284.63	15976.12
Less : Provision	<u>12.29</u>	<u>12.29</u>
	<u>20272.34</u>	<u>15963.83</u>



## CONSOLIDATED FINANCIAL STATEMENTS



	<u>As at 31st March 2009</u>	<u>As at 31st March 2008</u>
(Rs. In lacs)		
<b>SCHEDULE 13 : CURRENT LIABILITIES</b>		
Current Liabilities -		
Sundry Creditors -		
For Goods	4023.34	2773.04
For Expenses	<u>19419.25</u>	<u>15584.15</u>
( Includes Rs. Nil, Previous Year Rs. NIL to Micro Enterprises and Small Enterprises)	23442.59	18357.19
Investor Education and Protection Fund shall be credited by the following amounts namely # :		
Unpaid and unclaimed dividends	42.61	29.35
# No amount was due for deposit as on 31st March, 2009		
Other Liabilities	9360.38	8649.87
Interest accrued but not due	60.52	85.28
	<u>32906.10</u>	<u>27121.69</u>
<b>SCHEDULE 14 : PROVISIONS</b>		
Provision for Taxation (Net)	290.22	503.51
Proposed Dividend	3465.24	3080.21
Corporate Dividend Tax	588.92	523.48
Employee Benefits	<u>2336.87</u>	<u>2941.11</u>
	<u>6681.25</u>	<u>7048.31</u>
<b>SCHEDULE 15 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses	1.14	—
Deferred Revenue Expenditure		
Others	<u>55.94</u>	<u>55.63</u>
	<u>57.08</u>	<u>55.63</u>
<b>SCHEDULE 16 : SALES</b>		
	<u>For the year ended</u>	<u>For the year ended</u>
	<u>31st March, 2009</u>	<u>31st March, 2008</u>
Sale of Goods (Including Export Sales Rs.9537.14, Previous Year Rs.7750.50 )	202129.70	197884.99
Own Consumption	1153.76	1156.70
Export Benefits	242.01	336.88
Miscellaneous	<u>361.92</u>	<u>303.33</u>
	<u>203887.39</u>	<u>199681.90</u>

	For the year ended 31st March, 2009	(Rs. In lacs) For the year ended 31st March, 2008
<b>SCHEDULE 17 : OTHER INCOME</b>		
Income on Investments		
Other than Trade (Gross)		
Interest	130.27	—
Dividend (Including Rs. 370.11 on long term, Previous Year Rs. 17.31)	1199.22	1802.70
Profit on sale of Investments (Including Rs. 2499.40 on long term, Previous Year Rs. 535.31)	<u>3286.78</u>	<u>553.52</u>
	4616.27	2356.22
Interest other than on Investments (Tax deducted at source Rs. 225.78, Previous Year Rs.9.55 )		
From Banks	1009.54	23.40
Other than Banks - On Deposits, etc.	<u>69.13</u>	<u>77.88</u>
	1078.67	101.28
Profit on sales of Fixed Assets	14.84	28.58
Incentives & Subsidies	1020.22	589.02
Rent (Tax deducted at source Rs. 1.84, Previous Year Rs. 1.18)	70.53	65.93
Excess Liabilities and Unclaimed Balances written back	549.65	375.95
Excess Depreciation written back	17.61	5.35
Insurance and Other Claims (Net)	98.22	64.74
Provision For Doubtful Debts Written Back ( Net of Provision of Rs. 1.59, Previous Year Rs. 38.32)	10.90	(38.32)
Sundry Adjustments (Net)	13.42	(27.78)
Miscellaneous Income (Tax deducted at source Rs. NIL, Previous Year Rs. 0.11)	124.33	238.09
	<u>7614.66</u>	<u>3759.06</u>
<b>SCHEDULE 18 : (INCREASE)/DECREASE IN STOCKS</b>		
<b>Opening Stocks</b>		
Finished Goods	3511.93	2273.79
Materials under Process	<u>4040.68</u>	<u>2321.94</u>
	7552.61	4595.73
<b>Closing Stocks</b>		
Finished Goods	3124.20	3511.93
Materials under Process	<u>2891.65</u>	<u>4040.68</u>
	6015.85	7552.61
	1536.76	(2956.88)
Add : Increase/(Decrease) in Excise Duty & Cess on Stocks	<u>(196.20)</u>	<u>(5.52)</u>
	1340.56	(2962.40)
<b>SCHEDULE 19 : RAW MATERIALS CONSUMED</b>		
Opening Stock	2349.21	3032.57
Add: Purchases	<u>22048.63</u>	<u>18911.83</u>
	24397.84	21944.40
Less: Sales	—	0.05
Closing Stock	<u>1808.78</u>	<u>2349.21</u>
	1808.78	2349.26
	<u>22589.06</u>	<u>19595.14</u>

