



**CORPORATION  
LIMITED**

**MP BIRLA GROUP**

**ANNUAL REPORT AND ACCOUNTS 2009-10**





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, Shraddha, 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  
Chairman



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 Deepak Nayyar



Shri M. K. Sharma



Shri B. R. Nahar  
Executive Director & CEO

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## BOARD OF DIRECTORS

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Shri Harsh V. Lodha  
Chairman

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 Deepak Nayyar (from 22.04.2010)

Shri M. K. Sharma (from 22.04.2010)

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)

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	1998-99
<b>OPERATING RESULTS</b>								
<b>Turnover</b>	<b>238707</b>	<b>203884</b>	<b>199678</b>	<b>179451</b>	<b>143344</b>	<b>134264</b>	<b>116891</b>	<b>8733</b>
Surplus before Interest &								
Depreciation	84342	50193	61367	51992	19187	14522	10039	3248
Interest	2697	2205	2105	1853	1362	2169	2514	5341
<b>Surplus/(Deficit) after Interest but before Depreciation</b>	<b>81645</b>	<b>47988</b>	<b>59262</b>	<b>50139</b>	<b>17825</b>	<b>12353</b>	<b>7525</b>	<b>(2093)</b>
Depreciation	5564	4342	4144	3965	3416	2983	3367	3263
Income/Fringe Benefit /								
Deferred/Wealth Tax	20363	11295	15761	13551	1833	683	2	6
Net Profit	55718	32351	39357	32623	12576	8687	4156	(5362)
Dividend	5395	4054	3604	3153	1976	1317	869	339
Dividend Percentage	60.00	45.00	40.00	35.00	22.50	15.00	10.00	10.00
<b>Retained Earning</b>	<b>50323</b>	<b>28297</b>	<b>35753</b>	<b>29470</b>	<b>10600</b>	<b>7370</b>	<b>3287</b>	<b>(5701)</b>
<b>ASSETS &amp; LIABILITIES</b>								
Fixed Assets:								
Gross Block	175779	144302	130010	116151	112821	98104	90301	81386
Net Block	102645	74887	62746	52630	53037	40297	32547	38917
Current & Other Assets &								
Investments	190390	121180	130393	85525	42807	37439	32099	27644
<b>Total Assets</b>	<b>293035</b>	<b>196067</b>	<b>193139</b>	<b>138155</b>	<b>95844</b>	<b>77736</b>	<b>64646</b>	<b>66561</b>
Represented by :								
Share Capital	7701	7701	7701	7701	7701	7701	7701	3056
Reserves & Surplus	171422	121070	92797	58880	30723	23578	18049	13598
<b>Net Worth</b>	<b>179123</b>	<b>128771</b>	<b>100498</b>	<b>66581</b>	<b>38424</b>	<b>31279</b>	<b>25750</b>	<b>16654</b>
Borrowings	70919	27645	27225	28265	27178	24156	20712	36831
Current Liabilities & Provisions	42993	39651	65416	43309	30242	22302	18185	13076
<b>RATIOS</b>								
Earning per Ordinary Share ( Rs.)	72.36	42.01	51.11	42.36	16.33	11.28	5.40	(17.54)
Cash Earning per Ordinary								
Share ( Rs.) ( annualised )	79.58	47.65	56.49	47.51	20.77	15.15	9.77	(6.87)
Net Worth per Ordinary								
Share ( Rs.)	232.61	167.22	130.51	86.46	49.90	40.62	33.44	54.50
Debt Equity Ratio								
( on long-term loans )	0.23:1	0.04:1	0.07:1	0.14:1	0.32:1	0.31:1	0.25:1	1.10:1
Current Ratio	1.96	1.86	1.13	1.18	1.03	1.28	1.25	1.95

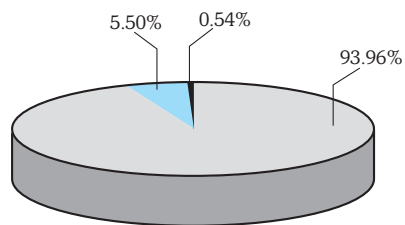
## SOURCES AND APPLICATION OF FUNDS

(Rs. in lacs)

SOURCES OF FUNDS	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
1. Generation from operations –						
Surplus/(Deficit) after taxes	55718	32351	39357	32623	12576	8687
Depreciation	5564	4342	4144	3965	3416	2983
Deferred Tax	228	1053	116	—	—	—
	<u>61510</u>	<u>37746</u>	<u>43617</u>	<u>36588</u>	<u>15992</u>	<u>11670</u>
2. Borrowings ( Net )	43274	419	(1039)	1087	3022	3445
3. Reduction in working Capital	—	—	—	—	5707	—
4. Increase in Capital Reserve Others(Net)	50	(1)	(4)	—	—	—
	<u>104834</u>	<u>38164</u>	<u>42574</u>	<u>37675</u>	<u>24721</u>	<u>15115</u>
<b>APPLICATION OF FUNDS</b>						
1. Fixed Assets	28040	16505	14289	3637	16234	10813
2. Investments	58936	(8171)	21393	24476	6511	1211
3. Increase in Working Capital	12463	25776	3288	6409	—	1774
4. Dividend	5395	4054	3604	3153	1976	1317
	<u>104834</u>	<u>38164</u>	<u>42574</u>	<u>37675</u>	<u>24721</u>	<u>15115</u>

### Statement of Sales by Activities 2009-2010

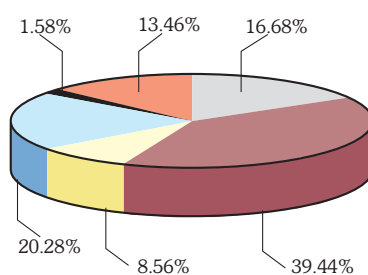
(Rs. in lacs)



- Cement : 224281.85 (93.96%)
- Jute : 13129.31 (5.50%)
- Other : 1295.66 (0.54%)

### Revenue Distribution 2009-2010

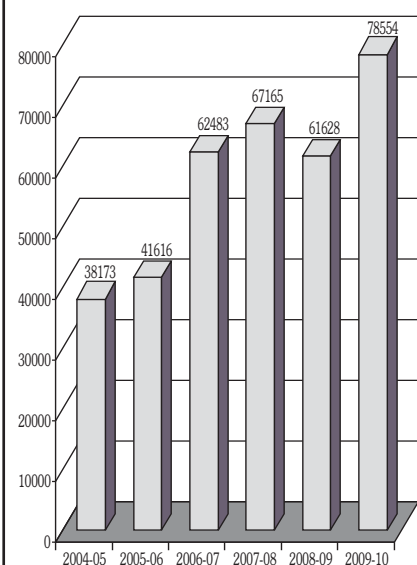
(Rs. in lacs)



- Raw Material : 28515 (16.68%)
- Manufacturing Expenses : 67399 (39.44%)
- Payment to and Provisions for Employees : 14627 (8.56%)
- Selling, Administration & Other Expenses : 34650 (20.28%)
- Interest : 2697 (1.58%)
- Excise Duty : 23004 (13.46%)

### Contribution to National Exchequer 2009-2010

(Rs. in lacs)





## DIRECTORS' REPORT

### To the Shareholders

Your Directors have pleasure in presenting their annual report on the business and operations of your Company together with the audited accounts of the Company for the year ended 31st March, 2010.

(Rs. in Crores)

	31st March, 2010	31st March, 2009
<b>FINANCIAL RESULTS</b>		
Gross Turnover	2387.07	2038.84
Income for the year	2295.34	1866.78
Gross Profit before interest	843.42	501.93
Interest Charge	26.97	22.05
Profit before Depreciation & Tax	816.45	479.88
Provision for		
i) Depreciation	55.64	43.42
ii) Taxation	203.63	112.95
Profit after Tax	557.18	323.51
Additions :		
Balance Brought Forward from last year	100.92	167.95
Surplus available for Appropriation	658.10	491.46
Appropriation:		
i) Debenture Redemption Reserve	13.25	—
ii) Interim Dividend	19.25	—
iii) Corporate Dividend Tax on Interim Dividend	3.27	—
iv) Proposed Final Dividend	26.95	34.65
v) Corporate Dividend Tax on proposed Final Dividend	4.48	5.89
vi) General Reserve	400.00	350.00
Balance transferred to Balance Sheet	190.90	100.92

### DIVIDEND

The Company has paid an interim dividend of Rs.2.50 per share (i.e. 25%) on ordinary shares during the year. Your Directors are pleased to recommend a final dividend of Rs.3.50 per share (i.e. 35%) on ordinary shares for the year ended 31st March, 2010. Thus the aggregate dividend for the year ended 31st March, 2010 works out to Rs.6.00 per share (60%) aggregating to Rs.53.95 crores including Corporate Dividend Tax of Rs.7.75 crores as compared to Rs.40.54 crores (including Corporate Dividend Tax of Rs.5.89 crores) in the previous year.

### HIGHLIGHTS OF PERFORMANCE/EVENTS

- Achieved its highest ever cement production at 5.70 million tonnes.
- Achieved its highest ever turnover of Rs.2387.07 crores.
- Highest ever rate of Dividend of 60% declared by the Company including Interim Dividend of 25% and Dividend Payout of Rs.53.95 crores (including Corporate Dividend Tax).
- Highest ever share (86.86%) of blended cement in the overall cement production of the Company.
- The Company has been included in the prestigious "Best Under A Billion" list by Forbes based on its excellent performance.
- Decision to allocate a minimum of 10% of the distributed profit of the Company for Corporate Social Responsibility activities.

## REVIEW OF OPERATIONS

All the seven cement manufacturing Units, spread over West Bengal, Madhya Pradesh, Uttar Pradesh and Rajasthan have performed satisfactorily in spite of stoppages related to expansion and modernisation activities. The level of production was maintained by procuring clinker from domestic and foreign sources.

During the year 2009-10, the Company achieved its highest ever production of cement at 5.70 million tonnes.

During the year under review, in general the demand supply scenario in the regions the Company operates in, was favourable. The market rates were firm in the first half of the year. With additional capacities coming on stream coupled with slackness in demand, the prices came down in the beginning of the second half. From January 2010, the prices started picking up again owing to resurgence in demand and remained stable till the year end.

The performance of Durgapur plant has improved distinctly during the year following "Suspension of Operations" and subsequent implementation of Voluntary Retirement Scheme (VRS) at the Unit in the previous year. Production of the Cement Division at Satna was marginally higher than the previous year's level. Production at Cement Division, Chanderia was slightly lower due to the planned stoppage of plant taken during the year for implementing the expansion.

The Jute Division, which has been suffering for more than 15 years, has finally turned around during the year due to various management initiatives such as modernization of machinery, reduction in wastage and use of jute caddies as fuel in the boilers. Such measures have resulted in improved working of the Division despite an industry-wide strike of about 2 months during the year.

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

## EXPANSION AND MODERNISATION

During the year under review, the Company maintained its focus on building organizational capabilities. It took several initiatives to enhance costs competitiveness and improve productivity with a view to combat competition in the market place. As part of strategic growth initiative and to maintain the growth momentum, the Company has embarked on a series of expansion and other infrastructure projects.

At Satna, the first phase of the programme to enhance the clinker capacity to 7400 Tonnes Per Day (TPD) has already been completed and the second & final phase is expected to be completed by July, 2010. After the completion of second phase the total clinker production capacity at Satna would stand increased to 9600 TPD.

Further, the Company is replacing the age-old cement ball mill with a 330 Tonnes Per Hour (TPH) roller press at Satna. At Chanderia (Rajasthan),

a 1.2 million ton brownfield plant, along with Waste Heat Power Plant is being set up. At Durgapur, work is on to increase the grinding capacity by 0.6 million tons per annum, which will enhance the total capacity there to 2.3 million tonnes, the largest in West Bengal. Further, with a view to optimize on the logistic cost, it is proposed to install a mixing and packing plant with a capacity of 3 Lacs Ton Per Annum (LTPA) at Kota, Rajasthan. These projects are expected to be completed in phases in two years time. After completion of the above expansion projects, the effective annual capacity of the Cement Division will stand at about 9 million tonnes.

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. Under the system, the hot waste gases coming out of the pre-heater and clinker cooler will be used to generate power and the Green House Gases (GHG) emissions into the atmosphere will be reduced substantially.

The Company has been allotted Bikram Coal Block in Madhya Pradesh and the mine plan has been approved by the Standing Committee of the Ministry of Coal. Applications for mining lease, forest clearance and environmental clearance have been submitted to the concerned Ministries and the same are being pursued.

The Madhya Pradesh Government has recommended to the Union Ministry of Mines for allotment of mining lease of about 2,130 hectares in Satna district to Talavadi Cements Limited, a subsidiary of Birla Corporation Limited. The recommendation has been challenged by some parties in the High Court and Tribunal. Once the issue is favourably resolved, the Company has plans to set up a cement plant with an annual capacity of up to 3 million tons with an investment of approx. Rs. 1,200 crores.

## CREDIT RATING

Credit Analysis and Research Limited (CARE) has assigned "CARE AA+" (Double A Plus) 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 to Rs.550 crores. Further, the rating Committee of CARE has assigned "CARE AA+" (Double A Plus) for the Long Term Borrowing (including Non-Convertible Debentures) Programme and has re-affirmed PR 1 + (PR One Plus) rating for the Short Term Debt.

Further, CRISIL has assigned AA+/ stable (Double A Plus with stable outlook) rating for the Non-Convertible Debenture Programme and 'P1+' (pronounced 'P one Plus') rating for Short Term Debt Programme, respectively.

## FINANCE

The Company has raised funds through issue of Secured Redeemable Non-Convertible Debentures aggregating to Rs.370 crores on private placement basis. The funds have been utilised for general corporate purposes.

## CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review, a sum of Rs.785.54 crores (Rs. 616.28 crores in 2008-09) 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 been included in the prestigious "Best Under A Billion" list by Forbes and is one of the 20 Indian companies featured this year. Birla Corporation Limited has been selected by the editors of Forbes as one of the best companies with revenues of less than \$ 1 billion based on its track record of consistent profitability, growth and best corporate practices over a three-year period. The fifth annual "Best under a Billion" list comprises the top 200 companies, picked up from more than 25,326 publicly-listed firms with sales of less than \$ 1 billion in the Asia-Pacific region. The recognition came at a very opportune time for Birla Corporation Limited since it is one of the oldest cement manufacturing companies in India and is currently celebrating 50 years in the cement business.

Further, the Company has received the following Awards/Recognitions during the year :

- i) Greentech Safety Award from Greentech Foundation, New Delhi received by our Satna Unit for its outstanding safety measures taken for the employees.
- ii) Birla Jute Mills, Birlapur has been recognised with Quality Management System, installed and effectively implemented as per IS/ISO 9001:2008.

## 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 to all spheres ranging from health, education, rural infrastructure development, environment conservation etc.

In keeping with the M.P. Birla Group's vision to serve the society, the Board of Directors of the Company has decided to allocate a minimum of 10% of the distributed profit towards Corporate Social Responsibility (CSR) activities. The CSR activities will be undertaken by the Company on its own or through various charitable institutions, including those managed by the M.P. Birla Group which currently runs various healthcare and educational institutions of repute. These include M P Birla Hospital and

Priyamvada Birla Cancer Research Institute at Satna, Bombay Hospital, Mumbai and Indore, Belle Vue Clinic and Priyamvada Birla Aravind Eye Hospital, Kolkata, and South Point School and M.P. Birla Foundation Higher Secondary School, also in Kolkata, to name a few.

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

The Company believes in sustainable development by promoting clean environment and making the environment eco-friendly. Accordingly, various initiatives have been taken for Clean Development Mechanism (CDM) and pollution prevention. The environmental dimension forms an integral part of the business decisions. All our units hold IS/ISO : 14001 certification of "Implementation of Environmental Management System" and the operations at all of our Units are conducted in a manner in which the ecological balance is given due regard. Massive plantations and gardening have been undertaken at Satna, Raebareli and Chanderia Units both in and around mining, plant and residential area. At Satna, pollution control operation of Bag Dust Collector (BDC) was optimised and additional BDC were installed wherever required. At Chanderia, Recycling and Water management system have been incorporated, in addition to Water Table Monitoring System. At Chanderia unit pneumatic Fly Ash transportation system and concreted roads and open space for reduction in fugitive dust has been installed. Power and fuel consumption has also been reduced by adoption of the latest technology in upgradation of our plant and implementation of Waste Heat Recovery System (WHRS) at Satna and Chanderia plants, which will also reduce Green House Gases (GHG) emissions. Further, to protect the environment, the Company has consumed 10.50 lac tonnes of Fly ash during the year 2009-10 at various cement plants of the Company. This has resulted in reduction of clinker usage, which in turn reduced GHG emissions.

### B) Health Initiatives

Medical camps were organized for free medical aid for the benefit of villagers of surrounding areas in Satna unit. A fully equipped dispensary under the supervision of qualified medical practitioners 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 medical officer and para-medical staffs also visited various villages like Bathia, Baraj, Nimi, Kotar, Barikalan and Bharjuna, every week for free medical check up, treatment and providing medicines. The Company provided the required infrastructure for establishing an Ayurvedic Dispensary at Sagmania Mines Colony run by Cess and Welfare Department, Government of India. The Company sponsored/supported various programmes in the field of Pulse Polio vaccination and other related programmes organized by local authorities and other agencies. At Chanderia, two Family Planning



Camps were organized wherein 203 operations were carried out. At Durgapur, 9 nos. eye screening camps were organized through M.P. Birla Eye Clinic and total 1836 eye surgeries were undertaken during the year.

#### **C) Education Initiatives**

Scholarship, dress, water filters etc. were provided by Satna Unit for about 50 girls of SC/ST for the Girls' Ashram School, Kothi. The Unit also provided free stationery and sports materials and contributed for other social activities in the villages surrounding our mining areas and nearby schools. Bus facility for attending the school in city area was provided to the children living in the surrounding villages of Satna. A school boundary wall was constructed at Nagri and Achora village near Chanderia. Vocational Training was provided to a number of students pursuing Management and Engineering courses at our plants as well as at Corporate Office.

#### **D) Social Welfare**

Drinking water is being provided regularly in RCC water tanks constructed by the Satna Unit in nearby villages. In nearby villages, drinking water supply line is being provided and distribution of drinking water through tankers during summer and marriage season has been carried out. The Unit also contributed in repairing of Hand Pumps and Submersible Pumps in nearby villages and cleaning and deepening of ponds of surrounding areas. The Unit organized various social activities and social functions. The All India Independence Day Football Tournament at Gandhi Stadium organized by the Company was registered as First Class Tournament by All India Football Association, New Delhi. At Sanwaria Government Hospital, Madhav Circle (Bhilwara Road), regular maintenance and development of garden was undertaken by Chanderia Unit. Bore hole-drilling work in Jai village and repairing of cow shelter (Goshala) at Gangrar was also done at Chanderia.

#### **SUBSIDIARY COMPANIES**

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

In view of the exemption received from Central Government vide letter No.47/269/2010-CL-III dated 8th April, 2010, 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. The consolidated Financial Statements presented by the Company include financial results

of its subsidiary companies.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- 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 and 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 2009-10 and of the profit for the year ended 31st March, 2010;
- 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;
- the annual accounts for the year ended 31st March, 2010, 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.

#### **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.

#### **DIRECTORS**

Shri Deepak Nayyar, an eminent economist and author and Shri Mahendra Kumar Sharma, a corporate consultant and former Vice-Chairman of Hindustan Unilever Limited were appointed as Additional Directors of the Company w.e.f. 22nd April, 2010.