## CONSOLIDATED FINANCIAL STATEMENTS



	For the year ended 31st March, 2009	(Rs. In lacs) For the year ended 31st March, 2008
<b>SCHEDULE 20 : MANUFACTURING EXPENSES</b>		
Stores, Spare Parts and Packing Materials	16846.97	14669.04
Power & Fuel	36820.56	32832.42
Royalty & Cess ( Tax Collected at source Rs 52.35, Previous Year Rs. 22.14 )	2301.01	2492.79
Repairs to Buildings	893.85	585.09
Repairs to Machinery	3221.60	2057.32
Repairs to Other Assets	101.30	111.12
Freight & Material Handling on Inter Unit Material Transfer	4424.41	3974.07
Other Manufacturing Expenses	931.28	776.41
	<u>65540.98</u>	<u>57498.26</u>
<b>SCHEDULE 21 : PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus etc.	12264.75	11616.35
Contribution to Provident and Other Funds	1371.65	1297.59
Contribution to Gratuity Fund	346.05	400.02
Contribution to Superannuation Fund	297.17	305.09
Employees Welfare Expenses	589.86	547.32
Exgratia Compensation	—	3.02
	<u>14869.48</u>	<u>14169.39</u>
<b>SCHEDULE 22 : SELLING, ADMINISTRATION AND OTHER EXPENSES</b>		
Brokerage & Commission on Sales	888.44	877.83
Transport & Forwarding Expenses (Net)	24427.32	20162.96
Insurance	248.77	262.42
Rent	297.76	243.53
Rates & Taxes	1488.70	1493.40
Development Cess on Cement	39.77	39.55
Other Expenses	2542.63	2254.21
Advertisement	498.98	372.76
Charity & Donation	602.75	603.74
Auditors' Remuneration –		
Statutory Auditors -		
Audit Fees	15.68	15.49
Tax Audit Fees	3.86	3.83
Travelling Expenses	3.80	1.61
Issue of Certificates	12.04	8.60
	<u>35.38</u>	<u>29.53</u>
Cost Auditors -		
Audit Fees	1.90	1.65
Travelling Expenses	0.09	0.23
	<u>1.99</u>	<u>1.88</u>
Loss on sale/discard of Fixed Assets	583.95	36.59
Provision For Diminution in value of Current Investments	364.00	—
Directors' Fees	8.00	7.30
	<u>32028.44</u>	<u>26385.70</u>

	For the year ended 31st March, 2009	(Rs. In lacs) For the year ended 31st March, 2008
<b>SCHEDULE 23 : INTEREST AND OTHER FINANCE CHARGES</b>		
Interest on Loans, Deposits, etc. -		
To Banks on Working Capital Loans	358.76	564.01
" Banks and Financial Institutions on Term Loans	1142.94	980.90
" Others	568.53	560.32
Other Finance Charges	134.27	66.08
	<u>2204.50</u>	<u>2171.31</u>
<b>SCHEDULE 24 : SHARE OF LOSS IN ASSOCIATES</b>		
Birla Odessa Industries Pvt. Ltd.	0.35	0.01
Birla Readymix Pvt. Ltd.	0.02	0.02
	<u>0.37</u>	<u>0.03</u>
<b>SCHEDULE 25 : DEPRECIATION</b>		
On Fixed Assets	4421.85	4223.18
Less: Transferred from Reserve on Revaluation	21.64	28.76
	<u>4400.21</u>	<u>4194.42</u>
<b>SCHEDULE 26 : ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>		

**A. Basis of Consolidation**

Birla Corporation Ltd. has prepared the consolidated financial statements in accordance with relevant Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006.

The consolidated financial statements comprise financial statements of Birla Corporation Limited (the Company), its subsidiaries and associates. Uniform accounting policies have been adopted for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

**B. Companies included in Consolidation**

<u>Name of the Company (incorporated in India)</u>	<u>Extent of Shareholding</u>	<u>Relationship</u>
i) Birla Jute Supply Company Ltd.	100.00%	Subsidiary
ii) Talavadi Cements Ltd.	98.00%	Subsidiary
iii) Lok Cements Ltd.	100.00%	Subsidiary
iv) Budge Budge Floorcoverings Ltd.	100.00%	Subsidiary
v) Thiruvaiyaru Industries Ltd.	100.00%	Subsidiary
vi) New-Age Cement Ltd.	100.00%	Subsidiary
vii) Birla North East Cement Ltd.	100.00%	Subsidiary
viii) Birla Cement (Assam) Ltd.	100.00%	Subsidiary
ix) M.P. Birla Group Services Pvt. Ltd.	100.00%	Subsidiary
x) Birla Odessa Industries Pvt. Ltd.	48.61%	Associate
xi) Birla Readymix Pvt Ltd.	46.73%	Associate

**C. Significant Accounting Policies**

These are set out in Schedule 23 under Significant Accounting Policies of financial statements of Birla Corporation Limited.

**D. Notes on Accounts**

1. Contingent Liabilities not provided for -
  - (a) Bills discounted with Banks remaining outstanding - Rs. 717.68 (Previous Year Rs. 419.59).
  - (b) Guarantees and Counter-guarantees - Rs. 1578.14 (Previous Year Rs. 1035.48).
  - (c) Amount of Customs Duty which may have to be paid on account of non-fulfillment of Export Obligation under EPCG Scheme and Duty Exemption (Advance Authorisation) Scheme is Rs. 395.29 and Rs. Nil (Previous Year Rs. 269.54 and Rs. 202.45) respectively.
  - (d) The Company is liable to contribute up to a maximum of Rs. 0.75 (Previous Year Rs. 0.75) to C.A.C.O. in the event of its being wound-up during the time the Company continues to be its member or within one year thereafter.

**SCHEDULE 26 (Contd.)**

(Rs. In lacs)