Shri Harsh V. Lodha, Smt. Nandini Nopany and Shri D.N. Ghosh retire from the Board by rotation and, being eligible, offer themselves for re-appointment.

The Company did not receive the annual declarations under Section 274(1)(g) and Section 299 of the Companies Act, 1956 from Shri N.K. Kejriwal due to his ill health.

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

## **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.

HARSH V. LODHA	Chairman
NANDINI NOPANY	} Directors
PRACHETA MAJUMDAR	
VIKRAM SWARUP	
B. B. TANDON	
D. N. GHOSH	

## **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,

B. R. NAHAR  
Kolkata,  
Dated, the 22nd day of April, 2010

Executive Director &  
Chief Executive Officer

*Subsequent to Meeting of the Board of Directors held on 22nd April, 2010, Smt. Nandini Nopany vide letter dated 30th April, 2010 has withdrawn her candidature for re-appointment as a Director of the Company and, accordingly, shall cease to be a Director upon conclusion of the ensuing Annual General Meeting.*

## 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, 2010

	<u>Auto Trim</u>	<u>Cement</u>
<b>A. Conservation of Energy</b>	Energy Conservation continues to receive top priority, Energy audit was carried out, consumption monitored, maintenance system improved and distribution losses were reduced	Energy Conservation continues to receive top priority, Energy audit was carried out at all Units, consumption monitored, maintenance system improved and distribution losses was reduced. Online Energy monitoring system implemented
a) Energy Conservation measures taken	Controlled usage of heaters	Installation of Waste Heat Recovery System for Kiln and Cooler Hot Gases for Satna and Chanderia
	-	Installed energy efficient Intelligent Motor Control Centre (IMCC), Smart Field Instrumentation and Automation system at Satna.
	-	High Efficiency tertiary crusher installed to conserve energy and to increase crushing efficiency
b) Additional investment, proposals, if any	Replacement of energy inefficient motors with latest generation high efficiency motors.	Installation of Roll Press, Coal Mill VRM at Satna
	Installation of Corona Treater has generated in house facility for electrostatic treatment in the process, eventually production cost reduced	Additional infrastructure facilities like coal, Gypsum and Fly Ash unloading-transportation and storage system, cement packing and storage for Satna Unit.
	-	Coal Washery project for Satna Unit.
	-	Slag Grinding Roll Press at Durgapur Unit.
	-	Installation of Roll Press for Cement Grinding at Chanderia
	-	1.2 MTPA Brown field cement plant at Chanderia
	-	Installation of equipment for energy efficient measures.
	-	Replacement of energy inefficient motors with latest generation high efficiency motors.
	-	Thermal power plant at Satna and Chanderia
c) Impact	Reduction in power consumption and improved productivity	Capacity optimization and reduction of fuel and energy consumption and consequently reduction in the cost of production of Cement.
	-	Increase in Fly Ash and Slag absorption in Blended Cement Production
	-	Improved plant availability, conservation of resources, pollution reduction and improvement in working atmosphere
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	Development of simpler mechanism for passing of covering material for door trim	Actively collaborated with National Council for Cement & Building Materials (NCCBM), Institute of Mineral & Materials Technology (formerly RRL), Bhubaneswar for research & development activity
	-	Participation in International and National conference/ seminars.
	-	Utilization of Cooler, Pre-heater Waste Gases for productive purpose through Waste Heat Recovery System.
	-	Utilization of grinding aid in cement manufacturing to improve quality, productivity and enhanced absorption of blending materials
	-	Conservation of resources through use of low grade limestone for cement manufacturing.
	-	Recycling and conservation of water through usage of Sewage (Effluent) water treatment plant and intelligent water management at Satna.
2) Benefit	Consumption of adhesive minimized as well reduction in power consumption	Production of clinker and cement capacity enhanced to meet the future demand
	-	Optimize the utilization of Lime Stone and Coal and conserve water
	-	Improved Operational Efficiencies and equipment reliability.
	-	Kiln Optimization software for micro level process control
3) Future Plan of Action	-	Promote usage of alternative fuels like industrial wastes to reduce manufacturing cost and use of traditional fuels.
<b>C. Foreign Exchange Earning &amp; Outgo</b>		
f) Export activities		-
g) Total Foreign Exchange used - Rs. 20248.82 lacs.		
h) Total Foreign Exchange earned (including export in Indian Currency) - Rs. 7108.68 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 were reduced.	Energy Conservation continues to receive top priority, Energy audit was carried out, consumption monitored, maintenance system improved and distribution losses were reduced.	Energy Conservation continues to receive top priority, Energy audit was carried out, consumption monitored, maintenance system improved and distribution losses were reduced
Installation of capacitor Bank for improvement in power factor.	Installation of Induction Melting Furnace for optimum size induction furnace for power saving and better productivity.	Installed Capacitors at Operating Panel of Chilling Plant and Thermic Fluid Heater to reduce Power Consumption by increasing Power Factor.
Modified water supply system and reduced wastage of water.	Replacement of old, obsolete mould and cold dryer to reduce defective castings	-
Installation of CFL lamps	High temperature oil fired heat treatment furnace with oil quenching arrangement installed for improving the quality of grinding media	-
Installation of Solar based power plant/ Biomass power plant.	Replacement of energy inefficient motors with latest generation high efficiency motors	Replacement of energy inefficient motors with latest generation high efficiency motors.
Replacement of energy inefficient motors with latest generation high efficiency motors	-	-
Installation of 33 KV/6.6 KV Sub Station.	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
Reduction in power consumption and optimum capacity utilization	Improved quality of grinding media	Reduction in power consumption and improved productivity
Improved power factor and increased plant availability	Reduction in wastage of castings	-
-	Reduction in power consumption and improved productivity	-
Form 'A' annexed	Form 'A' annexed	Form 'A' annexed
Process Steam generation by utilization of Waste Jute Caddy	Latest technology for Grinding media hardening	In-house Chemical and Physical laboratory for testing and development activities.
Modification in Jute Spinning Frame and Roll Winding Machine.	-	-
-	-	-
-	-	-
-	-	-
-	-	-
Contribution towards higher productivity, improved quality of finished goods and reduction in wastage	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
All out efforts are being made to develop additional export for both conventional & value-added products.	-	-

**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, 2010**

	AUTO TRIM		CEMENT			
	Current Year (2009-10)	Previous Year (2008-09)	Current Year (2009-10)	Previous Year (2008-09)		
A. POWER & FUEL CONSUMPTION						
1. Electricity						
a) Purchase						
Unit in lacs (KWH)	2.51	2.48	1563.3	1232.25		
Total Amount - Rs. in lacs	13.61	13.10	6844.05	6025.11		
Cost / Unit in Rs.	5.42	5.28	4.38	4.89		
b) Own Generation						
i) Through Diesel Generator						
Unit in lacs (KWH)	—	—	38.6	38.04		
KWH per Ltr. of Diesel Oil	—	—	3.57	3.77		
Cost / KWH in Rs.	—	—	6.91	6.77		
ii) Through Steam						
Turbine/Generator						
Unit in lacs (KWH)	—	—	4003.14	3683.31		
KWH per Tonne of Coal	—	—	1023	991		
Cost / Unit in Rs.	—	—	1.83	1.96		
2. Coal : Grades - B, C, D & E						
Quantity in Tonnes						
a) Power Generation	—	—	391241	371765		
b) Process Steam	—	—	—	—		
c) Locos	—	—	—	—		
d) Kilns	—	—	621695	580541		
e) Others	—	—	6671	4374		
Total Cost - Rs. in lacs	—	—	28769.03	28288.81		
Average Rate in Rs. / Tn.	—	—	2822	2957		
3. Furnace Oil / Light Diesel Oil						
Quantity (K. Ltrs.)	—	—	605.92	649.32		
Total Amount - Rs. in lacs	—	—	134.95	144.76		
Average Rate in Rs. / K. Ltrs.	—	—	22272	22294		
	Standard (if any)	Current Year	Previous Year	Standard (if any)	Current Year	Previous Year
B. CONSUMPTION PER UNIT OF PRODUCTION						
Products	Auto Trim Parts			Cement		
Electricity in KWH	—	3.90	5.76	105-110	88 (for naked cement)	86
Furnace Oil / Light Diesel Oil in Ltrs.	—	—	—	—	0.062	0.062
Coal : Grades - B, C, D & E						
Consumption in Tn.						
Kilns	—	—	—	0.20-0.21	0.127	0.110
Coal Quality -						
Kilns (UHV)	—	—	—	—	5132	5001

JUTE			STEEL FOUNDRY			VINOLEUM		
	Current Year (2009-10)	Previous Year (2008-09)		Current Year (2009-10)	Previous Ye (2008-09)		Current Year (2009-10)	Previous Year (2008-09)
	165.61	68.94		25.42	25.22		1.59	3.87
	886.02	385.18		151.14	146.78		8.52	21.58
	5.35	5.59		5.95	5.82		5.35	5.58
	0.23	—		—	—		—	—
	2.44	—		—	—		—	—
	14.34	—		—	—		—	—
	10.00	123.71		—	—		0.02	0.36
	645	1015		—	—		645	542
	6.98	8.20		—	—		6.98	8.20
	1555	22840		—	—		4	66
	56	2450		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	53.26	855.58		264	264		0.12	2.25
	3226	3383		8.49	7.58		3226	3383
	—	—		3216	2869		—	—
	—	—		254.00	275.66		42	156
	—	—		63.86	76.72		8.46	43.68
	—	—		25142	27830		20002	27923
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		
—	642	583	—	2181	2098	—	1.49	0.97
—	—	—	—	217.93	229.34	—	0.39	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, 2010 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	1,05,55,351	B.Com, FCA	36	12.12.2002	58	Essar Investment Ltd. Mumbai. Executive Director 3 yrs.
2.	Jayaraman G*	Executive President	33,65,266	B.E., Dip. In Fin Management Dip I.E.	48	06.09.2006	71	Renco Technologies Pvt Ltd., Chennai. Director 3 yrs.
3.	Chand P. K.	Chief Financial Officer	40,25,356	B.Com ( Hons ) FCA, AASM	33	01.06.1981	54	Orissa Cement Ltd. New Delhi Executive Accounts 4 yrs.
4.	Hamirwasia V K	President Birla Cement Works, Chandaria Cement Works, Chandaria.	38,64,343	B.E. ( Mech. )	35	07.02.1983	56	Mysore Cement Ltd. Bangalore, Sr. Engineer ( Projects) 8 Years.
5.	Marwah P S*	President, Satna Cement Works, Birla Vikas Cement, Raebareli Cement Works, Vindhyachal Steel Foundry	29,98,856	B.E. ( Elect. ) PGD in Business Admn, Grad.in Industrial Engrg.	42	22.04.1993	66	Bihar Sponge Iron Ltd. Jamshedpur, Vice President ( Projects) 2 Years.
6.	Joshi S K*	Sr. Joint President, Satna Cement Works, Birla Vikas Cement, Raebareli Cement Works, Vindhyachal Steel Foundry	27,39,036	B.Com, FCA	39	15.06.2004	59	Zenith Ltd. Mumbai, Joint President ( Finance) 7 Years.
7.	Nagori N	Joint President ( Project & Marketing), Birla Cement Works, Chandaria Cement Works, Chandaria.	25,44,190	B.Com,FCA	35	27.08.1992	57	Udaipur Cement Works, Udaipur, Chief Financial Controller, 2 Years
8.	Singhee K C	Joint President (Commercial), Birla Cement Works, Chandaria Cement Works, Chandaria.	26,11,341	B.Sc.,FCA., CS (Inter).	35	17.09.1981	59	J.J.Exports Ltd., Kolkata Chief Accountant, 9 months
9.	Saraogi Aditya**	Sr. Vice President ( Central Cell )	4,16,365	B.Com,FCA,CISA	22	03.02.2010	45	S.R.Batliloi & Associates Senior Manager 2 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.
6. \*\*Employed for part of the year.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. HIGHLIGHTS OF FINANCIAL PERFORMANCE :

(Rs. in crores)

Particulars	2009-10	2008-09	% change
1. Total Income	2295.34	1866.78	22.96
2. Total Expenditure	1451.92	1364.85	6.38
3. Operating Profit	843.42	501.93	68.04
4. Interest	26.97	22.05	22.31
5. Profit after interest but before depreciation & tax	816.45	479.88	70.14
6. Depreciation	55.64	43.42	28.14
7. Profit before tax	760.81	436.46	74.31
8. Profit after tax	557.18	323.51	72.23

### 1.1 CEMENT DIVISION :

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

The Indian Cement Industry with a total capacity of about 267 MTPA is the second largest market after China.

Although, Indian cement industry is consolidated to a great extent with 5 leading players controlling a large chunk of the installed capacity but the balance capacity is still fragmented. Owing to cement's bulky nature, the freight cost for transporting cement is substantial and it is uneconomical to move cement over long distances. This industry is regionalized as cement units are concentrated in clusters, close to the limestone deposits.

Traditionally, growth of Indian cement industry has remained directly proportional to the growth of country's economy. The GDP growth rate of the Indian economy is expected to be in the range of 7.2% whereas the cement industry has registered higher growth of 10.44%, in terms of production.

The industry without showing any signs of recession, continues to expand rapidly, has witnessed capacity additions by almost all the companies over the past couple of years.

The cement companies have added nearly 48 MTPA capacity during the Financial Year 2009 - 2010, taking the total installed capacity to about 267 MTPA at the end of March, 2010.

On the back of strong demand, cement despatches have maintained 10.5% growth rate. The total despatches grew to about 200 MTPA during 2009-10 as against 181 MTPA in 2008-09. Cement production during 2009-10 at about 201 MTPA registered a growth of 10.44% as compared to 182 MTPA in 2008-09.

#### (b) Review of performance :

The performance of Cement Division of the Company continued to be satisfactory. The production of clinker at Satna was highest ever at 20.82 lac tonnes as compared to 19.11 lac tones during the previous year. The cement production at Satna was also highest ever at 17.11 lac tons as compared to 17.02 lac tons in the previous year. The production of cement at Raebareli was 6.31 lac tonnes as against 5.74 lac tonnes during the last year. The production of Portland Pozzolana Cement (PPC) at Satna and Raebareli, has recorded an all time high at 21.41 lac tonnes as against the previous best of 19.70 lac tonnes. Cement production at Chanderia was 23.64 lac tonnes as against 24.17 lac tonnes in the previous year. Clinker production went up to 17.89 lac tonnes as against

16.55 lac tonnes in the corresponding year. The production of cement at Durgapur plant was highest ever at 9.92 lac tons as compared to 5.95 lac tonnes in the previous year. On the back of strong demand from housing and infrastructure sectors the cement industry is likely to witness strong growth in the Financial Year 2010-11. However, the new capacities in the pipeline, in various stages of commissioning, may affect margins. The Company's initiatives in further adding to the cement/clinker capacity and installation of new Power Plants would enable it to remain competitive.

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

#### (c) Opportunities & Threats; Risks & Concerns :

With the boost given by the Central Government and the private sector to various infrastructure projects, road network, housing facilities and Mega Power Projects, growth in the cement consumption is anticipated to continue in the coming years. Concrete roads, which are maintenance-free and have a longer useful life, offer tremendous scope for growth in cement demand and the recent emphasis of certain State Governments, in particular Uttar Pradesh in this direction offers good opportunity for the cement industry.

The prices of major inputs for cement such as coal, slag, gypsum, fly ash and petroleum products are showing an upward trend and are likely to harden in the F.Y. 2010-11, which may adversely affect the manufacturing and distribution costs. Coal is a primary input for manufacturing of cement and securing reliable supplies of indigenous coal of consistent quality remains a key area of concern. The price of imported coal has started moving up, which may have an adverse impact. However, strengthening of Rupee against Dollar may partially off set the rise in global coal prices.

The incidence of taxes and duties on cement is quite high, despite the fact that the cement is one of the essential commodities for infrastructure growth. Though, the stimulus package announced by the Central Government in 2008-09 brought some relief, the same has been partially rolled back in the budget for 2010-11. Rationalisation and simplification of the tax regime is imperative for the consistent growth of industry.

The profitability may come under pressure with stabilisation of the newly added capacity coupled with expected tapering of demand due to completion of infrastructure projects including that of the Common Wealth Games.

#### (d) Outlook :

Cement demand is expected to grow in line with GDP and linked to spending by Government and private sector on infrastructure and housing. As per the recent statement made by the Prime Minister, the country must spend more than One Trillion Dollars on development of roads, power and infrastructure between 2012 to 2017 to achieve 10% growth rate. Such resolve by the Central Government augurs well for the cement industry and the cement consumption growth is expected to be in the range of 10-12% for the next couple of years.

The cement consumption will be driven by significant increase in infrastructure development with impetus to housing, especially rural/mass housing. The residential segment has registered a strong growth in 2009-10 and it is expected that other verticals such as retail and commercial sectors would recover faster

than expected.

Cement prices are expected to remain stable up to the first half of the Financial Year 2010-11 but could start coming down as fresh capacities come on stream leading to a drop in utilisation rates.

## 1.2 JUTE DIVISION :

### (a) Industry Structure and Developments :

The jute industry is an integral part of the Indian Textile Industry. The jute industry in India is an old industry and it is pre-dominant in the eastern part of India. 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.

An industry-wide strike was called by the Central Trade Union in the month of December, 2009, which continued for about 2 months. The strike was withdrawn after signing of a tripartite agreement with the help of the State Government.

### (b) Opportunities and Threats; Risks and Concerns :

Jute products are environmental friendly and biodegradable. Good grade jute products processed with vegetable oil is widely used by the producers and exporters of coffee, cocoa beans and other shelled nuts mainly in Latin America, African and Far East countries. Jute goods further offer versatile application prospects ranging from low value geo-textiles to high value carpet, apparel, composites, decorative, upholstery furnishings, fancy non-wovens for new products, decorative colour boards etc. However, for sustained development, continuous and adequate support from Government is very essential.

The unabated import of jute goods from Bangladesh is an area of concern. The increase in the amount of Dearness Allowance (D.A.) liability as agreed upon at the time of settlement of jute strike, would also cast heavy burden. Continuation of mandatory packaging as per Jute Packaging Order is necessary for continuing viability of jute industry.

### (c) Performance :

The production of jute goods during the year was lower at 27300 MT as compared to 32956 MT in the previous year, mainly on account of the industry-wide strike. In spite of lower production due to strike, the jute division has shown improved results on account of modernization and cost control measures taken by the management.

Soorah Jute Mills remained under "Suspension of Operations".

### (d) Outlook :

Shortage of raw jute was witnessed during the year. Due to poor crop the situation is likely to persist in the year 2010-11 as well. Due to lower availability, the prices of raw jute is expected to be on higher side. To sustain the performance, the revenue realisation from the sale of finished goods needs to match with increase in the prices of raw jute. However, the expansion, modernisation, other productivity and cost control measures taken by the Company should help in improving the performance of the Division in times to come.

## 1.3 OTHER DIVISIONS :

The Auto Trim Division of the Company has been continuously suffering on account of the lack of orders from the original equipment manufacturers. The division produced 64416 pcs. of door trims as compared to 43073 pcs. of door trims in the previous year.

Performance of the Birla Vinoleum Unit of the Company has suffered during the year on account of lack of demand of the

product. A lay-off was declared at the Unit w.e.f. 17th November, 2009, which is still continuing. The Unit produced 1.10 lac sq. mtrs. PVC Floorcovering during the year as against 4.36 lac sq. mtrs. during the previous year.

The Vindhyachal Steel Foundry produced Iron and Steel Castings primarily for internal consumption. The total production of casting during the year was 1166 tons as against 1202 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 :

With the market starting to look up, opportunities are going to be more than ever and hence the coming times will herald an era of exponential industrial/business growth. Leveraging and sustenance of such business growth and development lead to business opportunities.

Such opportunities call for dynamic HR policies and practices to counter the new challenges of employee migration and attrition and to ensure that people related issues do not cause any hindrance to the Company's path to success. While it needs to be ensured that the compensation of the employees are commensurate with their abilities and performance, getting into compensation war is not a long term solution to such problem. Therefore, it is being effectively tackled by creating a sense of involvement for each individual employee so that they become psychological co-owners in the total process and partners in the fruits of prosperity.

Our relentless effort to improve the performance of our employees by sharpening and honing their knowledge, skill and most importantly attitude continues to receive high priority.

The Company had 9954 employees on its rolls as at the close of business hours on 31st March, 2010. Relations with the employees were cordial at all the Units barring suspension of operations since 29th March, 2004 at Soorah Jute Mills and a strike for 62 days from 14.12.2009 to 13.02.2010 by the workers of Birla Jute Mills in response to the strike call given by the Central Trade Unions and the Federation of Trade Unions operating in the jute mills in West Bengal.

## 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, 2010 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 7th May, 2009, 28th July, 2009, 23rd October, 2009 and 31st January, 2010. 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 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, 2010 are as follows :

Name of Director	Category	No. of Board Meetings	Attendance in last AGM	No. of Shares held	No. of other Directorships \$	Details of other Board Committee Membership #	
						Member	Chairman
Shri Harsh V. Lodha (Chairman) @	Non-Independent Non-Executive	4	Yes	1260*	15	1	2
Shri N.K. Kejriwal §	Independent Non-Executive	–	No	1009	4**	–**	–**
Smt. Nandini Nopany	Independent Non-Executive	2	No	500*	7	1	–
Shri Pracheta Majumdar	Non-Independent Non-Executive	4	Yes	500*	1	2	–
Shri Vikram Swarup	Independent Non-Executive	4	Yes	500*	3	–	–
Shri Anand Bordia	Independent Non-Executive	3	No	500*	4	1	1
Shri B.B. Tandon	Independent Non-Executive	4	No	500*	14	8	1
Shri D.N. Ghosh	Independent Non-Executive	3	No	500*	4	1	1
Shri B.R. Nahar Executive Director & Chief Executive Officer	Executive	4	Yes	500*	6	–	–

@ Elected as Chairman of the Board of Directors w.e.f. 23rd October, 2009.

§ Could not attend any meeting due to ill health.

\* Shares held jointly with other shareholder.

\*\* Based on declaration received for the year ended 31st March, 2009 (declaration for the year ended 31st March, 2010 not received due to ill health).

\$ 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.

No Director is related to any other Director on the Board.

#### 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 except Shri N.K. Kejriwal who would not confirm compliance due to ill health, 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 :

3.1 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.

3.2 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, re-appointment and, if required, the replacement or removal of the statutory 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 :
  - matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - changes, if any, in accounting policies and practices and reasons for the same
  - major accounting entries involving estimates based on the exercise of judgment by management
  - significant adjustments made in the financial statements arising out of audit findings
  - compliance with listing and other legal requirements relating to financial statements



- disclosure of any related party transactions
  - qualifications in the draft audit report.
- d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  - e. Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems.
  - f. 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.
  - g. Discussion with internal auditors on any significant findings and follow up thereon.
  - h. 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.
  - i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  - j. Reviewing the financial and risk management policies.
  - k. 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.
  - l. to review Statement of significant Related Party Transactions submitted by management.
  - m. to carry out any other function as is mentioned in the terms of reference of the Audit Committee.
  - n. such other issues as may be specified/directed by the Board or any statutory/regulatory changes.
- 3.3 During the year, 4 meetings of the Audit Committee of the Company were held on 7th May, 2009, 28th July, 2009, 23rd October, 2009 and 31st January, 2010. 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	4
Shri Pracheta Majumdar	Member	4
Shri Anand Bordia	Member	3
Shri B.B. Tandon	Member	4

The Executive Director & Chief Executive Officer, Chief Financial Officer, Head of Internal & Management Audit Department and representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings.

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

#### 4. REMUNERATION COMMITTEE :

- 4.1 The Remuneration Committee has been constituted by the Board of Directors to review and/or recommend the remuneration 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.
- 4.2 During the year, 2 meetings of the Remuneration Committee of the Company were held on 7th May, 2009 and 23rd October, 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
Shri Anand Bordia **	Member	-
Shri B.B. Tandon **	Member	1

@ Ceased to be a member w.e.f. 7th May, 2009.

\*\* Inducted as member w.e.f. 7th May, 2009.

- 4.3 Details of remuneration paid/payable to the Directors during the financial year ended 31st March, 2010:

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

(Rs. in Lacs)

Name	Salary	Perquisites & Allowances*	Sitting Fees	Performance Linked Bonus	Total amount paid/payable in 2009-10	Period of Service Contract
Shri B.R. Nahar	23.80	51.75	-	30.00@	105.55	\$

\* Including Retirement benefits.

@ Performance Linked Bonus is pertaining to the period from 3rd August, 2008 to 31st March, 2010.

\$ The appointment is for a period of five years w.e.f. 3rd August 2009.

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

(In Rupees)

Name	Sitting Fees
Shri Harsh V. Lodha	90000
Shri N.K. Kejriwal	-
Smt. Nandini Nopany	40000
Shri Pracheta Majumdar	180000
Shri Vikram Swarup	180000
Shri Anand Bordia	120000
Shri B.B. Tandon	170000
Shri D.N. Ghosh	60000

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 :

- 5.1 Share Transfer and Shareholders' / Investors' Grievance Committee is formed to approve transfer & transmission of shares, issue of duplicate / re-materialized shares and consolidation & splitting of certificates, redressal of complaints from investors etc.

- 5.2 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

- 5.3 Meeting of the Share Transfer and Shareholders'/Investors' Grievance Committee was held once during the year on 31st January, 2010, which was attended by Shri Harsh V. Lodha and 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 19 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, 2010.

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

## 6. COMMITTEE OF DIRECTORS :

6.1 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.

6.2 The composition of the Committee is as under :

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

The Committee did not meet during the year.

## 7. SUBSIDIARY COMPANIES :

There is no material non listed Indian subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary Company. The requirements of the Clause 49 of the Listing Agreement with regard to subsidiary companies have been complied with.

## 8. GENERAL BODY MEETINGS :

### 8.1 Annual General Meetings :

The details of Annual General Meetings in last 3 years are as under:

Year	Venue	Date	Time
2008-2009	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	27.10.2009*	10.30 A.M.
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.

\* The Annual General Meeting originally scheduled for 27th July, 2009 was adjourned to 27th October, 2009.

No Special Resolution was passed during the Annual General Meetings held on 27.10.2009, 30.07.2008 & 17.07.2007.

### 8.2 Postal Ballot :

No Special Resolution requiring Postal Ballot was proposed last year.

The Company has sought approval from its shareholders for passing of a Special Resolution under Section 17 of the Companies Act, 1956, and an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, through Postal Ballot vide Notice dated 22nd April, 2010 in accordance with provisions of Section 192A of the Companies Act, 1956, read with Companies (Passing of the

Resolutions by Postal Ballot) Rules, 2001 for the amendment of the Object Clause of the Memorandum of Association of the Company and the creation of security/charge.

The result of the Postal Ballot will be declared on 17th June, 2010 at 10.30 a.m. at the Registered Office of the Company.

## 9. 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) Risk Management :

The Company has laid a comprehensive Risk Management Policy and it is reviewed by the Audit Committee, which in turn informs the Board about risk assessment and minimization procedures. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

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

The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Agreement except relating to the Remuneration Committee.

## 10. 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.

## 11. 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). The Management Discussion & Analysis Report forms part of the Annual Report.

## 12. GENERAL SHAREHOLDERS' INFORMATION :

### 12.1 Annual General Meeting

Date and Time : 23rd June, 2010. 10.30 A. M.

Venue : Science City  
Main Auditorium,  
J.B.S. Haldane Avenue,  
Kolkata - 700 046

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

1st Quarterly Results	} Within 45 days of the end of the quarter
2nd Quarterly/Half yearly Results	
3rd Quarterly Results	
Audited yearly Results for the year ending 31st March, 2011	: Within 60 days of the end of the Financial Year

12.3 **Date of Book closure** : 10th June, 2010 to  
(both days inclusive) 23rd June, 2010

12.4 **Dividend Payment date** : Within 30 days from the date of declaration

### 12.5 Listing of Shares & Debentures :

#### A. Ordinary Shares

The Ordinary shares are at present listed at the following Stock Exchanges.

Name of the Stock Exchange	Stock Code/Symbol
1. National Stock Exchange of India Ltd. Exchange Plaza C - 1, Block - G Bandra-Kurla Complex Bandra (East) Mumbai- 400 051	BIRLACORPN - EQ
2. Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai-400 001	500335

#### B. Debentures

The Privately placed Secured Redeemable Non - Convertible Debentures are listed on the Wholesale Debt Market Segment of Bombay Stock Exchange Limited.

Annual Listing fees as prescribed, has been paid by the Company to the above Stock Exchanges for the financial year 2010-11.

12.6 **ISIN Code for the Companies Ordinary Shares** : INE340A01012

12.7 **ISIN Code for the Companies Debentures** :

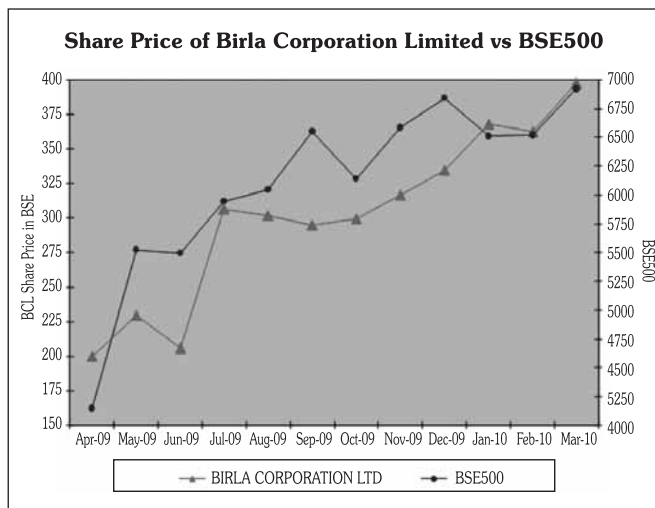
Secured Redeemable Non - Convertible Debentures Series-1	: INE340A07035
Secured Redeemable Non - Convertible Debentures Series-2	: INE340A07043
Secured Redeemable Non - Convertible Debentures Series-3	: INE340A07050

12.8 Corporate Identity Number (CIN) : L01132WB1919PLC003334

## 12.9 Market Price Data during financial year 2009-2010 :

Month	Bombay Stock Exchange (in Rs.)		National Stock Exchange (in Rs.)	
	High	Low	High	Low
April, 2009	210.35	172.00	209.85	172.25
May, 2009	234.00	185.00	226.00	185.00
June, 2009	248.00	187.00	243.90	182.15
July, 2009	323.90	202.50	326.00	204.10
August, 2009	330.00	267.10	320.00	271.00
September, 2009	305.95	267.10	309.00	267.50
October, 2009	320.90	275.00	320.00	278.30
November, 2009	334.40	276.20	334.00	285.00
December, 2009	345.00	300.00	381.10	302.00
January, 2010	404.40	329.95	404.00	322.00
February, 2010	382.00	344.50	399.95	344.05
March, 2010	402.00	355.05	401.20	355.40

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



## 12.11 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 : mcscl@cal2.vsnl.net.in  
mcscl@rediffmail.com

## 12.12 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).

### 12.13 Dividend History for the last 5 years is as under :

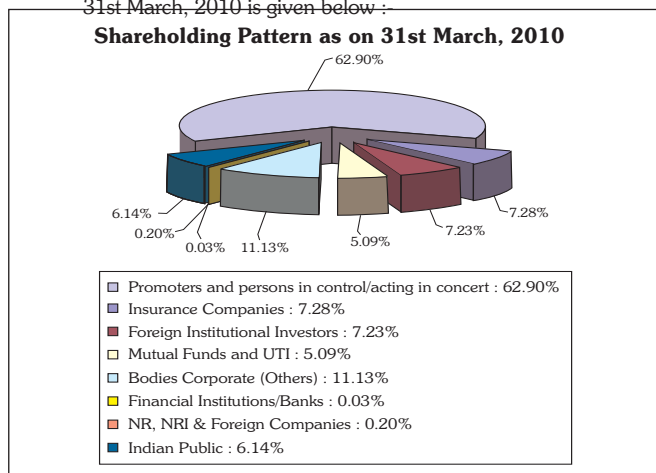
Financial Year	Date of Declaration	Dividend per Share (Rs.)
2009 - 2010 (Interim)	23.10.2010	2.50
2008 - 2009	27.10.2009	4.50
2007 - 2008	30.07.2008	4.00
2006 - 2007	17.07.2007	3.50
2005 - 2006	19.09.2006	2.25
2004 - 2005	26.08.2005	1.50

### 12.14 Distribution of shareholding as on 31st March, 2010 :

No. of ordinary shares held	No. of shareholders	% of shareholders	No. of Ordinary shares	% of shareholding
Upto 500	22885	94.19	1894954	2.46
501 to 1000	662	2.72	512721	0.67
1001 to 2000	355	1.46	518119	0.67
2001 to 3000	113	0.47	291819	0.38
3001 to 4000	55	0.23	199104	0.26
4001 to 5000	34	0.14	158090	0.20
5001 to 10000	64	0.26	478974	0.62
10001 & above	129	0.53	72951566	94.74
TOTAL	24297	100.00	77005347	100.00

### 12.15 Shareholding Pattern :

The shareholding of different categories of the shareholders as on 31st March, 2010 is given below :



### 12.16 Dematerialisation of Shares and liquidity :

As on 31st March, 2010, 39.14% of the Company's total ordinary shares representing 30137471 shares were held in dematerialised form and 46867876 shares representing 60.86% of paid-up share capital were held in physical form.

### 12.17 Secretarial Audit :

As stipulated by Securities and Exchange Board of India (SEBI), a practicing 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.

### 12.18 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).

### 12.19 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

### 12.20 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 :

**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, except Shri N.K. Kejriwal who could not confirm compliance due to ill health, 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, 2010 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For BIRLA CORPORATION LIMITED

Dated, the 19th April, 2010

B. R. NAHAR  
Executive Director &  
Chief Executive Officer





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

22nd April, 2010

### **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, 2010 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

For BIRLA CORPORATION LIMITED

B. R. NAHAR  
Executive Director & Chief Executive Officer

P. K. CHAND  
Chief Financial Officer

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

#### **TO THE MEMBERS OF BIRLA CORPORATION LIMITED**

We have examined the compliance of conditions of Corporate Governance by Birla Corporation Limited for the year ended on 31st March'10 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 the Corporate Governance as stipulated in the above mentioned listing agreement *except in absence of declaration from a director, Mr. N.K. Kejriwal, we are unable to comment whether he is a member of more than 10 committees and chairman of more than 5 committees.*

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.

1B, Old Post Office Street,  
Kolkata - 700 001  
Dated, the 22nd day of April, 2010

For H. P. KHANDELWAL & CO.  
Chartered Accountants  
Rajiv Singhi  
Partner  
Membership No. 053518  
Firm Registration No. 302050E

## AUDITORS' REPORT

To the Members of  
BIRLA CORPORATION LIMITED

We have audited the attached Balance Sheet of BIRLA CORPORATION LIMITED as at 31st March, 2010, 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 (the act), 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet, the Profit and Loss Account and the 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 except in case of Mr. N K Kejriwal, in absence of his declaration, we are unable to comment on his status under section 274(1)(g).
- 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 14 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, 2010;
  - 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*

1B, Old Post Office Street,  
Kolkata- 700 001  
Date : the 22nd day of April, 2010.

Rajiv Singhi  
*Partner*  
Membership No. 053518  
(Firm Registration No. 302050E)

## 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 except in case of Soorah Jute Mills unit where verification could not be done due to suspension of work. 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 except in case of Soorah Jute Mills unit where verification could not be done due to suspension of work.
- (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 eight subsidiaries, the maximum balance outstanding at any time during the year and closing balance of such advances as on 31.03.10 were Rs.202.89 Lacs and 201.11 lacs respectively. The advances to seven subsidiaries have been adjusted during the year. Advance amounting to Rs. 201.11 lacs to one subsidiary will be realized/adjusted on implementation of the project. 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 is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. 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. 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 2010 for a period of more than six months from the date they became 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 Lacs)

Forum where dispute is pending	Sales Tax	Excise Duty	Service Tax
Department / 1st Appellate Authority	2040.05	1504.53	131.51
Tribunals	181.32	152.29	229.24
High Courts	92.11	10.15	-
<b>Total</b>	<b>2313.48</b>	<b>1666.97</b>	<b>360.75</b>

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 investment.
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. *The security in respect of debentures issued during the year is in the process of creation.*
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.

For H.P. KHANDELWAL & CO.  
Chartered Accountants

1B, Old Post Office Street,  
Kolkata- 700 001  
Date : the 22nd day of April, 2010.