	<b>2008-09</b>	<b>2007-08</b>
(e) Claims/Disputes/Demands not acknowledged as debts -		
i) Demand notice for levying sales tax on packing material at the rate applicable on cement. Writ petition has been filed and the matter is pending before Hon'ble High Court, Chandigarh.	161.07	161.07
ii) Demand for Water Supply Charges under Rajasthan Irrigation & Drainage Act, 1954. Writ petition has been filed before the Hon'ble High Court, Rajasthan which has granted stay in the matter.	147.16	147.16
iii) Additional U. P. Sales tax demanded by enhancing the value of cement. The case has been decided by Tribunal in Company's favour. Department has filed revision petition before Hon'ble High Court, Allahabad against order of the Tribunal. The High Court has remanded the case to UP Trade Tax Tribunal.	146.40	146.40
iv) Demand for interest on delayed payment of Entry Tax raised by the U.P. Trade Tax Department, Allahabad. Writ petition has been filed before the Hon'ble High Court, Allahabad which has granted stay in the matter.	158.46	158.46
v) Cenvat Credit taken on GTA service on the basis of TR - 6 challan disallowed. Appeal filed before the CESTAT, New Delhi and stay granted in the matter.	190.94	190.94
vi) Excise Duty rebate received in earlier year by a Unit of the Company has been protested by the excise authorities before the Hon'ble Supreme Court. The matter has been remitted to the Assistant Commissioner of Central Excise. Hearing held before him on 13.07.07 and order awaited.	969.13	969.13
vii) Stamp Duty for registration/ execution of deed of certain Limestone Mining Lease. The matter is pending before the Hon'ble Supreme Court.	777.60	—
viii) Entry Tax as per U.P. VAT Act on clinker received at Raebareli from Satna. The matter is pending before the Hon'ble Supreme court.	573.82	—
ix) Renewable Energy surcharge on account of shortfall of energy purchased from renewable energy sources as per Rajasthan Electricity Regulatory commission notification dt. 23.03.2007. The matter is pending before the Hon'ble High Court, Rajasthan.	697.48	—
x) Demand for Entry Tax under 'Rajasthan Tax on entry of goods into Local Area Act' 1999'. Stay has been granted by the Hon'ble High Court, Rajasthan.	371.92	—
xi) Other Claims/Disputes/Demands (being less than Rs.100.00) pending in various legal forums for Sales Tax, Excise Duty & Service Tax, Rates & Taxes, E.S.I., Electricity Duty & Surcharge, Electricity Charges and other claims - Rs.81.01, Rs.286.67, Rs.108.81, Rs.4.91, Rs. 0.56, Rs.99.15 and Rs.318.91 (Previous Year Rs.330.22, Rs.168.64, Rs. 103.43, Rs.81.01, Rs.0.56, Rs.99.15 and Rs.284.62) respectively.		
2. Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs.11455.48 (Previous Year Rs. 6184.01).		
3. Disputed amount of Rs.68.61[Paid under protest Rs.68.61](Previous Year Rs.68.61[Paid under protest Rs.68.61]) in respect of difference of Fuel Cost Adjustment Charges, Rs.439.09 [Paid under protest Rs.75.00] (Previous Year Rs.429.21 [Paid under protest Rs.75.00]) in respect of demand of water supply charges, Rs.206.02 [Paid under protest Rs.69.70] (Previous Year Rs.206.02 [Paid under protest Rs.69.70]) in respect of Surcharge on Electricity, Rs.3265.79 [Paid under protest Rs.506.11] (Previous Year Rs.1201.50 [Paid under protest Rs.516.22]) in respect of demand of Royalty on limestone including interest thereon, Rs.687.50 [Paid under protest Rs.10.15] (Previous Year Rs.31.36 [Paid under protest Rs.10.15]) in respect of MODVAT/CENVAT claims, Rs.860.93 [Paid under protest Rs.127.53] (Previous Year Rs.198.44 [Paid under protest 67.69]) in respect of Sales Tax/VAT and Rs.1285.16[Paid under protest Rs.154.75] (Previous Year Rs.1824.07 [Paid under protest Rs.154.75]) in respect of Excise Duty have not been provided for as the matters are subjudice.		
4. The Company has mortgaged a portion of land at Birlapur and Chanderia as security for subsidies received under Subsidised Housing Scheme for Industrial Workers.		
5. Capital Work-in-progress includes other expenses during construction for project Rs.15.59 (Previous Year Rs.0.77).		
6. The amount of borrowing costs capitalised during the year is Rs.126.17 (Previous Year Rs.79.14).		
7. Sundry Debtors, Advances to Employees and Advance to others Rs.470.84, Rs.0.37 and Rs.9.17 (Previous Year Rs.442.57, Rs.0.37 and Rs. 9.17) respectively, are under litigation.		
8. Certain Sundry Debtors, Loans and Advances and Creditors are subject to confirmation.		
9. The company has made payments to Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006, within the appointed date during the year and there are no MSMEs to whom the Company owes dues on account of principal amount together with interest at the Balance sheet date, hence no additional disclosures have been made. The above information and that given in "Current Liabilities-Schedule 13" regarding MSMEs has been determined to the extent such parties have been identified on the basis of information available with the Company.		
10 (a) Outstanding foreign currency booked for the purpose of hedging for receivables are USD 0.70 (Previous Year USD 6.50 , GBP 0.50 and EUR 0.50) and for payables are USD 32.50 (Previous Year USD 70.00).		
(b) Unhedged foreign currency receivables are USD 4.08 ,GBP 0.32 and EUR 0.20 (Previous Year GBP 0.04 ) and payables are USD 36.06 and EUR 0.79 (Previous Year EUR 2.10).		
(c) The marked to market gain amounting to Rs. 2.36 on forward exchange contracts for firm commitments and highly probable forecast transactions has not been accounted for.		

**SCHEDULE 26 (Contd.)**

(Rs. In lacs)

11. Although the market value of investment in Birla Ericsson Optical Ltd. is lower than cost, considering the long term and strategic nature of the investment, in the opinion of the management, such decline is temporary in nature and no provision is necessary for the same.
12. Liability in respect of compensation / penalty, if any, for non - compliance of Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 up to 30th June, 1997 being unascertainable shall be accounted for as and when settled.
13. Net Loss of Rs.120.72 and Rs.41.25 (Previous Year Net Gain Rs.88.43 and Rs. Nil) on account of foreign exchange difference is included in "Other Expenses" under Schedule 22 and in "Other Finance Charges" under Schedule 23 respectively.
14. There being uncertainties in realisation from Insurance Claims, the same are accounted for on settlement/ realisation.
15. In accordance with the revised Accounting Standard -15 i.e. Employee Benefits, the requisite disclosure are as follows:

(a) The amount recognised as an expense for the Defined Contribution Plans are as under:

	<b>For the year ended 31st March, 2009</b>	<b>For the year ended 31st March, 2008</b>
(i) Provident Fund	40.29	51.01
(ii) Superannuation Fund	297.17	305.09
(iii) Pension Fund	463.11	527.01

(b) In respect of Defined Benefits Plans, necessary disclosures are as under-

(i) Benefits are of the following types:

- Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.
- Pension is payable to certain categories of employees as per Company's Pension Scheme.
- Provident Fund (other than government administered) as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

	<b>Gratuity</b>		<b>Pension</b>	
	2008-09	2007-08	2008-09	2007-08
(ii) The amounts recognised in the Balance Sheet are as follows:				
Present value of funded obligations	6842.92	7032.46	—	—
Fair value of plan assets	6135.76	5669.06	—	—
Liabilities in respect of funded obligation	<u>707.16</u>	<u>1363.40</u>	<u>—</u>	<u>—</u>
Present value of unfunded obligations	—	—	68.74	57.45
Unrecognised past service cost	—	—	—	—
Liabilities in respect of unfunded obligation	—	—	68.74	57.45
Total Liabilities	<u>707.16</u>	<u>1363.40</u>	<u>68.74</u>	<u>57.45</u>
(iii) The amounts recognised in the profit and loss account are as follow:				
Current service cost	296.51	304.83	—	—
Interest on obligation	562.58	545.75	4.59	2.06
Expected Return on plan assets	(450.35)	(381.27)	—	—
Expected Return on any reimbursement right recognised as an asset	—	—	—	—
Net actuarial losses/(gains) recognised during the year	(62.69)	(69.29)	26.02	49.45
Past service cost	—	—	—	—
Losses/(gains) on curtailments and settlements	—	—	—	—
Total, included in 'Payments to and Provision for Employees'	<u>346.05</u>	<u>400.02</u>	<u>30.61</u>	<u>51.51</u>
Actual return on plan assets	<u>463.47</u>	<u>421.71</u>	<u>—</u>	<u>—</u>



SCHEDULE 26 (Contd.)

(Rs. In lacs)

	Gratuity		Pension	
	2008-09	2007-08	2008-09	2007-08
(iv) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances are as follows:				
Opening defined benefit obligation	7032.46	6821.92	57.45	25.69
Service cost	296.51	304.83	—	—
Interest cost	562.58	545.75	4.59	2.06
Actuarial losses/(gains)	(58.68)	(21.64)	26.02	49.45
Past service cost	—	—	—	—
Losses/(gains) on curtailments	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(989.95)	(618.40)	(19.32)	(19.75)
Closing defined benefit obligation	6842.92	7032.46	68.74	57.45
(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances are as follows:				
Liabilities extinguished on settlements	—	—	—	—
Opening fair value of plan assets	5669.06	4803.08	—	—
Expected return	450.35	381.27	—	—
Actuarial gains/(losses)	6.30	47.63	—	—
Contribution by employer	1000.00	1055.48	—	—
Benefits paid	(989.95)	(618.40)	—	—
Closing fair value of plan assets	6135.76	5669.06	—	—
a) Amount not recognised as an asset, because of the limit prescribed in Accounting Standard - 15 (Revised 2005) i.e. Employee Benefits is Rs. 12.25 (Previous Year Rs. 10.55);				
b) There is no reimbursement right at the balance sheet date;				
c) Fair value of plan assets does not include any amount for Companies own financial instruments or any property occupied by, or other assets used by, the Company.				
(vi) The major categories of plan assets as a percentage of total plan assets are as follows:				
Qualifying insurance policy	100%	100%	—	—
(vii) Principal actuarial assumptions at the balance sheet date are as follows:				

	2008-09		2007-08	
	Holding Co.	Subsidiary (Budge Budge Floorcoverings Ltd)	Holding Co.	Subsidiary (Budge Budge Floorcoverings Ltd)
a) <b>Gratuity</b>				
Discount rate at 31st March	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Expected return on plan assets as at 31st March	8.50% p.a.	8.00% p.a.	8.50% p.a.	8.07% p.a.
Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
Salary escalation	5%	3%	5%	3.11%
Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age
b) <b>Pension</b>				
Discount rate at 31st March	8.00% p.a.	—	8.00% p.a.	—

**SCHEDULE 26 (Contd.)**

(Rs. In lacs)

- (viii) The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India and Cap Assure Group Gratuity Scheme offered by SBI Life Insurance Co. Ltd. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. It has been considered that LIC's overall portfolio of assets is well diversified and as such, the long-term return on the policy is expected to be higher than the rate of return on Central Government Bonds. As such, the expected return on assets assumption is taken by adding a margin of 0.5% on the current market yield on the Central Government bonds (of term consistent with the term of the liabilities).
- (ix) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (x) The Company expects to contribute Rs. 1000 to its gratuity fund in 2009-10.
- (xi) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs 376.61 (Previous Year Rs 382.39) during the year is recognised as expense and included in 'Payments to and Provision for Employees'. Shortfall, if any, in the contribution to the provident funds in the nature of defined benefits plan is provided to the extent of the information available with the company.
16. 'Repairs to Buildings' and 'Repairs to Machinery' includes Voluntary Retirement Payments to employees on separation Rs. 11.13 and Rs.110.20 (Previous year Rs. NIL and Rs. NIL) respectively.
17. Sundry Adjustments include prior periods adjustments of Rs. 2.85 (net debit) [Previous Year Rs.26.78 (net debit)].
18. The Company's unit : Soorah Jute Mills and Company's wholly owned subsidiary Budge Budge Floorcoverings Ltd. are under Suspension of Operations since 29th March, 2004 and 29th October, 2003 respectively.
19. Managerial Remuneration is as under :

	<b>For the year ended 31st March, 2009</b>	<b>For the year ended 31st March, 2008</b>
Salary & Bonus	50.55	26.20
Contribution to Provident Fund	2.38	1.94
Contribution to Gratuity Fund	0.81	0.73
Contribution to Superannuation Fund	2.99	2.45
Perquisites	17.44	9.78
	<u>74.17</u> #	<u>41.10</u>

# The Board of Directors on its meeting dated 31st July,2008 has increased the remuneration of Executive Director and CEO and the revised term had been circulated to the members. The increased amount of Rs. 28.17 is subject to approval of the members in the ensuing general meeting.

20. The undermentioned associate companies have not commenced trading or manufacturing operations. The original cost of investment in the associates is Rs.1.00 including goodwill Rs.0.92 arising on acquisition of the same. The carrying amount of investment in associate is as under -

<b>Associate Company</b>	<b>Share in Equity Capital (%)</b>	<b>Original Cost (a)</b>	<b>Goodwill (Included in cost)</b>	<b>Loss (b)</b>	<b>Carrying Amount of Investments (a - b)</b>
Birla Odessa Industries Pvt. Ltd.	48.61	0.50	0.43	(0.50)	—
Birla Readymix Pvt. Ltd.	46.73	0.50	0.49	(0.27)	0.23
Total		<u>1.00</u>	<u>0.92</u>	<u>(0.77)</u>	<u>0.23</u>

**CONSOLIDATED FINANCIAL STATEMENTS**

**SCHEDULE 26 (Contd.)**

(Rs. In lacs)