Rajiv Singhi  
Partner  
Membership No. 053518  
(Firm Registration No. 302050E)





## BALANCE SHEET as at 31st March, 2010

	Schedule	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	7700.89	7700.89
Reserves and Surplus	2	<u>171421.69</u>	<u>121070.07</u>
		179122.58	128770.96
<b>LOAN FUNDS</b>			
Secured Loans	3	51819.58	21940.06
Unsecured Loans	4	<u>19099.15</u>	<u>5704.60</u>
		70918.73	27644.66
DEFERRED TAX LIABILITIES (NET)	5	7951.03	7722.76
<b>TOTAL</b>		<u>257992.34</u>	<u>164138.38</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	6	143001.83	135419.78
Less: Depreciation		<u>73133.42</u>	<u>69415.43</u>
Net Block		69868.41	66004.35
Capital Work in Progress		<u>32776.69</u>	<u>14185.99</u>
		102645.10	80190.34
<b>INVESTMENTS</b>	7	114165.22	55229.01
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	8	28371.32	19287.91
Sundry Debtors	9	2214.57	1999.66
Cash and Bank Balances	10	33927.47	31972.13
Loans and Advances	11	<u>19662.35</u>	<u>15111.30</u>
		84175.71	68371.00
Less :			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	12	36499.03	32962.06
Provisions	13	<u>6494.66</u>	<u>6689.91</u>
		42993.69	39651.97
<b>NET CURRENT ASSETS</b>		41182.02	28719.03
<b>TOTAL</b>		<u>257992.34</u>	<u>164138.38</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 22nd day of April, 2010

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

HARSH V. LODHA

Chairman

NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
B. B. TANDON  
D. N. GHOSH

Directors

B. R. NAHAR

Executive Director &  
Chief Executive Officer

## PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

	Schedule	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>INCOME</b>			
Gross Sales	14	238706.82	203883.90
Less : Excise Duty		<u>23004.04</u>	<u>24818.70</u>
		215702.78	179065.20
Other Income	15	<u>13831.50</u>	<u>7602.32</u>
		<u>229534.28</u>	<u>186667.52</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Stocks	16	(2712.34)	1340.15
Raw Materials Consumed	17	28489.08	22686.98
Purchases of Finished Goods		26.13	55.88
Manufacturing Expenses	18	70111.26	65541.27
Payments to and Provision for Employees	19	14627.42	14859.06
Selling, Administration and Other Expenses	20	34650.49	31991.24
Interest and Other Finance Charges	21	<u>2697.23</u>	<u>2204.50</u>
		<u>147889.27</u>	<u>138679.08</u>
<b>Profit before Depreciation</b>		<b>81645.01</b>	<b>47988.44</b>
Depreciation	22	<u>5563.65</u>	<u>4342.02</u>
<b>Profit before Tax</b>		<b>76081.36</b>	<b>43646.42</b>
Provision for Current Tax		20125.00	10100.00
Provision for Fringe Benefit Tax		—	136.00
Provision for Deferred Tax		228.27	1052.67
Provision for Wealth Tax		<u>10.00</u>	<u>6.80</u>
<b>Profit after Tax</b>		<b>55718.09</b>	<b>32350.95</b>
Balance brought forward from Previous Year		<u>10091.83</u>	<u>16795.04</u>
<b>Profit available for appropriation</b>		<b>65809.92</b>	<b>49145.99</b>
<b>APPROPRIATIONS</b>			
Debenture Redemption Reserve		1325.00	—
Interim Dividend		1925.13	—
Corporate Dividend Tax on Interim Dividend		327.18	—
Proposed Final Dividend		2695.19	3465.24
Corporate Dividend Tax on Proposed Final Dividend		447.64	588.92
General Reserve		40000.00	35000.00
Balance carried to Balance Sheet		<u>19089.78</u>	<u>10091.83</u>
		<b>65809.92</b>	<b>49145.99</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)		72.36	42.01
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 22nd day of April, 2010

GIRISH SHARMA  
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Directors

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Executive Director &  
Chief Executive Officer

## CASH FLOW STATEMENT for the year ended 31st March, 2010

	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit before Tax</b>	<b>76081.36</b>	<b>43646.42</b>
<b>Adjustments for :</b>		
Depreciation	5563.65	4342.02
Adjustment for Capital Subsidy	(0.74)	(1.26)
Provision for Doubtful Debts provided/(written back) (Net)	3.98	(10.90)
Excess Liabilities and Unclaimed Balances written back (Net)	(1368.75)	(549.49)
Unrealised Loss/(Gain) on Foreign Exchange	(402.32)	(37.39)
Interest and Dividend (Net)	(3531.46)	(202.94)
Other Items of Investing Activities (Net)	(3333.84)	(2370.42)
<b>Operating Profit before Working Capital Changes</b>	<b>73011.88</b>	<b>44816.04</b>
<b>Adjustments for :</b>		
Trade and other receivables	(220.80)	1176.82
Inventories	(9083.41)	756.91
Loans and Advances	(4078.46)	(1066.42)
Trade payables	4438.30	6480.71
<b>Cash generated from operations</b>	<b>64067.51</b>	<b>52164.06</b>
Direct Taxes Paid	(19134.68)	(10449.38)
<b>Net Cash from/(used in) Operating Activities</b>	<b>44932.83</b>	<b>41714.68</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(28339.34)	(21177.77)
Sale of Fixed Assets	337.88	363.66
Purchase of Investments (Net)	(55549.31)	11093.07
Decrease/(Increase) in Advances to Subsidiary Companies	(3.96)	(6.73)
Project Capital Subsidy Received	51.05	-
Interest received	3553.72	1026.00
Dividend received	2115.48	1199.22
<b>Net Cash from/(used in) Investing Activities</b>	<b>(77834.48)</b>	<b>(7502.55)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from Long Term Borrowings	40500.00	7250.50
Repayments of Long Term Borrowings	(13023.98)	(4055.92)
Proceeds/(Repayments) from Short Term Borrowings	16205.12	(2626.19)
Interest Paid (Includes amount capitalised Rs.91.65 Previous Year Rs. 126.17)	(2517.68)	(2355.43)
Dividend Paid	(5390.37)	(3080.22)
Corporate Dividend Tax Paid	(916.10)	(523.48)
<b>Net Cash from/(used in) Financing Activities</b>	<b>34856.99</b>	<b>(5390.74)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>1955.34</b>	<b>28821.39</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>31972.13</b>	<b>3150.74</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>33927.47</b>	<b>31972.13</b>

### Notes :

- Above statement has been prepared in indirect method.
- Cash and Cash Equivalents comprises of "Cash balance in hand and balances with Scheduled Banks". Cash and Cash Equivalents includes Rs. 69.20 (Previous Year Rs.42.61) in Unpaid Dividend Account, Rs.1344.90 (Previous Year Rs.799.00) in Fixed Deposit Accounts pledged with Scheduled Banks, Rs. 62.00 (Previous Year Rs. 20.00) 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, which are not available for use in the ordinary course of business.
- Figures for the previous year have been re-grouped wherever considered necessary.

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 22nd day of April, 2010

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D. N. GHOSH

Directors

B. R. NAHAR

Executive Director &  
Chief Executive Officer

**Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date.**

		As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<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).

**SCHEDULE 2 : RESERVES & SURPLUS**

**Capital Reserves**

i)	Revaluation of Fixed Assets –		
	As per last Account	821.92	844.02
	Less : Adjustments in respect of sales/discard of Fixed Assets	<u>—</u>	<u>0.46</u>
		821.92	843.56
	Less : Transfer to Profit & Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	<u>21.64</u>	<u>21.64</u>
		800.28	821.92
ii)	Surplus on amalgamation –		
	As per last Account	105.08	105.08
iii)	Others -		
	As per last Account	51.24	52.50
	Add : Project Capital Subsidy received during the year	<u>51.05</u>	<u>—</u>
		102.29	52.50
	Less : Transfer to Profit and Loss Account	<u>0.74</u>	<u>1.26</u>
		101.55	51.24
		1006.91	978.24
	<b>Debenture Redemption Reserve</b>		
	Transferred from Profit & Loss Account	<u>1325.00</u>	<u>—</u>
		1325.00	<u>—</u>
	<b>General Reserve</b>		
	As per last Account	110000.00	75000.00
	Add : Transferred from Profit & Loss Account	<u>40000.00</u>	<u>35000.00</u>
		150000.00	110000.00
	<b>Profit &amp; Loss Account Balance</b>	19089.78	10091.83
		<u>171421.69</u>	<u>121070.07</u>



	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 3 : SECURED LOANS</b>		
<b>Debentures –</b>		
1,500 9.10% Non Convertible Debentures of Rs 10,00,000 each (Fully redeemable at par on 29th March, 2020)	15000.00	—
1,200 8.80% Non Convertible Debentures of Rs 10,00,000 each (Fully redeemable at par on 6th Feb, 2017)	12000.00	—
1,000 8.65% Non Convertible Debentures of Rs 10,00,000 each (Fully redeemable at par on 4th March, 2015)	10000.00	—
	37000.00	—
<b>Term Loans –</b>		
Rupee Loan from Banks (Payable within one year Rs. NIL, Previous Year Rs.8119.07)	3975.00	13498.98
<b>Working Capital Borrowings –</b>		
Rupee Loan from Banks (Includes working capital demand loan of Rs.3500.00, Previous Year Rs.NIL)	10844.58	8441.08
	51819.58	21940.06
<b>Security –</b>		
Debentures are to be secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking <i>pari-passu</i> with the term lender.		
Term Loans are 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 Debentures.		
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 fixed assets of the Company's cement division.		
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
<b>Short Term Loans &amp; Advances –</b>		
Trade Deposits	5862.79	4868.53
Staff and Other Deposits	808.43	388.20
From Banks - Buyers Credit and Packing Credit in Foreign Currency	12301.87	321.81
	18973.09	5578.54
<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
	19099.15	5704.60
<b>SCHEDULE 5 : DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	10844.39	10184.57
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	2548.50	2151.60
Others	344.86	310.21
	2893.36	2461.81
Deferred Tax Liabilities	7951.03	7722.76

## SCHEDULE 6 : FIXED ASSETS

(Rs. in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/Value as at 31st March, 2009	Additions during the year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2010	Upto 31st March, 2009	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
<b>Land</b>										
Leasehold	1518.04	23.01	—	1541.05	1240.86	23.49	—	1264.35	276.70	277.18
Freehold	1959.83	224.45	—	2184.28	—	—	—	—	2184.28	1959.83
Sub Total :	3477.87	247.46	—	3725.33 (A)	1240.86	23.49	—	1264.35	2460.98	2237.01
<b>Buildings</b>	14178.88	423.00	5.64	14596.24 (A&B)	6864.20	311.51	0.54	7175.17 (B)	7421.07	7314.68
<b>Plant &amp; Machinery</b>	112641.32	8758.60	2061.06 (D)	119338.86 (C)	58184.08	4992.32	1699.05 (D)	61477.35 (C)	57861.51	54457.24
<b>Railway Sidings</b>	1099.63	—	0.14	1099.49	498.39	31.44	—	529.83	569.66	601.24
<b>Furniture &amp; Office Equipment</b>	2758.90	137.97	43.69	2853.18	1933.04	138.87	38.96	2032.95	820.23	825.86
<b>Livestock</b>	13.22	4.07	2.53	14.76	—	—	—	—	14.76	13.22
<b>Vehicles</b>	1249.96	269.19	145.18	1373.97	694.86	87.66	128.75	653.77	720.20	555.10
Total :	135419.78	9840.29	2258.24	143001.83	69415.43	5585.29	1867.30	73133.42	69868.41	66004.35
<b>Capital Work in Progress</b>									32776.69	14185.99
Grand Total :									102645.10	80190.34
Previous Year :	117343.97	21203.42	3127.61	135419.78	67263.76	4363.66	2211.99	69415.43	66004.35	
									14185.99	
									80190.34	

(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. 86.24 being cost of Silo on leasehold land and Rs. 51.30 being amortisation thereof up to 31st March, 2010.

(C) Includes Rs. 585.47 being cost of flyash handling system on leasehold land and Rs. 465.75 being amortisation thereof up to 31st March, 2010.

(D) Includes Rs. 787.18 & Rs. 652.08 being the cost & accumulated depreciation respectively transferred to Stores, Spares Parts etc. (See Note no.6 in Schedule 23).

(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, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 7 : INVESTMENTS - Other than trade ( Unless otherwise stated )</b>			
(At cost unless otherwise stated)			
No. of Shares / Securities/ Bonds 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>			
(Face Value of Rs.100/- each)			
25,00,000	8.33% GOI 2036 of Rs. 100/- each (2500000 securities purchased during the year)	2,718.75	—
5,00,000	7.35% GOI 2024 of Rs. 100/- each (500000 securities purchased during the year)	497.80	—
10,00,000	7.94% GOI 2021 of Rs. 100/- each (1000000 securities purchased during the year)	1,047.50	—
1,00,000	6.90% GOI 2019 of Rs. 100/- each (100000 securities purchased during the year)	99.83	—
40,00,000	6.05% GOI 2019 of Rs 100/- each (1500000 securities purchased during the year)	3,791.15	2,313.65
		8,155.03	2,313.65
<b>UNQUOTED</b>			
National Savings Certificates (Face value of Rs 7500/-) (Deposited with Government Departments as Security)		0.08	0.08
<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
5,302	Zenith Birla (I) Ltd. <sup>1</sup>	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	5.00
6,000	Birla Jute Supply Co. Ltd. - Trade	3.00	3.00
50,000	Birla North East Cement Ltd.	5.00	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	2.00
50,000	New-Age Cement Ltd.	5.00	5.00
58,79,900	Talavadi Cements Ltd. - Trade	587.99	587.99
50,000	Thiruvaiyaru Industries Ltd.	5.00	5.00
		913.57	913.57

		As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>PREFERENCE SHARES IN A JOINT STOCK COMPANY - UNQUOTED</b>			
100	Elgin Mills Co. Ltd.	0.01	0.01
<b>DEBENTURES - UNQUOTED</b>			
52	1/2% Debentures of Rs.100/- each in Woodlands Medical Centre Ltd.	0.05	0.05
<b>BONDS - QUOTED</b>			
(Face Value of Rs. 10,00,000/- each unless otherwise stated)			
25	9.80% Deutsche Postbank Home Finance Ltd (25 bonds purchased during the year)	250.00	—
52,120	0% NABARD Bhavishya Nirman Bond (Face Value of Rs. 20,000/- each) (52120 bonds purchased during the year)	5,080.08	—
50	11.00% IDBI Bank Ltd. (No bonds purchased / sold during the year)	552.10	552.10
50	11.00% Power Finance Corporation Ltd. (No bonds purchased / sold during the year)	569.70	569.70
50	8.85% Canara Bank (No bonds purchased / sold during the year)	505.50	505.50
50	8.90% Konkan Railway Corporation Ltd. (No bonds purchased / sold during the year)	505.25	505.25
250	8.40% ONGC Videsh Ltd. (250 bonds purchased during the year)	2,480.03	—
50	11.35% IDBI Bank Ltd. (No bonds purchased / sold during the year)	544.65	544.65
200	9.50% Exim Bank of India (No bonds purchased / sold during the year)	2,042.40	2,042.40
250	7.60% Rural Electrification Corporation Ltd. (250 bonds purchased during the year)	2,496.18	—
250	6.55% National Housing Bank (250 bonds purchased during the year)	2,481.47	—
100	6.90% National Housing Bank (100 bonds purchased during the year)	998.74	—
200	7.90% Rural Electrification Corporation Ltd. (200 bonds purchased during the year)	2,009.04	—
250	9.20% Housing Development Finance Corporation Ltd. (250 bonds purchased during the year)	2,585.61	—
100	7.00% Power Finance Corporation Ltd. (100 bonds purchased during the year)	999.30	—
100	0% IDFC Ltd. (100 bonds purchased during the year)	886.37	—
150	8.60% IDFC Ltd. (150 bonds purchased during the year)	1,534.08	—
50	8.55% Power Finance Corporation Ltd. (No bonds purchased / sold during the year)	471.65	471.65
		26,992.15	5,191.25
<b>UNITS IN MUTUAL FUNDS</b>			
(Units of Rs 10/- each unless otherwise stated)			
<b>UNQUOTED</b>			
7,200	UTI Mutual Fund - "UTI Master Share Unit Scheme-Dividend Plan-Payout" (No units subscribed / redeemed during the year)	0.60	0.60
—	HDFC Mutual Fund - "HDFC FMP 18M Sep. 2007 (VI) - Wholesale Plan Growth Payout" (3212334 units redeemed during the year)	—	321.23
—	Principal Mutual Fund - "Principal PNB (FMP-44)540Days Series II Mar08 Institutional Growth Plan" (20465624 units redeemed during the year)	—	2,046.56
—	ICICI Pru. Mutual Fund - "ICICI Pru. FMP Series 41 - 16 Months Plan Institutional Cumulative" (2000000 units redeemed during the year)	—	200.00
—	ICICI Pru. Mutual Fund - "ICICI Pru. FMP Series 42 - 16 Months Institutional Growth" (2000000 units redeemed during the year)	—	200.00
—	ICICI Pru. Mutual Fund - "ICICI Pru. FMP Series 42 - 15 Months Plan Institutional Growth" (5000000 units redeemed during the year)	—	500.00



		(Rs. in lacs)	
		As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)</b>			
—	DSP BlackRock Mutual Fund - "DSP BlackRock Fixed Term Plan 15M Series 2 - Inst. Growth" (7174211 units redeemed during the year)	—	717.42
—	HDFC Mutual Fund - "HDFC FMP 15M February 2008 (VII) - Wholesale Plan Growth Payout" (5000000 units redeemed during the year)	—	500.00
—	UTI Mutual Fund - "UTI Fixed Term Income Fund - IV - III (08-14 Months) Institutional Plan" (5000000 units redeemed during the year)	—	500.00
75,00,000	HDFC Mutual Fund - "HDFC FMP 14M March 2010-Series XII - Growth" (7500000 units subscribed during the year)	750.00	—
—	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 14M Series 3 - Retail Growth" (5173726 units redeemed during the year)	—	517.37
—	HDFC Mutual Fund - "HDFC FMP 14M February 2008 (VII) - Wholesale Plan Growth Payout" (2000000 units redeemed during the year)	—	200.00
—	ICICI Pru. Mutual Fund - "ICICI Pru. FMP Series 42 - 13 Months Plan D Institutional Growth" (3000000 units redeemed during the year)	—	300.00
50,00,000	Canara Robeco Mutual Fund - "Canara Robeco FMP - Series 5 - 13 M (Plan A) Growth" (5000000 units subscribed during the year)	500.00	—
—	SBI Mutual Fund - "SBI Debt Fund Series - 13 Months - 7-(18 -Mar-08) Institutional Growth" (20000000 units redeemed during the year)	—	2,000.00
1,00,00,000	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - 13 Months Series 5 - Growth" (10000000 units subscribed during the year)	1,000.00	—
—	ICICI Pru Mutual Fund - "ICICI Pru. FMP Series 43 - 13 Months Plan B Retail Growth" (10243863 units redeemed during the year)	—	1,024.39
—	UTI Mutual Fund - "UTI Fixed Term Income Fund Series - IV - Plan V -13 Months Institutional Growth " (10000000 units redeemed during the year)	—	1,000.00
—	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series XI - 13 Months Plan 1- Institutional Growth " (15000000 units redeemed during the year)	—	1,500.00
—	HDFC Mutual Fund - "HDFC FMP 13M March 2008 (VII)(2) - Wholesale Plan Dividend Payout" (2000000 units redeemed during the year)	—	200.00
—	DSP BlackRock Mutual Fund - "DSP BlackRock Fixed Term Plan 12 1/2M Series 1 - Inst. Growth" (15000000 units redeemed during the year)	—	1,500.00
—	Religare Mutual Fund - "Religare Fixed Maturity 375 Days Series VII - Institutional Growth" (10257576 units redeemed during the year)	—	1,025.76
—	Birla Sun Life Mutual Fund - "Birla Fixed Term Plan Institutional Series AH - Growth" (2000000 units redeemed during the year)	—	200.00
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund - VIII - Series - II-Institutional Growth Plan" (20000000 units redeemed during the year)	—	2,000.00
—	Birla Sun Life Mutual Fund - "Birla Fixed Term Plan Institutional Series AN - Growth" (7500000 units redeemed during the year)	—	750.00
—	Reliance Mutual Fund - "Reliance Fixed Horizon Fund VII - Series 4 - Institutional Growth Plan" (15000000 units redeemed during the year)	—	1,500.00

		(Rs. in lacs)	
		As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)</b>			
—	Franklin Templeton Mutual Fund - "Templeton Fixed Horizon Fund Series VII - Plan C - Inst. Growth" (5000000 units redeemed during the year)	—	500.00
50,00,000	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 370 Days Series 3 - Growth" (5000000 units subscribed during the year)	500.00	—
—	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - Yearly Series 19 - Plan B - Growth" (5000000 units redeemed during the year)	—	500.00
—	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - Yearly Series 20 - Plan B - Growth" (10000000 units redeemed during the year)	—	1,000.00
—	Birla Sun Life Mutual Fund - "Birla Fixed Term Plan Institutional Series AL - Growth" (6037489 units redeemed during the year)	—	603.75
—	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - Yearly Series 17 - Plan B - Growth" (5000000 units redeemed during the year)	—	500.00
50,00,000	ICICI Pru. Mutual Fund - "ICICI Prudential FMP Series 52 - 1 Yr. Plan A Cumulative" (5000000 Units subscribed during the year)	500.00	—
—	TATA Mutual Fund - "Tata Fixed Investment Plan - 2 Scheme - A - Institutional Plan - Growth" (10000000 units redeemed during the year)	—	1,000.00
2,46,31,285	IDFC Mutual Fund - "IDFC Arbitrage Fund - Plan B - Growth" (24631285 units subscribed during the year)	2,977.93	—
1,99,73,117	JM Financial Mutual Fund - "JM Arbitrage Advantage Fund - Growth" (19973117 units subscribed during the year)	2,504.27	—
1,86,63,898	Kotak Mahindra Mutual Fund - "Kotak Equity Arbitrage Fund - Growth" (18663898 units subscribed during the year)	2,500.00	—
2,04,05,108	SBI Mutual Fund - "SBI Arbitrage Opportunities Fund Growth" (20405108 units subscribed during the year)	2,500.04	—
		13,732.84	22,807.08
		51,318.78	32,750.74
Less : Provision for diminution in value of Long Term Investments		4.14	0.81
<b>Total Long Term Investment</b>		<b>51,314.64</b>	<b>32,749.93</b>
<b>B. Current</b>			
<b>IN CERTIFICATE OF DEPOSIT WITH SCHEDULED BANKS - UNQUOTED</b> ( Face Value of Rs. 1,00,000/- each)			
7,500	Canara Bank (7500 certificates purchased during the year)	7,394.07	—
5,000	State Bank of Patiala (5000 certificates purchased during the year)	4,869.87	—
2,500	State Bank of Hyderabad (2500 certificates purchased during the year)	2,467.46	—
5,000	Allahabad Bank (5000 certificates purchased during the year)	4,945.86	—
		19,677.26	—
<b>UNITS IN MUTUAL FUND - UNQUOTED</b> (Unit of Rs. 10/- each unless otherwise stated)			
—	UTI Mutual Fund - "UTI-GSec-Investment Plan - Dividend Plan - Re-investment" (11170621 units redeemed during the year)	—	1,255.48
—	IDFC Mutual Fund - "IDFC Dynamic Bond Fund - Plan A - Growth" (5339761 units redeemed during the year)	—	939.14

		(Rs. in lacs)
		As at 31st March, 2010
		As at 31st March, 2009
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>		
<b>UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)</b>		
— Reliance Mutual Fund - "Reliance Gilt Securities Fund - Institutional Growth Plan"	—	1,225.28
(10354905 units redeemed during the year)		
— Kotak Mahindra Mutual Fund - "Kotak Gilt (Investment Regular) - Quarterly Dividend"	—	1,011.89
(153614 units subscribed and 7436466 units redeemed during the year)		
— ICICI Pru. Mutual Fund - "ICICI Prudential Gilt Fund - Investment Plan - Dividend"	—	782.95
(8123349 units subscribed and 14163266 units redeemed during the year)		
— DSP BlackRock Mutual Fund - "DSP BlackRock Govt Sec. Fund - Plan A - Monthly Dividend"	—	1,010.66
(9294018 units subscribed and 18243654 units redeemed during the year)		
— TATA Mutual Fund - "Tata Income Fund - Appreciation"	—	500.00
(1731366 units redeemed during the year)		
— Principal Mutual Fund - "Principal Income Fund-Instl. Plan - Dividend Reinvestment - Quarterly"	—	506.66
(9277629 units subscribed and 13416581 units redeemed during the year)		
— Reliance Mutual Fund - "Reliance Income Fund - Retail Plan - Growth Plan - Growth Option"	—	750.00
(2661113 units redeemed during the year)		
— Reliance Mutual Fund - "Reliance Income Fund - Retail Plan - Monthly Dividend Plan"	—	546.73
(156321 units subscribed and 5332697 units redeemed during the year)		
— ICICI Pru. Mutual Fund - "ICICI Prudential Institutional Income Plan Growth"	—	500.09
(1799704 units redeemed during the year)		
— Canara Robeco Mutual Fund - "Canara Robeco Income Dividend (Income) Fund"	—	540.49
(143340 units subscribed and 3655580 units redeemed during the year)		
1,03,21,979 Canara Robeco Mutual Fund - "Canara Robeco Income Fund - Growth"	2,000.08	—
(10321979 units subscribed during the year)		
— HDFC Mutual Fund - "HDFC FMP 370D May 2008 (VIII) (3) - Wholesale Plan Growth"	—	500.00
(5000000 units redeemed during the year)		
— HDFC Mutual Fund - "HDFC FMP 370D May 2008 (VIII) - Wholesale Plan Dividend Payout"	—	392.99
(3929940 units redeemed during the year)		
— HDFC Mutual Fund - "HDFC FMP 370D June 2008 (VIII) (1) - Wholesale Plan Growth"	—	340.68
(3406830 units redeemed during the year)		
— HDFC Mutual Fund - "HDFC FMP 370D May 2008 (VIII) (2) - Wholesale Plan Growth"	—	200.00
(2000000 units redeemed during the year)		
— Birla Sun Life Mutual Fund - "Birla Sun Life FTP - Institutional - Series AV Growth"	—	1,000.00
(10000000 units redeemed during the year)		
— Birla Sun Life Mutual Fund - "Birla Sun Life FTP - Series BI - Institutional - Growth"	—	800.00
(8000000 units redeemed during the year)		
— ICICI Pru. Mutual Fund - "ICICI Pru. FMP Series 44 - One Year Plan A Institutional Growth"	—	1,025.23
(10252320 units redeemed during the year)		
— ICICI Pru. Mutual Fund - "ICICI Pru. FMP Series 44 - One Year Plan B Institutional Growth"	—	500.00
(5000000 units redeemed during the year)		
— ICICI Pru. Mutual Fund - "ICICI Pru. FMP Series 44 - One Year Plan C Institutional Growth"	—	350.00
(3500000 units redeemed during the year)		

		(Rs. in lacs)	
		As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)</b>			
—	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series XI Yearly Plan - Institutional Growth Plan" (10258166 units redeemed during the year)	—	1,025.81
—	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 12M Series 3 - Institutional Growth" (10000000 units redeemed during the year)	—	1,000.00
—	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 12M Series 6 - Institutional Growth" (5000000 units redeemed during the year)	—	500.00
—	UTI Mutual Fund - "UTI - Fixed Term Income Fund-Series - IV - Plan VII (May / 08-12 Months) - Inst. Growth" (3000000 units redeemed during the year)	—	300.00
99,96,801	Reliance Mutual Fund - "Reliance Quarterly Interval Fund - Series III - Institutional Dividend" (9996801 units subscribed during the year)	1,000.00	—
1,99,95,601	Reliance Mutual Fund - "Reliance Quarterly Interval Fund - Series II - Institutional Dividend" (19995601 units subscribed during the year)	2,000.00	—
50,00,000	Birla Sun Life Mutual Fund - "BSL Interval Income Fund - Inst. - Qtrly - Series 2 - Dividend" (5000000 units subscribed during the year)	500.00	—
50,00,000	Canara Robeco Mutual Fund - "Canara Robeco Interval Series 2 - Quarterly Plan 2 - Inst. Dividend" (5000000 units subscribed during the year)	500.00	—
1,00,55,176	Kotak Mahindra Mutual Fund - "Kotak QIP Series 6 - Dividend Reinvestment" (10055176 units subscribed during the year)	1,005.52	—
2,47,49,773	Reliance Mutual Fund <sup>2</sup> - "Reliance Short Term Fund Retail Plan Dividend Plan" (10665398 units subscribed during the year)	2,658.11	1,500.00
82,82,265	Canara Robeco Mutual Fund <sup>2</sup> - "Canara Robeco Short Term Institutional Monthly Dividend Fund" (3282265 units subscribed during the year)	832.34	500.00
3,16,63,428	HDFC Mutual Fund <sup>2</sup> - "HDFC Short Term Plan - Dividend Reinvestment" (20776017 units subscribed during the year)	3,293.06	1,124.01
1,11,93,079	Kotak Mahindra Mutual Fund <sup>2</sup> - "Kotak Bond (Short Term) - Monthly Dividend" (11193079 units subscribed during the year)	1,132.77	—
1,49,33,182	DSP BlackRock Mutual Fund - "DSP BlackRock Short Term Fund - Weekly Dividend" (14933182 units subscribed during the year)	1,520.43	—
99,01,362	Canara Robeco Mutual Fund <sup>2</sup> - "Canara Robeco Short Term Institutional Growth Fund" (9901362 units subscribed during the year)	1,000.43	—
1,46,38,713	DWS Mutual Fund <sup>2</sup> - "DWS Short Maturity Fund - Institutional - Weekly Dividend" (14638713 units subscribed during the year)	1,525.34	—
45,77,608	DWS Mutual Fund <sup>2</sup> - "DWS Short Maturity Fund - Institutional - Growth" (4577608 units subscribed during the year)	500.06	—
2,04,56,512	HSBC Mutual Fund - "HSBC Income Fund Short Term Institutional Plus Weekly Dividend" (20456512 units subscribed during the year)	2,058.15	—
2,36,11,528	ICICI Pru. Mutual Fund <sup>2</sup> - "ICICI Pru. Insti. Short Term Plan - Div. Reinvestment Fortnightly" (23611528 units subscribed during the year)	2,869.17	—
1,55,77,353	IDFC Mutual Fund - "IDFC Super Saver Income Fund - ST - Plan B - Fortnightly Dividend" (35412719 units subscribed and 19835366 units redeemed during the year)	1,565.93	—

		(Rs. in lacs)	
		As at 31st March, 2010	As at 31st March, 2009
<b>SCHEDULE 7 : INVESTMENTS (Contd.)</b>			
<b>UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)</b>			
1,35,43,693	DSP BlackRock Mutual Fund - "DSP BlackRock Bond Fund - Regular Plan - Monthly Dividend" (13543693 units subscribed during the year)	1,512.73	—
98,74,890	JPMorgan Mutual Fund - "JPMorgan India Short Term Income Fund Monthly Div. - Reinvestment" (9874890 units subscribed during the year)	987.49	—
61,06,191	Birla Sun Life Mutual Fund - "BSL Short Term Fund - Institutional - Dividend Reinvestment" (74180510 units subscribed and 68074319 units redeemed during the year)	610.95	—
1,61,05,005	Reliance Mutual Fund - "Reliance Monthly Interval Fund Series II Institutional Growth" (16105005 units subscribed during the year)	2,000.00	—
1,00,40,654	ICICI Pru. Mutual Fund - "ICICI Prudential Banking & PSU Debt Fund Weekly Dividend" (10040654 units subscribed during the year)	1,005.20	—
—	SBI Mutual Fund - "SBI Premier Liquid Fund - Super Institutional - Daily Dividend" (150714479 units subscribed and 161182259 units redeemed during the year)	—	1,050.18
—	Reliance Mutual Fund - "Reliance Liquid Fund - Treasury Plan - Inst. Option - Daily Dividend Option" (187129445 units subscribed and 191709139 units redeemed during the year)	—	700.11
—	Reliance Mutual Fund - "Reliance Medium Term Fund-Daily Dividend Plan" (153574022 units subscribed and 154374017 units redeemed during the year)	—	136.76
—	Canara Robeco Mutual Fund - "Canara Robeco Floating Rate ST Daily Dividend Fund" (188566190 units subscribed and 191762415 units redeemed during the year)	—	327.94
65,76,169	Birla Sun Life Mutual Fund - "BSL Cash Manager - Institutional Plan - Growth" (6576169 units subscribed during the year)	1,012.00	—
28,01,194	Canara Robeco Mutual Fund - "Canara Robeco Treasury Advantage Retail Fund - Growth" (2801194 units subscribed during the year)	422.83	—
46,76,932	HDFC Mutual Fund - "HDFC Cash Management Fund - Treasury Advantage Plan - Growth" (45066963 units subscribed and 40390031 units redeemed during the year)	944.13	—
38,51,310	JM Financial Mutual Fund - "JM Money Manager Fund Super Plus Plan - Growth" (7056917 units subscribed and 3205607 units redeemed during the year)	500.07	—
75,48,275	Principal Mutual Fund - "Principal Floating Rate Fund FMP Institutional - Growth Plan" (11133398 units subscribed and 3585123 units redeemed during the year)	1,100.15	—
4,015	Reliance Mutual Fund - "Reliance Money Manager Fund - Retail - Growth" (4015 units subscribed during the year, face value of Rs. 1000/- each)	50.00	—
49,79,235	Reliance Mutual Fund - "Reliance Medium Term Fund - Retail Plan - Growth" (57887065 units subscribed and 52907830 units redeemed during the year)	950.14	—
58,881	TATA Mutual Fund - "Tata Liquid Super High Inv. Fund - Appreciation" (58881 units subscribed during the year, face value of Rs. 1000/- each)	1,000.00	—
4,27,661	UTI Mutual Fund - "UTI Treasury Advantage Fund - Institutional Plan - Growth" (427661 units subscribed during the year, face value of Rs.1000/- each)	5,200.36	—
		43,257.44	22,843.08
	Less : Provision for diminution in value of current Investments	84.12	364.00
	Total Current Investment	62,850.58	22,479.08
		114,165.22	55,229.01
	Aggregate Book Value of Quoted Investments	36,662.08	9,023.13
	Aggregate Book Value of Unquoted Investments	77,503.14	46,205.88
		114,165.22	55,229.01
	Aggregate Market Value of Quoted Investments	44,895.26	11,781.34



**SCHEDULE 7 : INVESTMENTS (Contd.)**
**UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)**
**No. of Units**
**Units of Mutual Funds subscribed and redeemed during the year**

(Units of Rs. 10/- each)

Birla Sun Life Mutual Fund - "Birla Sun Life Cash Plus - Inst. Prem. - Daily Div. - Reinvest."	185838969
Birla Sun Life Mutual Fund - "Birla Sun Life Cash Plus - Inst. - Daily Div. Reinvest."	4406893
Birla Sun Life Mutual Fund - "Birla Sun Life Savings Fund - Inst. - Daily Div. Reinvest."	96712593
Canara Robeco Mutual Fund - "Canara Robeco Dynamic Bond Inst. Div. Fund"	29934235
Canara Robeco Mutual Fund - "Canara Robeco Floating Rate Short Term Growth Fund"	5838862
Canara Robeco Mutual Fund - "Canara Robeco Treasury Adv. Retail Div. Fund "	4080364
Canara Robeco Mutual Fund - "Canara Robeco Treasury Adv. Super Inst. Daily Div. Reinvest."	12110850
DWS Mutual Fund - "DWS Insta Cash Fund - Super Inst. Plan - Daily Div. Reinvest."	36001368
DWS Mutual Fund - "DWS Ultra Short Term Fund - Inst. - Daily Div. Reinvest."	21039818
DWS Mutual Fund - "DWS Cash Opportunities Fund - Inst. - Daily Div. Reinvest."	6136185
DSP BlackRock Mutual Fund - "DSP BlackRock Short Term Fund - Monthly Dividend"	9519827
Fidelity Mutual Fund - "Fidelity Cash Fund - Inst. - Daily Div. Reinvest."	41222735
Fidelity Mutual Fund - "Fidelity Ultra Short Term Debt Fund - Inst. - Daily Div. Reinvest."	10702841
Fidelity Mutual Fund - "Fidelity Ultra Short Term Debt Fund - Super Inst. - Daily Div. Reinvest."	30473644
Franklin Templeton Mutual Fund - "Templeton Floating Rate Inc. Fund LT Plan Super Inst. - Daily Div. Reinvest."	5527533
Franklin Templeton Mutual Fund - "Templeton India Ultra Short Term Bond Fund Inst. Plan - Daily Div. Reinvest."	65019697
Franklin Templeton Mutual Fund - "Templeton India Ultra Short Bond Fund - Super Inst. Plan - Daily Div. Reinvest."	22353253
HDFC Mutual Fund - "HDFC Cash Mgt. Fund Savings Plan - Daily Div. Reinvest."	282572749
HDFC Mutual Fund - "HDFC Cash Mgt. Fund Savings Plan - Growth"	60193324
HDFC Mutual Fund - "HDFC Cash Mgt. Fund Treasury Adv. Plan - Wholesale Daily Div. Reinvest."	238450034
HSBC Mutual Fund - "HSBC Cash Fund Inst. Plus - Daily Div. Reinvest."	69630627
HSBC Mutual Fund - "HSBC Floating Rate - LT Plan - Inst. - Weekly Div."	59623924
HSBC Mutual Fund - "HSBC Floating Rate Fund - LT Plan - Inst. - Growth"	2171059
HSBC Mutual Fund - "HSBC Floating Rate Fund - LT - Regular Weekly Div."	3309735
HSBC Mutual Fund - "HSBC Income Fund - STP - Inst. - Weekly Div."	9729012
ICICI Pru. Mutual Fund - "ICICI Pru. Flexible Income Plan Premium - Daily Div."	118279042
ICICI Pru. Mutual Fund - "ICICI Pru. Liquid Super Inst. Plan - Daily Div. Reinvest."	100864860
ICICI Pru. Mutual Fund - "ICICI Pru. Banking & PSU Debt Fund - Daily Div."	9988362
IDFC Mutual Fund - "IDFC Cash Fund - Inst. - Plan B - Growth"	2498470
IDFC Mutual Fund - "IDFC Cash Fund - Super Inst. Plan C - Daily Div. Reinvest."	104193814
IDFC Mutual Fund - "IDFC Money Manager Fund - Treasury Plan - Inst. Plan B - Growth"	2822655
IDFC Mutual Fund - "IDFC Money Manager Fund - TP - Super Inst. Plan C - Daily Div. Reinvest."	69372343
JM Financial Mutual Fund - "JM Money Manager Fund - Super Plus Plan - Daily Div. Reinvest."	84691000
JM Financial Mutual Fund - "JM High Liquidity Fund - Inst. Plan - Daily Dividend"	20439529
JM Financial Mutual Fund - "JM High Liquidity Fund - Inst. Plan - Growth"	2733323
JM Financial Mutual Fund - "JM High Liquidity Fund - Super Inst. Plan - Growth"	3472873
JM Financial Mutual Fund - "JM High Liquidity Fund - Super Inst. Plan - Daily Div. Reinvest."	71518581
JPMorgan Mutual Fund - "JPMorgan India Active Bond Fund - Inst. - Div. Plan. - Reinvest."	9822137
JPMorgan Mutual Fund - "JPMorgan India Treasury Fund - Super Inst. Daily Div. Plan - Reinvest."	51381068
JPMorgan Mutual Fund - "JPMorgan India Liquid Fund - Super Inst. Growth Plan"	11458507
JPMorgan Mutual Fund - "JPMorgan India Liquid Fund - Super Inst. - Daily Div. Plan - Reinvest."	87354137
JPMorgan Mutual Fund - "JPMorgan India Active Bond Fund - Inst. - Growth Plan"	9360174
Kotak Mahindra Mutual Fund - "Kotak Liquid (Inst. Premium) - Daily Div."	223114371
Kotak Mahindra Mutual Fund - "Kotak Flexi Debt Scheme - Daily Dividend"	505061
Kotak Mahindra Mutual Fund - "Kotak Floater Long Term - Daily Div."	175803301
Principal Mutual Fund - "Principal Floating Rate Fund FMP - Inst. Option - Daily Div. Reinvest."	166955854
Principal Mutual Fund - "Principal Income Fund - Short Term Plan - Inst. Plan - Div. Reinvest. -Weekly"	23311888
Principal Mutual Fund - "Principal Cash Mgt. Fund - Liquid Option Inst. Premium Plan - Growth"	37128527
Principal Mutual Fund - "Principal Cash Mgt. Fund - Liquid Opt. Inst.Prem. Plan - Daily Div. Reinvest."	170569709
Religare Mutual Fund - "Religare Ultra Short Term Fund - Institutional Daily Dividend"	112960843
SBI Mutual Fund - "SBI-SHF- Ultra Short Term Fund - Inst. Plan - Daily Div. Reinvest."	122141246
TATA Mutual Fund - "TATA Floater Fund - Daily Div. Reinvest."	109112388
TATA Mutual Fund - "TATA Gilt Securities Fund - Div."	4077871