**22 Segment Reporting**
**A) Primary Segment Information**

	2008-09						2007-08					
	Cement	Jute	Power	Others	Inter Segment Elimination	Total	Cement	Jute	Power	Others	Inter Segment Elimination	Total
<b>Business Segment</b>												
<b>Segment Revenue</b>												
(a) External Sales	164104	12887	206	1871	—	179068	158455	11668	—	2358	—	172481
(b) Inter Segment Revenue	108	2	16323		(16,433)	—	141	12	16399	38	(16,590)	—
<b>Total Segment Revenue</b>	<b>164212</b>	<b>12889</b>	<b>16529</b>	<b>1871</b>	<b>(16,433)</b>	<b>179068</b>	<b>158596</b>	<b>11680</b>	<b>16399</b>	<b>2396</b>	<b>(16,590)</b>	<b>172481</b>
<b>Segment Result</b>	<b>35920</b>	<b>(959)</b>	<b>8278</b>	<b>(367)</b>	<b>—</b>	<b>42872</b>	<b>47346</b>	<b>(174)</b>	<b>9467</b>	<b>(164)</b>	<b>—</b>	<b>56475</b>
<b>(Profit before Interest &amp; Tax)</b>												
<b>Less: (i) Interest</b>						2205						2171
<b>(ii) Other un- allocable expenditure net off un-allocable income</b>						(2,987)						(774)
<b>Profit before Tax</b>						<b>43654</b>						<b>55078</b>
<b>Provision for Taxation</b>												
Current Tax						10099						15502
Fringe Benefit Tax						136						141
Deferred Tax						1053						111
Wealth Tax						7						4
<b>Profit after Tax</b>						<b>32359</b>						<b>39320</b>
<b>OTHER INFORMATION</b>												
<b>Segment Assets</b>	93521	6698	15171	3929		<b>119319</b>	78350	6253	15102	4552		<b>104257</b>
Common Assets						84576						64469
<b>Total</b>						<b>203895</b>						<b>168726</b>
<b>Segment Liabilities</b>	30933	2382	28	274		33617	25865	1690	170	441		28166
Common Liabilities						13750						12730
<b>Total</b>						<b>47367</b>						<b>40896</b>
<b>Capital Expenditure</b>	16480	581	118	179		17358	13217	767	66	73		14123
Common Capital Expenditure						79						643
<b>Total</b>						<b>17437</b>						<b>14766</b>
<b>Depreciation</b>	3137	130	842	232		4341	2938	86	847	294		4165
Common Depreciation						59						29
<b>Total</b>						<b>4400</b>						<b>4194</b>

**SCHEDULE 26 (Contd.)**

**B) Secondary Segment Information**

There are no reportable geographical segments as export turnover is 4.72 % (Previous year 3.92 %) of the external sales.

**C) Other Disclosures**

The Company's operations predominantly relate to Cement and other products are Jute Goods, Generation of Power, PVC Goods, Auto Trims and Steel Castings. Accordingly, these business segments comprise the primary basis of segmental information set out in these financial statement.

Inter-segment transfers are based on prevailing market prices except for Iron & Steel Castings and PVC Goods which are based on cost plus profit.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

22. a) Related party relationship as defined in Accounting Standard - 18 :

Key Management Personnel

Shri Bachh Raj Nahar

b) During the year, the Company entered into the following related party transactions :

Particulars	Key Mgmt. Personnel	
	<u>2008-2009</u>	<u>2007-2008</u>
Remuneration, Perquisites & Others	<u>74.17</u>	<u>41.10</u>

(Rs. In Lacs)

23. Figures for the previous year have been re- grouped wherever considered necessary.

Signatures to Schedules 1 to 26

As per our Report annexed.

For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518

1B, Old Post Office Street,  
Kolkata-700 001.  
Dated the 7th day of May, 2009

GIRISH SHARMA  
Vice President ( Indirect Taxes )  
& Acting Company Secretary

HARSH V. LODHA  
NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
ANAND BORDIA  
B. B. TANDON  
D. N. GHOSH

B. R. NAHAR

Directors

Executive Director &  
Chief Executive Officer









Shri B R Nahar, CEO & Executive Director, receiving the **Best Corporate Ethics Award** for 2008, from Shri Arindam Choudhury of IIPM, in Kolkata. Shri Debesh Das, West Bengal's Minister for Information Technology, is at the centre. Birla Corporation Limited was also shortlisted for the **Best CSR Initiative in the State**. (Inset) Senior executives of the Company at the ceremony.



The specially designed Circular Stacker Reclaimer Dome shed (first such facility in India) and (inset) the new Vertical Pregrinder Raw Mill at Satna





Upgradation and modification of Chanderia Cement Works



The newly installed wagon-loading machine at Durgapur, in addition to the existing infrastructure



**Birla Corporation Limited**, flagship company of the M P Birla Group, is associated with various philanthropic and social activities of the Group, in keeping with the Group ethics. The good work continues.....

## Commitment to the Community



Syt, Rajendra S. Lodha addressing the inauguration ceremony of Priyamvada Birla Cancer Research Institute at Satna. Syt. Lodha said on the occasion "our mission is to bring world-class cancer care now within the common man's reach". (Inset) Shri Shivraj Singh Chauhan, Hon'ble Chief Minister of Madhya Pradesh, addressing the gathering.



Shri Gautam Mohan Chakrabarty, Commissioner of Police, Kolkata, inaugurating the Intensive Therapy Unit at Belle Vue Clinic. (Inset: left) Lighting of the Mangaldeep and (inset: right) Shri Chakrabarty being explained the ITU facilities.







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