## SCHEDULE 7 : INVESTMENTS (Contd.)

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

### No. of Units

#### Units of Mutual Funds subscribed and redeemed during the year

(Units of Rs.100/- each)

ICICI Pru. Mutual Fund -"ICICI Pru. Flexible Income Plan Premium Daily Div."	12501107
ICICI Pru. Mutual Fund -"ICICI Pru. Liquid Plan Inst. Plus - Daily Div."	2594900
ICICI Pru. Mutual Fund -"ICICI Pru. Liquid Super Inst. Plan - Daily Div. Reinvest."	15571953
ICICI Pru. Mutual Fund -"ICICI Pru. - Flexible Income Plan Premium - Growth"	1759519
ICICI Pru. Mutual Fund -"ICICI Pru. Liquid Super Inst. Plan - Growth"	4427241

(Units of Rs.1000/- each)

Axis Mutual Fund -"Axis Liquid Fund - Inst. - Daily Div. Reinvest."	25002
Axis Mutual Fund -"Axis Treasury Advantage Fund - Inst. - Daily Div. Reinvest."	25107
DSP BlackRock Mutual Fund -"DSP BlackRock Money Manager Fund - Inst. Plan - Daily Div. Reinvest."	491001
DSP BlackRock Mutual Fund -"DSP BlackRock Cash Manager Fund - Inst. Plan - Daily Div. Reinvest."	651506
DSP BlackRock Mutual Fund -"DSP BlackRock Floating Rate Fund - Inst. Plan - Daily Div. Reinvest."	220080
DSP BlackRock Mutual Fund -"DSP BlackRock Liquidity Fund - Inst. Plan - Daily Div. Reinvest."	68792
Franklin Templeton Mutual Fund -"Templeton India Treasury Mgt. A/c. Inst. Plan - Daily Div. Reinvest."	751457
Franklin Templeton Mutual Fund -"Templeton India Treasury Mgt. A/c. - Super Inst. Plan - Daily Div. Reinvest."	193503
TATA Mutual Fund -"TATA Liquid - Super High Invest. Fund - Daily Div. Reinvest."	1235117
UTI Mutual Fund -"UTI Liquid Cash Plan Inst. - Daily Div. Reinvest."	3063034
UTI Mutual Fund -"UTI Floating Rate Fund Short Term Plan - Inst. - Growth"	219066
UTI Mutual Fund -"UTI Floating Rate Fund Short Term Plan - Inst. - Daily Div."	553699
UTI Mutual Fund -"UTI Liquid Cash Plan Inst. - Growth"	739020
UTI Mutual Fund -"UTI Treasury Advantage Fund - Inst. Plan - Daily Div. Reinvest."	2544356

Notes :

<sup>1</sup> Reduced from 8812 shares on reduction of Share Capital

<sup>2</sup> Lien marked in favour of Banks

## SCHEDULE 8 : INVENTORIES

(As valued and certified by the Management)

	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
Stores, Spare Parts etc. (See Note No. 6 in Schedule 23)	13764.42	11169.12
Machinery Spares not in regular use	1532.82	294.32
	15297.24	11463.44
Stock-in-Trade –		
Finished Goods	5659.82	3124.20
Raw Materials	3616.67	1808.78
Materials under Process	3797.59	2891.49
	13074.08	7824.47
	28371.32	19287.91

## SCHEDULE 9 : SUNDRY DEBTORS

### Debts outstanding for a period exceeding six months

Secured, Considered Good	104.65	96.26
Unsecured, Considered Good	149.57	173.65
Unsecured, Considered Doubtful	512.25	510.83
	766.47	780.74

### Other Debts

Secured, Considered Good	271.32	232.02
Unsecured, Considered Good	1689.03	1497.73
	1960.35	1729.75
	2726.82	2510.49
Less : Provision	512.25	510.83
	2214.57	1999.66

	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 10 : CASH AND BANK BALANCES</b>		
Cash Balance in hand		
(Includes Cheques & Drafts in hand Rs. 1156.82, Previous Year Rs.2798.12)	1175.68	2812.96
Bank Balances -		
With Scheduled Banks -		
In Current Accounts		
(Includes remittances in transit Rs. 549.83, Previous Year Rs.NIL)	863.65	1017.72
" Unpaid Dividend Accounts	69.20	42.61
" Fixed Deposit Accounts		
(Includes accrued interest Rs. 1901.42, Previous Year Rs.822.90)	31818.94	28098.84
(Includes Rs 1344.90, Previous Year Rs.799 pledged with Scheduled Banks, Rs.62.00 Previous Year Rs 20.00 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)	32751.79	29159.17
	33927.47	31972.13
<b>SCHEDULE 11 : LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Advances to Subsidiary Companies	201.11	197.15
Advances (recoverable in cash or in kind or for value to be received or pending adjustments) -		
To Employees (See Note No. 8 in Schedule 23)	108.95	122.04
" Others, considered Good	16450.03	12037.55
" Others, considered Doubtful	9.17	12.29
	16568.15	12171.88
Interest accrued on Investments	771.28	211.79
Deposits -		
Balances with Customs, Port Trust, Other Government Authorities & Others	2130.98	2542.77
	19671.52	15123.59
Less : Provision	9.17	12.29
	19662.35	15111.30
<b>SCHEDULE 12 : CURRENT LIABILITIES</b>		
Current Liabilities -		
Sundry Creditors -		
For Goods (Includes Rs NIL, Previous Year Rs.62.09 to Subsidiary Company)	5275.06	4085.42
" Expenses	21074.14	19414.45
(Includes Rs.Nil, Previous Year Rs. NIL to Micro Enterprises and Small Enterprises)	26349.20	23499.87
Investor Education and Protection Fund shall be credited by the following amounts namely # :		
Unpaid and unclaimed dividends	69.20	42.61
# No amount was due for deposit as on 31st March, 2010		
Other Liabilities	9748.91	9359.06
Interest accrued but not due on Debentures, Loans & Deposits	331.72	60.52
	36499.03	32962.06

	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 13 : PROVISIONS</b>		
Provision for Taxation (Net of Advance Tax and Tax Deducted at Source)	1301.47	301.15
Proposed Dividend	2695.19	3465.24
Corporate Dividend Tax	447.64	588.92
Employee Benefits	2050.36	2334.60
	<u>6494.66</u>	<u>6689.91</u>
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>SCHEDULE 14 : SALES</b>		
Sale of Goods (Includes Export Sales Rs.7275.17, Previous Year Rs.9537.14)	237031.19	202126.71
Own Consumption	1119.47	1153.76
Export Benefits	189.47	242.01
Miscellaneous	366.69	361.42
	<u>238706.82</u>	<u>203883.90</u>
<b>SCHEDULE 15 : OTHER INCOME</b>		
Income on Investments		
Other than Trade (Gross)		
Interest (Includes Rs.1133.93 on long term, Previous Year Rs. 130.27)		
(Tax Deducted at Source Rs.0.43, Previous Year Rs. NIL)	1137.09	130.27
Dividend (Includes Rs.134.46 on long term, Previous Year Rs. 370.11)	2115.48	1199.22
Profit on sale of Investments (Includes Rs.3182.84 on long term, Previous Year Rs. 2499.40)	<u>3397.67</u>	<u>3285.92</u>
	6650.24	4615.41
Interest other than on Investments (Tax Deducted at Source Rs.370.49, Previous Year Rs.225.78)		
From Banks	2873.18	1009.53
Other than Banks - On Deposits, etc.	<u>102.94</u>	<u>68.42</u>
	2976.12	1077.95
Profit on sale of Fixed Assets	63.70	14.84
Incentives & Subsidies	1470.55	1020.22
Rent (Tax Deducted at Source Rs.0.47, Previous Year Rs.1.84)	76.33	70.56
Excess Liabilities and Unclaimed Balances written back	1368.75	549.49
Excess Depreciation written back	4.02	17.61
Insurance and Other Claims (Net)	203.46	98.22
Sundry Adjustments (Net)	145.05	13.42
Miscellaneous Income (Tax Deducted at Source Rs. 0.17, Previous Year Rs.NIL)	873.28	124.60
	<u>13831.50</u>	<u>7602.32</u>

	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>SCHEDULE 16 : (INCREASE)/DECREASE IN STOCKS</b>		
<b>Opening Stocks</b>		
Finished Goods	3124.20	3511.93
Materials under Process	2891.49	4040.11
	6015.69	7552.04
<b>Closing Stocks</b>		
Finished Goods	5659.82	3124.20
Materials under Process	3797.59	2891.49
	9457.41	6015.69
Add : Increase/(Decrease) in Excise Duty & Cess on Stocks	729.38	(196.20)
	(2712.34)	1340.15
<b>SCHEDULE 17 : RAW MATERIALS CONSUMED</b>		
Opening Stock	1808.78	2349.21
Add : Purchases	30296.97	22146.55
	32105.75	24495.76
Less : Closing Stock	3616.67	1808.78
	28489.08	22686.98
<b>SCHEDULE 18 : MANUFACTURING EXPENSES</b>		
Stores, Spare Parts and Packing Materials	16284.33	16847.26
Power & Fuel	38209.94	36820.56
Royalty & Cess (Tax Collected at Source Rs.54.89, Previous Year Rs.52.35)	4035.94	2301.01
Repairs to Buildings	772.11	893.85
Repairs to Machinery	3178.61	3221.60
Repairs to Other Assets	120.93	101.30
Freight & Material Handling on Inter Unit Transfer	6016.24	4424.41
Other Manufacturing Expenses	1493.16	931.28
	70111.26	65541.27
<b>SCHEDULE 19 : PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus, etc.	11585.11	12257.35
Provident and Other Funds	1277.38	1370.73
Gratuity Fund	623.42	345.35
Superannuation Fund	300.21	296.76
Employees Welfare Expenses	841.30	588.87
	14627.42	14859.06



	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>SCHEDULE 20 : SELLING, ADMINISTRATION AND OTHER EXPENSES</b>		
Brokerage & Commission on Sales	1008.89	888.26
Transport & Forwarding Expenses	27085.33	24427.31
Insurance	207.86	248.16
Rent	318.10	297.76
Rates & Taxes	1749.18	1488.48
Development Cess on Cement	42.47	39.78
Other Expenses	2752.93	2518.16
Advertisement	703.35	498.98
Charity & Donation	601.45	602.75
Auditors' Remuneration –		
Statutory Auditors -		
Audit Fees	17.50	15.00
Tax Audit Fees	4.30	3.75
Travelling Expenses	2.05	3.80
Issue of Certificates	11.20	12.01
	35.05	34.56
Cost Auditors -		
Audit Fees	1.90	1.90
Travelling Expenses	0.05	0.09
	1.95	1.99
Loss on sale/discard of Fixed Assets	120.78	583.95
Provision For Diminution in value of Investments	10.77	364.00
Provision for Doubtful Debts (Net of Provision For Doubtful Debts Written Back Rs. NIL, Previous Year Rs. 12.49)	3.98	(10.90)
Directors' Fees	8.40	8.00
	<u>34650.49</u>	<u>31991.24</u>

#### **SCHEDULE 21 : INTEREST AND OTHER FINANCE CHARGES**

Interest on Loans, Deposits, etc. –		
To Debenture Holders	233.53	—
" Banks on Term Loans	1351.12	1142.94
" Banks on Working Capital Loans	255.54	358.76
" Others	765.33	568.53
Other Finance Charges	91.71	134.27
	<u>2697.23</u>	<u>2204.50</u>

#### **SCHEDULE 22 : DEPRECIATION**

On Fixed Assets	5585.29	4363.66
Less : Transferred from Reserve on Revaluation of Fixed Assets	21.64	21.64
	<u>5563.65</u>	<u>4342.02</u>

## **SCHEDULE 23 : ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

### **A. Significant Accounting Policies**

(Rs. in lacs)

#### **(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 principles 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 leasehold 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 & Loss Account as income or 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. Exchange differences between rate at the inception of such contracts and rate on the reporting date are recognized as income or expense for the period.
- 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 and 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. 995.09 (Previous Year Rs. 717.68).
- (b) Guarantees and Counter-guarantees - Rs. 1596.11 (Previous Year Rs. 1578.14).
- (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. 747.20 and Rs. 759.15 (Previous Year Rs. 395.29 and Rs. Nil) 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 –		<b>2009-10</b>	<b>2008-09</b>
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 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	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.	639.71	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.	1089.74	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.	631.00	371.92
xi)	Appeal filed by the Excise Department before CESTAT, New Delhi on account of allowance of tolerance limit in weightment of packed cement which was earlier allowed in favour of the Company.	152.10	—
xii)	Demand for VAT including penalty and interest by ACCT (Audit), Patna under Bihar VAT Act. 2005. The matter is pending before Jt. Commissioner (Appeal), Patna.	1241.14	—
xiii)	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. 158.59, Rs. 259.52, Rs. 114.20, Rs. 4.91, Rs. 0.56, Rs. 99.15, Rs. 327.68 (Previous Year Rs. 81.01, Rs. 314.35, Rs. 108.81, Rs. 4.91, Rs. 0.56, Rs. 99.15, and Rs. 318.91) respectively.		
2.	Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs. 20600.89 (Previous Year Rs. 11455.48) .		
3.	Disputed amount of Rs. 68.61[Paid under protest Rs. 68.61](PreviousYear Rs. 68.61 [Paid under protest Rs.68.61]) in respect of difference of Fuel Cost Adjustment Charges, Rs. 450.83 [Paid under protest Rs. 75.00] (Previous Year Rs. 439.09 [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. 3151.08 [Paid under protest Rs. 1782.88] (Previous Year Rs. 3265.79 [Paid under protest Rs. 506.11]) in respect of demand of Royalty on limestone including interest thereon, Rs. 655.46 [Paid under protest Rs. 9.48] (Previous Year Rs. 655.68 [Paid under protest Rs. 10.15]) in respect of MODVAT/CENVAT claims, Rs. 765.99 [Paid under protest Rs. 114.16] (Previous Year Rs. 860.93 [Paid under protest Rs. 127.53]) in respect of Sales Tax/VAT and Rs. 692.75 [Paid under protest Rs.152.50] (Previous Year Rs. 1285.16 [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. 40.15 (Previous Year Rs. 15.59).		
6.	'Stores, Spare Parts etc.' under Schedule 8 "Inventories" include Rs. 135.10 on account of Fixed Assets held for disposal. The same has been valued at Cost or Net Realisable value, whichever is lower.		
7.	The amount of borrowing costs capitalised during the year is Rs. 91.65 (Previous Year Rs. 126.17).		

**SCHEDULE 23** (Contd.)

(Rs. in lacs)

8. Advances to Employees Rs. 0.37 (Previous Year Rs. 0.37) are under litigation.
9. Certain Sundry Debtors, Loans and Advances and Creditors are subject to confirmation.
10. Loans and Advances include:
  - (a) Rs. 201.11 (Previous Year Rs. 196.96) 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. 201.11 (Previous Year Rs. 196.96).
  - (b) Rs. Nil (Previous Year Rs. 0.19) 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. 0.19).
11. 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.
12. (a) Outstanding Forward Exchange Contracts booked for the purpose of hedging receivables are USD 2.70 (Previous Year USD 0.70) and payables are USD 45.00 (Previous Year USD 32.50). Outstanding Cross Currency Swap Contracts booked for the purpose of hedging payables are CHF/USD 76.04 and JPY/USD 479.31 (Previous Year CHF/USD Nil and JPY/USD Nil).
- (b) Unhedged foreign currency receivables are USD 4.95, GBP Nil and EUR Nil (Previous Year USD 4.08, GBP 0.32 and EUR 0.20 ) and payables are USD 233.93, EUR 2.73, CHF 22.77 and JPY 0.26 (Previous Year USD 36.06, EUR 0.79, CHF Nil and JPY Nil).
- (c) The marked to market gain amounting to Rs. 4.16 (Previous Year Rs. 2.36) on Forward Exchange Contracts for firm commitments and highly probable forecast transactions has not been accounted for.
13. 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.
14. 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.
15. Miscellaneous Income under Schedule-15 includes Rs. 700.76 lacs on account of foreign exchange gain (Previous Year foreign exchange loss of Rs. 120.72 lacs and Rs. 41.25 lacs grouped under "Other Expenses", in Schedule-20 and "Other Finance Changes" in Schedule-21 respectively).
16. There being uncertainties in realisation from Insurance Claims, the same are accounted for on settlement/realisation.
17. 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, 2010</b>	<b>For the year ended 31st March, 2009</b>
(i) Provident Fund	40.33	40.29
(ii) Superannuation Fund	300.21	296.76
(iii) Pension Fund	447.48	462.74

- (b) In respect of Defined Benefit 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>	
	<b>2009-10</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2008-09</b>
(ii) The amounts recognised in the Balance Sheet are as follows:				
Present value of funded obligations	7113.39	6813.73	—	—
Fair value of plan assets	6773.92	6091.19	—	—
Liabilities in respect of funded obligation	339.47	722.54	—	—
Present value of unfunded obligations	—	—	53.59	68.74
Unrecognised past service cost	—	—	—	—
Liabilities in respect of unfunded obligation	—	—	53.59	68.74
Total Liabilities	339.47	722.54	53.59	68.74



**SCHEDULE 23** (Contd.)

(Rs. in lacs)

	<b>Gratuity</b>		<b>Pension</b>	
	2009-10	2008-09	2009-10	2008-09
(iii) The amounts recognised in the Profit & Loss account are as follow:				
Current service cost	295.08	303.22	—	—
Interest on obligation	545.10	559.68	5.50	4.59
Expected return on plan assets	(493.10)	(445.53)	—	—
Expected return on any reimbursement right recognised as an asset	—	—	—	—
Net actuarial losses/(gains) recognised during the year	276.34	(72.02)	(1.73)	26.02
Past service cost	—	—	—	—
Losses/(gains) on curtailments and settlements	—	—	—	—
Total, included in 'Payments to and Provision for Employees'	623.42	345.35	3.77	30.61
Actual return on plan assets	538.33	458.23	—	—
(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	6813.73	6996.18	68.74	57.45
Service cost	295.08	303.22	—	—
Interest cost	545.10	559.68	5.50	4.59
Actuarial losses/(gains)	324.04	(56.19)	(1.73)	26.02
Past service cost	—	—	—	—
Losses/(gains) on curtailments	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(864.56)	(989.16)	(18.92)	(19.32)
Closing defined benefit obligation	7113.39	6813.73	53.59	68.74
(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	6091.19	5618.99	—	—
Expected return	493.10	445.53	—	—
Actuarial gains/(losses)	47.69	15.83	—	—
Contribution by employer	1006.50	1000.00	—	—
Benefits paid	(864.56)	(989.16)	—	—
Closing fair value of plan assets	6773.92	6091.19	—	—
a) Amount not recognised as an asset, because of the limit in paragraph 59 (b) of Accounting Standard-15 (Revised 2005) i.e. Employee Benefits is Rs. Nil.				
b) The fair value at the end of the year of any reimbursement right recognised as an asset in accordance with paragraph 103 is Rs. Nil.				
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 to the extent of the information available.				

**SCHEDULE 23** (Contd.)

(Rs. in lacs)

	<b>Gratuity</b>		<b>Pension</b>	
	2009-10	2008-09	2009-10	2008-09
(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	8.00% p.a.	8.50% p.a.	—	—
Mortality Rate	IAL (1994-96) Modified 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 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. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's Actuary.				
(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. 600 to its gratuity fund in 2010-11.				
(xi) In respect of provident funds in the nature of defined benefit plans, 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. 518.95 (Previous Year Rs. 376.35) during the year is recognised as expense and included in 'Payments to and Provision for Employees'. Shortfall of Rs.112.57 (Previous Year Rs. Nil) in the contribution to the provident funds in the nature of defined benefit plans is provided to the extent of the information available with the Company.				
18. 'Repairs to Buildings' and 'Repairs to Machinery', includes Voluntary Retirement Payments to employees on separation Rs. 5.46 and Rs. 11.14 (Previous year Rs. 11.13 and Rs. 110.20) respectively.				
19. Sundry Adjustments include prior period adjustments of Rs. 9.47 (Net Debit) [Previous Year Rs. 2.85 (Net Debit)].				
20. The Company's Unit: Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.				
21. Managerial Remuneration is as under :				
	<b>For the year ended 31st March, 2010</b>		<b>For the year ended 31st March, 2009</b>	
Salary & Bonus	67.48		50.55	
Contribution to Provident Fund	2.86		2.38	
Contribution to Gratuity Fund	1.51		0.81	
Contribution to Superannuation Fund	3.57		2.99	
Perquisites	30.13		17.44	
	<u>105.55</u>		<u>74.17</u>	

Leave encashment has been considered on payment basis.

**SCHEDULE 23** (Contd.)

**22. Segment Reporting**

(Rs. in Lacs)

A) Primary Segment Information

	2009-10						2008-09					
	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	200434	13004	871	1394		215703	164103	12888	206	1868		179065
(b) Inter Segment Revenue	212	-	17357	-	(17569)	-	109	1	16323	-	(16433)	-
<b>Total Segment Revenue</b>	<b>200646</b>	<b>13004</b>	<b>18228</b>	<b>1394</b>	<b>(17569)</b>	<b>215703</b>	<b>164212</b>	<b>12889</b>	<b>16529</b>	<b>1868</b>	<b>(16433)</b>	<b>179065</b>
<b>Segment Result</b>	<b>60848</b>	<b>990</b>	<b>9957</b>	<b>(313)</b>		<b>71482</b>	<b>35875</b>	<b>(960)</b>	<b>8278</b>	<b>(327)</b>		<b>42866</b>
<b>(Profit before Interest &amp; Tax)</b>												
<b>Less : (i) Interest</b>						2697						2205
<b>(ii) Other un-allocable expenditure net off un-allocable income</b>						(7296)						(2985)
<b>Profit before Tax</b>						<b>76081</b>						<b>43646</b>
<b>Provision for :</b>												
Current Tax						20125						10100
Fringe Benefit Tax						-						136
Deferred Tax						228						1052
Wealth Tax						10						7
<b>Profit after Tax</b>						55718						32351
<b>OTHER INFORMATION</b>												
<b>Segment Assets</b>	127802	6996	13914	3230		151942	92696	6692	15171	3607		118166
Common Assets						149044						85624
<b>Total</b>						<b>300986</b>						<b>203790</b>
<b>Segment Liabilities</b>	35184	1784	38	227		37233	30932	2444	28	268		33672
Common Liabilities						13712						13703
<b>Total</b>						<b>50945</b>						<b>47375</b>
<b>Capital Expenditure</b>	27862	249	37	38		28186	16463	581	118	179		17341
Common Capital Expenditure						245						79
<b>Total</b>						<b>28431</b>						<b>17420</b>
<b>Depreciation</b>	4256	206	849	208		5519	3107	130	842	204		4283
Common Depreciation						45						59
<b>Total</b>						<b>5564</b>						<b>4342</b>

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 3.07% (Previous Year 4.72%) of the external sales of the Company, there are no reportable geogeographical segments.

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 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 policies of the Company.

**SCHEDULE 23** (Contd.)

(Rs. in lacs)

23. 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 Pvt. 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 :

	2009-2010		2008-2009	
	Subsidiaries	Key Mgmt. Personnel	Subsidiaries	Key Mgmt. Personnel
Purchases of goods/services	202.50	—	259.46	—
Sale of goods/services	—	—	.95	—
Purchase of Fixed Assets	1.25	—	—	—
Receipt of rent	.02	—	.02	—
Investment in Equity Shares	—	—	22.00	—
Advances given	5.79	—	43.19	—
Advances recovered	1.83	—	36.46	—
Advances received	—	—	.03	—
Advances repaid	—	—	.03	—
Remuneration, Perquisites & Others	—	105.55	—	74.17
<b>Balance outstanding at year end :</b>				
Creditors	—	—	62.09	—
Advances given	201.11	—	197.15	—

24. Quantitative information of goods manufactured -

(Rs.in lacs)

- a) Licensed and Installed Capacity and Production -

Goods Manufactured	Unit	31.03.2010		31.03.2009	
		Capacities Installed	Production*	Capacities Installed	Production*
Auto Trim Parts	Pc.	780000	64416	780000	43073
Cement	Tonne	6071000	5698004	5780000	5288333
Iron & Steel Castings	"	3750	1078	3750	1157
Jute Goods	"	32	27300	32	32956
		(Broad Looms)		(Broad Looms)	
		822		822	
		(Narrow Looms)		(Narrow Looms)	
P.V.C.Goods	Sq. Mtr.	4860000	109915	4860000	435916
Power	MW/Units	56.80	399503050	56.80	366639844

Licensed Capacity per annum not indicated due to the abolition of Industrial Licences as per Notification 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 18910 Tonnes, 218 Tonnes, 929 Tonnes, 642 Sq. Mtrs. and 386812645 Units (Previous Year 12441 Tonnes, 443 Tonnes, 1030 Tonnes, 7411 Sq. Mtrs. and 363072394 Units respectively) of Cement, Jute Goods, Iron & Steel Castings, PVC Goods and Power respectively.

**SCHEDULE 23 (Contd.)**

**24. Quantitative information of goods manufactured - (Contd.)**

(Rs.in lacs)

b) Sales (excluding Departmental Transfers and Own Consumption)

Goods Sold	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
Auto Trim Parts	Pc.	64620	224.92	48433	254.59
Cement	Tonne	5565502	221581.15	5292540	186601.68
Clinker	"	39361	1039.00	51184	1502.35
Iron & Steel Castings	"	214	183.08	126	153.60
Jute Goods	"	28930	12871.55	33835	12701.44
PVC Goods	Sq. Mtr.	181251	265.93	462062	708.36
Power	Units	12690405	865.56	3567450	204.69
			237031.19		202126.71

c) Finished Goods Stock -

	Unit	Opening Stock 2008-2009		Closing Stock 2008-2009 Opening Stock 2009-2010		Closing Stock 2009-2010	
		Quantity	Value	Quantity	Value	Quantity	Value
Auto Trim Parts	Pc.	6240	18.68	880	7.74	676	2.10
Cement	Tonne	65613	1379.91	48965	1094.33	162557	4205.54
Iron & Steel Castings	"	255	148.55	256	150.59	191	111.10
Jute Goods	"	5995	1800.71	4826	1754.89	3011	1327.25
PVC Goods	Sq. Mtr.	114037	156.91	80480	112.90	8502	11.20
Others			7.17		3.75		2.63
			3511.93		3124.20		5659.82

25. Purchases of Finished Goods (excluding Departmental Transfers and Own Consumption) -

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
Jute Goods	Tonne	33	26.13	153	55.88
			26.13		55.88

26. Raw Materials Consumption and Value of Imported and Indigenous Raw Materials & Spare Parts Consumption -

a) Raw Materials consumed

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
Granulated Slag	Tonne	239074	2061.03	146350	882.96
Gypsum	"	308509	4830.75	318274	4489.08
Iron Ore	"	267212	812.43	230204	665.12
Jute	"	28329	6501.98	34586	5583.27
Limestone (including own raising)	"	5663717	10014.81	5248671	7905.13
Molten Slag	"	72652	288.22	57287	177.86
Resin and Additives	"	115	59.60	522	320.79
Foam Backed PVC	Mtrs	33919	20.02	16702	9.76
Clinker	Tonne	257371	7575.61	235239	5287.23
Fly Ash	Tonne	1050391	4648.91	935388	3846.93
Others			352.54		454.75
			37165.90		29622.88
Limestone (own raising)	Tonne	5049337	8676.82	4841601	6935.90
			28489.08		22686.98



**SCHEDULE 23** (Contd.)

(Rs. in lacs)

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

	2009 - 2010				2008 - 2009			
	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	9491.03	33.31	193.43	4.54	1211.83	5.34	52.93	1.03
Indigenous	18998.05	66.69	4064.68	95.46	21475.15	94.66	5096.19	98.97
	28489.08	100.00	4258.11	100.00	22686.98	100.00	5149.12	100.00

27. C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency –

	2009-2010	2008-2009
(a) C.I.F. Value of Imports during the year –		
Raw Materials	7329.57	610.26
Spare Parts	734.09	409.08
Capital Goods	11918.84	3838.72
Coal	—	1215.50
(b) Expenditure in Foreign Currency –		
Interest	79.56	95.73
Travelling	69.42	24.85
Professional Service	110.82	26.90
Others	6.52	45.40
(c) Earnings in Foreign Currency –		
Export of goods on F.O.B. basis	7108.68	9041.13
(Including exports in Indian Currency - Rs. 2648.15, Previous Year Rs. 3672.85)		

28. Figures for the Previous Year have been regrouped wherever necessary.

Signature to Schedule 1 to 23

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 22nd day of April, 2010

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

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

Chairman

Directors

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. 

2	1
---	---

0	3	3	3	4
---	---	---	---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

Date                      Month                      Year

State Code 

2	1
---	---

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

Public Issue  

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue  

						N	I	L
--	--	--	--	--	--	---	---	---

Right Issue  

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement  

						N	I	L
--	--	--	--	--	--	---	---	---

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

Total Liabilities  

3	0	0	9	8	6	0	3
---	---	---	---	---	---	---	---

Total Assets  

3	0	0	9	8	6	0	3
---	---	---	---	---	---	---	---

#### Sources of Funds

Paid-up Capital  

		7	7	0	0	8	9
--	--	---	---	---	---	---	---

Secured Loans  

	5	1	8	1	9	5	8
--	---	---	---	---	---	---	---

Unsecured Loans  

1	9	0	9	9	1	5
---	---	---	---	---	---	---

Reserves & Surplus  

1	7	1	4	2	1	6	9
---	---	---	---	---	---	---	---

Deferred Tax Liabilities  

		7	9	5	1	0	3
--	--	---	---	---	---	---	---

#### Application of Funds

Net Fixed Assets  

1	0	2	6	4	5	1	0
---	---	---	---	---	---	---	---

Net Current Assets  

	4	1	1	8	2	0	2
--	---	---	---	---	---	---	---

Accumulated Losses  

					N	I	L
--	--	--	--	--	---	---	---

Investments  

1	1	4	1	6	5	2	2
---	---	---	---	---	---	---	---

Misc. Expenditure  

						N	I	L
--	--	--	--	--	--	---	---	---

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

Turnover  

2	1	5	7	0	2	7	8
---	---	---	---	---	---	---	---

Other Income  

	1	3	8	3	1	5	0
--	---	---	---	---	---	---	---

Profit/Loss Before Tax  

	7	6	0	8	1	3	6
--	---	---	---	---	---	---	---

Earning per share in Rs.  

		7	2	.	3	6
--	--	---	---	---	---	---

Total Expenditure  

1	4	7	8	8	9	2	7
---	---	---	---	---	---	---	---

Profit/(Loss) After Tax  

	5	5	7	1	8	0	9
--	---	---	---	---	---	---	---

Dividend Rate %  

			6	0	.	0	0
--	--	--	---	---	---	---	---

### V. Generic Name of Three Principal Products of Company

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

2	5	2	3	2	9	.	1	0
---	---	---	---	---	---	---	---	---

			C	E	M	E	N	T
--	--	--	---	---	---	---	---	---

5	3	1	0	1	0	.	1	1
---	---	---	---	---	---	---	---	---

J	U	T	E		G	O	O	D	S
---	---	---	---	--	---	---	---	---	---

3	9	1	8	1	0	.	9	0
---	---	---	---	---	---	---	---	---

P	V	C		G	O	O	D	S
---	---	---	--	---	---	---	---	---

## Statement Regarding Subsidiary Companies

ATTACHED TO THE BALANCE SHEET AS AT 31ST MARCH, 2010  
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, 2010 is stated below :

<u>Name of the Subsidiary Company</u>	<u>Holding Company's Interest in 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.	58,79,900 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 50,000 Equity Shares of Rs. 10/- each issued by the Subsidiary Company.
(f) Birla Cement (Assam) Ltd.	Entire Share Capital of 50,000 Equity Shares of Rs. 10/- each issued by the Subsidiary Company.
(g) Birla North East Cement Ltd.	Entire Share Capital of 50,000 Equity Shares of Rs. 10/- each issued by the Subsidiary Company.
(h) New- Age Cement Ltd.	Entire Share Capital of 50,000 Equity Shares of Rs. 10/- each issued by the Subsidiary Company.
(i) M P Birla Group Services Pvt Ltd.	Entire Share Capital of 20,000 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, 2010</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. 1.19	Profit Rs. 59.70
(b) Talavadi Cements Ltd.	Profit Rs. 34.21	Profit Rs. 26.34
(c) Lok Cements Ltd.	Rs. NIL	Rs. NIL
(d) Budge Budge Floorcoverings Ltd.	Loss Rs. 21.91	Loss Rs. 127.02
(e) Thiruvaiyaru Industries Ltd.	Loss Rs. 0.19	Loss Rs. 1.99
(f) Birla Cement (Assam) Ltd.	Loss Rs. 0.70	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 Pvt Ltd.	Loss Rs. 0.09	Loss Rs. 0.20

## Statement Regarding Subsidiary Companies (Contd.)

(Rs. in lacs)

(B) The net aggregate amount of profit or loss of the said 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 Pvt. Ltd.	Rs. NIL	Rs. NIL

Registered Office :  
Birla Building  
9/1, R N Mukherjee Road  
Kolkata-700 001  
Dated the 22nd day of April, 2010

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

HARSH V. LODHA	}	Chairman
NANDINI NOPANY		Directors
PRACHETA MAJUMDAR		
VIKRAM SWARUP		
B. B. TANDON		
D. N. GHOSH		
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	Investment (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	(140.55)	448.65	448.65	—	14.22	14.22	0.68	(29.20)	(7.29)	(21.91)	—
2	Birla Jute Supply Company Limited	6.00	63.42	72.34	72.34	—	—	—	86.71	2.10	0.90	1.19	—
3	Talvadi Cements Limited	600.00	45.24	675.79	675.79	0.10	100.34	100.44	—	51.03	16.82	34.21	—
4	Lok Cements Limited	100.07	(11.43)	301.82	301.82	—	—	—	—	—	—	—	—
5	Thiruvaiyaru Industries Limited	5.00	(2.18)	5.13	5.13	—	—	—	—	(0.19)	—	(0.19)	—
6	Birla Cement (Assam) Limited	5.00	(0.70)	5.07	5.07	—	—	—	—	(0.70)	—	(0.70)	—
7	New-Age Cement Limited	5.00	—	5.07	5.07	—	—	—	—	—	—	—	—
8	Birla North- East Cement Limited	5.00	—	5.07	5.07	—	—	—	—	—	—	—	—
9	M.P Birla Group Services Pvt Ltd	2.00	(0.29)	2.07	2.07	—	—	—	—	(0.09)	—	(0.09)	—



## 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, 2010, 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 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 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 (P) Ltd., Birla North East Cement Ltd., Birla Cement (Assam) Ltd. and New Age Cement Ltd., whose financial statements reflect total assets of Rs. 1309.04 lacs as at 31st March, 2010, total revenue of Rs. 210.91 lacs and cash flow amounting to Rs.65.25 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.1.51 lacs as at 31st March,

2010 and total revenue of Rs.0.11 lac 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 reports 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 13 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, 2010;
- (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 consolidated cash flows for the year ended on that date.

For H.P. KHANDELWAL & CO.  
Chartered Accountants

Rajiv Singhi  
Partner

Membership No.053518  
(Firm Registration No. 302050E)

1B, Old Post Office Street,  
Kolkata- 700 001  
Date: the 22nd day of April, 2010.

## BALANCE SHEET as at 31st March, 2010

	Schedule	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	7700.89	7700.89
Reserves and Surplus	2	171604.16	121240.02
		179305.05	128940.91
<b>MINORITY INTEREST</b>			
Equity	3	12.01	12.01
Non Equity	4	(12.01)	(12.01)
		-	-
<b>LOAN FUNDS</b>			
Secured Loans	5	51819.58	21940.06
Unsecured Loans	6	19099.15	5704.60
		70918.73	27644.66
DEFERRED TAX LIABILITIES (NET)	7	8017.68	7779.31
<b>TOTAL</b>		<b>258241.46</b>	<b>164364.88</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	8	144208.59	136630.10
Less: Depreciation		73685.86	69912.04
Net Block		70522.73	66718.06
Capital Work in Progress		32787.70	14185.99
Preoperative Expenses		252.05	247.64
		103562.48	81151.69
<b>INVESTMENTS</b>		<b>113365.52</b>	<b>54371.70</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	9	28437.30	19355.30
Sundry Debtors	10	2215.08	1999.66
Cash and Bank Balances	11	34067.89	32047.30
Loans and Advances	12	19523.71	14969.50
		84243.98	68371.76
Less :			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	13	36504.49	32906.10
Provisions	14	6482.80	6681.25
		42987.29	39587.35
<b>NET CURRENT ASSETS</b>		<b>41256.69</b>	<b>28784.41</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)	15	56.77	57.08
<b>TOTAL</b>		<b>258241.46</b>	<b>164364.88</b>
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 22nd day of April, 2010

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

HARSH V. LODHA

NANDINI NOPANY  
PRACHETA MAJUMDAR  
VIKRAM SWARUP  
B. B . TANDON  
D. N. GHOSH

B. R. NAHAR

Chairman

Directors

Executive Director &  
Chief Executive Officer

## PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

	Schedule	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>INCOME</b>			
Gross Sales	16	238707.57	203887.39
Less : Excise Duty		23004.10	24818.96
		215703.47	179068.43
Other Income	17	13839.56	7603.76
		229543.03	186672.19
<b>EXPENDITURE</b>			
(Increase)/Decrease in Stocks	18	(2712.34)	1340.56
Raw Materials Consumed	19	28371.05	22589.06
Purchases of Finished Goods		26.13	55.88
Manufacturing Expenses	20	70111.26	65540.98
Payments to and Provision for Employees	21	14627.82	14869.48
Selling, Administration and Other Expenses	22	34695.75	32017.54
Interest and Other Finance Charges	23	2697.23	2204.50
		147816.90	138618.00
<b>Profit before Depreciation</b>		<b>81726.13</b>	<b>48054.19</b>
Depreciation	24	5621.79	4400.21
<b>Profit before Tax</b>		<b>76104.34</b>	<b>43653.98</b>
Provision for Current Tax		20132.97	10105.21
Less : MAT Credit Entitlement		(7.63)	(6.61)
Provision for Fringe Benefit Tax		-	136.07
Provision for Deferred Tax		238.36	1053.26
Provision for Wealth Tax		10.00	6.80
Provision for Income Tax relating to earlier years		-	0.03
<b>Profit after Tax</b>		<b>55730.64</b>	<b>32359.22</b>
Minority Interest		-	(0.45)
Share of Loss in associates	25	0.03	0.37
<b>Net Profit</b>		<b>55730.61</b>	<b>32,359.30</b>
Balance brought forward from previous year		10012.05	16706.91
<b>Profit available for appropriation</b>		<b>65742.66</b>	<b>49066.21</b>
<b>APPROPRIATIONS</b>			
Debenture Redemption Reserve		1325.00	-
Interim Dividend		1925.13	-
Corporate Dividend Tax on Interim Dividend		327.18	-
Proposed Final Dividend		2695.19	3465.24
Corporate Dividend Tax on Proposed Final Dividend		447.64	588.92
General Reserve		40000.00	35000.00
Balance carried to Balance Sheet		19022.52	10012.05
		<b>65742.66</b>	<b>49066.21</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)		72.37	42.02
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 22nd day of April, 2010

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Executive Director &  
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## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2010

(Rs. in lacs)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>A. Cash Flow from Operating Activities :</b>		
<b>Profit before Tax</b>	<b>76104.34</b>	<b>43653.98</b>
<b>Adjustments for :</b>		
Depreciation	5621.79	4400.21
Adjustment for capital subsidy	(0.74)	(1.26)
Provision for Doubtful Debts provided for /(written back) (Net)	3.98	(10.90)
Excess liabilities and Unclaimed Balances written back (Net)	(1369.96)	(549.65)
Unrealised Loss/(Gain) on Foreign Exchange	(402.32)	(37.39)
Interest and Dividend (Net)	(3533.42)	(203.66)
Other Items of Investing Activities (Net)	(3338.65)	(2371.62)
Miscellaneous expenditure amortised	0.31	(1.45)
<b>Operating Profit before Working Capital Changes</b>	<b>73085.33</b>	<b>44878.26</b>
<b>Adjustments for :</b>		
Trade and other receivables	(221.31)	1177.39
Inventories	(9082.00)	758.13
Loans and Advances	(4085.28)	(1068.33)
Trade payables	4499.73	6579.43
<b>Cash generated from operations</b>	<b>64196.47</b>	<b>52324.88</b>
Direct Taxes Paid	(19137.02)	(10454.79)
<b>Net Cash from /(used in) Operating Activities</b>	<b>45059.45</b>	<b>41870.09</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(28354.76)	(21200.94)
Sale of Fixed Assets	339.13	363.71
Purchase of Investments (Net)	(55602.14)	11080.14
Project Capital Subsidy Received	51.05	-
Interest received	3553.73	1026.83
Dividend received	2117.13	1199.22
<b>Net Cash from/(used in) Investing Activities</b>	<b>(77895.86)</b>	<b>(7531.04)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	40500.00	7250.50
Repayments of Long Term Borrowings	(13023.98)	(4055.92)
Proceeds/(Repayments) from Short Term Borrowings	16205.13	(2732.17)
Interest Paid (Includes interest capitalised Rs. 91.65 lacs Previous Year Rs. 126.17)	(2517.68)	(2355.43)
Dividend Paid	(5390.37)	(3080.21)
Corporate Dividend Tax Paid	(916.10)	(523.48)
<b>Net Cash from/(used in) Financing Activities</b>	<b>34857.00</b>	<b>(5496.71)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>2020.59</b>	<b>28842.34</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>32047.30</b>	<b>3204.96</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>34067.89</b>	<b>32047.30</b>

### Notes :

- Above statement has been prepared in indirect method.
- Cash and Cash Equivalents comprises of Cash balance in hand and balances with Scheduled Banks, Cash & Cash Equivalents includes Rs. 69.20 (Previous Year Rs. 42.61) in Unpaid Dividend Account, Rs.1344.90 (Previous Year Rs.799.00) in Fixed Deposit Accounts pledged with Scheduled Banks, Rs. 62.00 (Previous Year Rs. 20.00) 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, which are not available for use in the ordinary course of business.
- Figures for the previous year have been re-grouped wherever considered necessary.

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 22nd day of April, 2010

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Executive Director &  
Chief Executive Officer

**Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2010 and Consolidated Profit & Loss Account for the year ended on that date.**

(Rs. in lacs)

		As at 31st March, 2010	As at 31st March, 2009
<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
		10000.00	10000.00
	<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
		7700.89	7700.89

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).

**SCHEDULE 2 : RESERVES & SURPLUS**

**Capital Reserves**

i)	Revaluation of Fixed Assets –		
	As per last Account	821.92	844.02
	Less : Adjustments in respect of sales/discard of Fixed Assets	—	0.46
		821.92	843.56
	Less : Transfer to Profit & Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	21.64	21.64
		800.28	821.92
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	51.81	53.07
	Add : Project Capital Subsidy received during the year	51.05	—
		102.86	53.07
	Less : Transfer to Profit & Loss Account	0.74	1.26
		102.12	51.81
		1220.80	1192.13

**Debenture Redemption Reserve**

Transferred from Profit & Loss Account	1325.00	1325.00	—
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**General Reserve**

As per last Account	110035.84	75035.84
Add : Transferred from Profit & Loss Account	40000.00	35000.00

**Profit & Loss Account Balance**

150035.84	110035.84
19022.52	10012.05
171604.16	121240.02



	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 3 : MINORITY INTEREST IN EQUITY</b>		
<b>Talavadi Cements Ltd</b>		
1,20,100 Equity shares (2008-09 : 1,20,100) held by minority having 2.00% (2008-09 : 2.00%) interest	12.01	12.01
<b>SCHEDULE 4 : MINORITY INTEREST IN NON-EQUITY</b>		
<b>Talavadi Cements Ltd</b>		
Balance brought forward	(12.01)	(11.56)
Share of Profit/(Loss) for the year	—	(0.45)
	(12.01)	(12.01)
<b>SCHEDULE 5 : SECURED LOANS</b>		
<b>Debentures –</b>		
1,500 9.10% Non Convertible Debentures of Rs 10,00,000 each (Fully redeemable at par on 29th March, 2020)	15000.00	—
1,200 8.80% Non Convertible Debentures of Rs 10,00,000 each (Fully redeemable at par on 6th Feb, 2017)	12000.00	—
1,000 8.65% Non Convertible Debentures of Rs 10,00,000 each (Fully redeemable at par on 4th March, 2015)	10000.00	—
	37000.00	—
<b>Term Loans –</b>		
Rupee Loan from Banks (Payable within one year Rs. NIL, Previous Year Rs. 8119.07)	3975.00	13498.98
<b>Working Capital Borrowings –</b>		
Rupee Loan from Banks (Includes working capital demand loan of Rs. 3500.00, Previous Year Rs. NIL)	10844.58	8441.08
	51819.58	21940.06
<b>Security –</b>		
Debentures are to be secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking <i>pari-passu</i> with the term lender.		
Term Loans are 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 Debentures.		
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 fixed assets of the Company's Cement Division.		
<b>SCHEDULE 6 : UNSECURED LOANS</b>		
<b>Short Term Loans &amp; Advances –</b>		
Trade Deposits	5862.79	4868.53
Staff and Other Deposits	808.43	388.20
From Banks - Buyers' Credit and Packing Credit in Foreign Currency	12301.87	321.81
	18973.09	5578.54
<b>Other Loans &amp; Advances –</b>		
Deferred Payment of Sales Tax	126.06	126.06
	19099.15	5704.60

# CONSOLIDATED FINANCIAL STATEMENTS



	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 7 : DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	10945.49	10286.05
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	2548.50	2151.60
Others	379.31	355.14
	<u>2927.81</u>	<u>2506.74</u>
Deferred Tax Liabilities	<u>8017.68</u>	<u>7779.31</u>

## SCHEDULE 8 : FIXED ASSETS

(Rs. in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/Value as at 31st March, 2009	Additions during the year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2010	Upto 31st March, 2009	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
<b>Goodwill</b>	15.23	—	—	15.23	—	—	—	—	15.23	15.23
<b>Land</b>										
Leasehold	1518.04	23.01	—	1541.05	1240.86	23.49	—	1264.35	276.70	277.18
Freehold	1960.24	224.45	—	2184.69	—	—	—	—	2184.69	1960.24
Sub Total :	<u>3478.28</u>	<u>247.46</u>	<u>—</u>	<u>3725.74 (A)</u>	<u>1240.86</u>	<u>23.49</u>	<u>—</u>	<u>1264.35</u>	<u>2461.39</u>	<u>2237.42</u>
<b>Buildings</b>	14399.59	423.00	5.64	14816.95 (A&B)	6958.21	318.84	0.54	7276.51 (B)	7540.44	7441.38
<b>Plant &amp; Machinery</b>	113594.31	8758.60	2061.06 (D)	120291.85 (C)	58569.29	5042.67	1699.05 (D)	61912.91 (C)	58378.94	55025.02
<b>Railway Sidings</b>	1099.63	—	0.14	1099.49	498.39	31.44	—	529.83	569.66	601.24
<b>Furniture &amp; Office Equipment</b>	2773.73	137.97	43.69	2868.01	1945.57	139.30	38.96	2045.91	822.10	828.16
<b>Livestock</b>	13.22	4.07	2.53	14.76	—	—	—	—	14.76	13.22
<b>Vehicles</b>	1256.11	269.19	148.74	1376.56	699.72	87.69	131.06	656.35	720.21	556.39
<b>Total :</b>	<u>136630.10</u>	<u>9840.29</u>	<u>2261.80</u>	<u>144208.59</u>	<u>69912.04</u>	<u>5643.43</u>	<u>1869.61</u>	<u>73685.86</u>	<u>70522.73</u>	<u>66718.06</u>
<b>Capital Work in Progress</b>									32787.70	14185.99
<b>Grand Total :</b>	<u>136630.10</u>	<u>9840.29</u>	<u>2261.80</u>	<u>144208.59</u>	<u>69912.04</u>	<u>5643.43</u>	<u>1869.61</u>	<u>73685.86</u>	<u>103310.43</u>	<u>80904.05</u>
<b>Previous Year :</b>	<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>14185.99</u>
									<u>80904.05</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. 86.24 being cost of Silo on lease hold land and Rs. 51.30 being amortisation thereof up to 31st March, 2010.

(C) Includes Rs. 585.47 being cost of flyash handling system on leasehold land and Rs. 465.75 being amortisation thereof up to 31st March, 2010.

(D) Includes Rs. 787.18 & Rs. 652.08 being the cost & accumulated depreciation respectively transferred to Stores, Spare Parts etc.(See Note no.6 in Schedule 23)

(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, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 9 : INVENTORIES</b>		
(As valued and certified by the Management)		
Stores, Spare Parts etc. ( See Note No.6 in Schedule 26 )	13767.05	11171.75
Machinery Spares not in regular use	1532.82	294.32
	15299.87	11466.07
Stock-in-Trade –		
Finished Goods	5659.82	3124.20
Raw Materials	3679.86	1873.38
Materials under Process	3797.75	2891.65
	13137.43	7889.23
	28437.30	19355.30

**SCHEDULE 10 : SUNDRY DEBTORS**

**Debts outstanding for a period exceeding six months**

Secured, Considered Good	104.65	96.26
Unsecured, Considered Good	149.57	173.65
Unsecured, Considered Doubtful	512.25	510.83
	766.47	780.74

**Other Debts**

Secured, Considered Good	271.83	232.02
Unsecured, Considered Good	1689.03	1497.73
	1960.86	1729.75
	2727.33	2510.49
Less : Provision	512.25	510.83
	2215.08	1999.66

**SCHEDULE 11 : CASH AND BANK BALANCES**

Cash Balance in hand		
(Including Cheques & Drafts in hand Rs. 1156.82, Previous Year Rs. 2798.12)	1175.80	2813.13
Bank Balances -		
With Scheduled Banks -		
In Current Accounts		
(Includes remittances in transit Rs. 549.83, Previous Year Rs. NIL)	943.95	1092.72
" Unpaid Dividend Accounts	69.20	42.61
" Fixed Deposit Accounts	31878.94	28098.84
(Includes accrued interest Rs. 1901.42, Previous Year Rs. 822.90)	32892.09	29234.17
(Includes Rs. 1344.90, Previous Year Rs. 799.00 pledged with Scheduled Banks, Rs. 62.00, Previous Year Rs. 20.00 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)		
	34067.89	32047.30

	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<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 Employees (Sec. Note No. 8 in Schedule 26)	108.95	122.05
" Others, Considered Good	16466.29	12054.55
" Others, Considered Doubtful	9.17	12.29
	16584.41	12188.89
Interest accrued on Investments	771.63	211.84
Deposits -		
Balances with Customs , Port Trust , Government Authorities & Others	2162.60	2574.45
MAT Credit Entitlement	14.24	6.61
	19532.88	14981.79
Less : Provision	9.17	12.29
	19523.71	14969.50

**SCHEDULE 13 : CURRENT LIABILITIES**

Current Liabilities –		
Sundry Creditors –		
For Goods	5275.06	4023.34
" Expenses	21078.74	19419.25
(Includes Rs. NIL, Previous Year Rs. NIL for Micro Enterprises and Small Enterprises)	26353.80	23442.59
Investor Education and Protection Fund shall be credited by the following amounts namely : #		
Unpaid and unclaimed dividends	69.20	42.61
# No amount was due for deposit as on 31st March, 2010		
Other Liabilities	9749.77	9360.38
Interest accrued but not due on Debentures, Loans & Deposits	331.72	60.52
	36504.49	32906.10

**SCHEDULE 14 : PROVISIONS**

Provision for Taxation (Net of Advance Tax and Tax Deducted at Source)	1288.54	290.22
Proposed Dividend	2695.19	3465.24
Corporate Dividend Tax	447.64	588.92
Employee Benefits	2051.43	2336.87
	6482.80	6681.25

	As at 31st March, 2010	(Rs. in lacs) As at 31st March, 2009
<b>SCHEDULE 15 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenditure	0.76	1.14
Others	56.01	55.94
	<u>56.77</u>	<u>57.08</u>

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
<b>SCHEDULE 16 : SALES</b>		
Sale of Goods (Including Export Sales Rs. 7275.17, Previous Year Rs. 9537.14)	237031.86	202129.70
Own Consumption	1119.47	1153.76
Export Benefits	189.47	242.01
Miscellaneous	366.77	361.92
	<u>238707.57</u>	<u>203887.39</u>

**SCHEDULE 17 : OTHER INCOME**

Income on Investments		
Other than Trade (Gross)		
Interest (Includes Rs. 1133.93 on Long Term, Previous Year Rs. 130.27)		
(Tax Deducted at Source Rs. 0.43 , Previous Year Rs. NIL)	1137.09	130.27
Dividend (Including Rs. 134.46 on long term, Previous Year Rs. 370.11)	2117.13	1199.22
Profit on sale of Investments (Including Rs. 3187.53 on long term, Previous Year Rs. 2499.40)	<u>3402.45</u>	<u>3286.78</u>
	6656.67	4616.27
Interest other than on Investments		
(Tax Deducted at Source Rs. 370.49, Previous Year Rs. 225.78)		
From Banks	2873.47	1009.54
Other than Banks - On Deposits, etc.	<u>102.96</u>	<u>69.13</u>
	2976.43	1078.67
Profit on sale of Fixed Assets	63.70	14.84
Incentives & Subsidies	1470.55	1020.22
Rent (Tax Deducted at Source Rs. 0.47, Previous Year Rs. 1.84)	76.31	70.53
Excess Liabilities and Unclaimed Balances written back	1369.96	549.65
Excess Depreciation written back	4.02	17.61
Insurance and Other Claims (Net)	203.46	98.22
Sundry Adjustments (Net)	145.05	13.42
Miscellaneous Income (Tax Deducted at Source Rs. 0.17, Previous Year Rs. NIL)	873.41	124.33
	<u>13839.56</u>	<u>7603.76</u>



	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>SCHEDULE 18 : (INCREASE)/DECREASE IN STOCKS</b>		
<b>Opening Stocks</b>		
Finished Goods	3124.20	3511.93
Materials under Process	2891.65	4040.68
	6015.85	7552.61
<b>Closing Stocks</b>		
Finished Goods	5659.82	3124.20
Materials under Process	3797.75	2891.65
	9457.57	6015.85
	(3441.72)	1536.76
Add : Increase/(Decrease) in Excise Duty & Cess on Stocks	729.38	(196.20)
	(2712.34)	1340.56
<b>SCHEDULE 19 : RAW MATERIALS CONSUMED</b>		
Opening Stock	1808.78	2349.21
Add : Purchases	30178.94	22048.63
	31987.72	24397.84
Less : Closing Stock	3616.67	1808.78
	28371.05	22589.06
<b>SCHEDULE 20 : MANUFACTURING EXPENSES</b>		
Stores, Spare Parts and Packing Materials	16284.33	16846.97
Power & Fuel	38209.94	36820.56
Royalty & Cess (Tax Collected at Source Rs. 54.89, Previous Year Rs. 52.35)	4035.94	2301.01
Repairs to Buildings	772.11	893.85
Repairs to Machinery	3178.61	3221.60
Repairs to Other Assets	120.93	101.30
Freight & Material Handling on Inter Unit Material Transfer	6016.24	4424.41
Other Manufacturing Expenses	1493.16	931.28
	70111.26	65540.98
<b>SCHEDULE 21 : PAYMENTS TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, Bonus, etc.	11585.11	12264.75
Provident and Other Funds	1277.38	1371.65
Gratuity Fund	623.82	346.05
Superannuation Fund	300.21	297.17
Employees Welfare Expenses	841.30	589.86
	14627.82	14869.48

	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>SCHEDULE 22 : SELLING, ADMINISTRATION AND OTHER EXPENSES</b>		
Brokerage & Commission on Sales	1008.93	888.44
Transport & Forwarding Expenses	27085.33	24427.32
Insurance	208.52	248.77
Rent	318.10	297.76
Rates & Taxes	1749.48	1488.70
Development Cess on Cement	42.47	39.77
Other Expenses	2796.31	2542.63
Advertisement	703.35	498.98
Charity & Donation	601.45	602.75
Auditors' Remuneration –		
Statutory Auditors -		
Audit Fees	18.25	15.68
Tax Audit Fees	4.41	3.86
Travelling Expenses	2.05	3.80
Issue of Certificates	11.22	12.04
	35.93	35.38
Cost Auditors -		
Audit Fees	1.90	1.90
Travelling Expenses	0.05	0.09
	1.95	1.99
Loss on sale/discard of Fixed Assets	120.78	583.95
Provision For Diminution in value of Investments	10.77	364.00
Provision for Doubtful Debts	3.98	(10.90)
(Net of Provision for Doubtful Debts Written Back Rs. NIL, Previous Year Rs. 12.49)		
Directors' Fees	8.40	8.00
	34695.75	32017.54
<b>SCHEDULE 23 : INTEREST AND OTHER FINANCE CHARGES</b>		
Interest on Loans, Deposits, etc. –		
To Debenture Holders	233.53	—
" Banks on Term Loans	1351.12	1142.94
" Banks on Working Capital Loans	255.54	358.76
" Others	765.33	568.53
Other Finance Charges	91.71	134.27
	2697.23	2204.50
<b>SCHEDULE 24 : DEPRECIATION</b>		
On Fixed Assets	5643.43	4421.85
Less : Transferred from Reserve on Revaluation of Fixed Assets	21.64	21.64
	5621.79	4400.21

	For the year ended 31st March, 2010	(Rs. in lacs) For the year ended 31st March, 2009
<b>SCHEDULE 25 : SHARE OF LOSS IN ASSOCIATES</b>		
Birla Odessa Industries Pvt. Ltd.	—	0.35
Birla Readymix Pvt. Ltd.	0.03	0.02
	<u>0.03</u>	<u>0.37</u>

**SCHEDULE 26 : ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**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**

	<b>Name of the Company (incorporated in India)</b>	<b>Extent of Shareholding</b>	<b>Relationship</b>
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 -

- Bills discounted with Banks remaining outstanding - Rs. 995.09 (Previous Year Rs. 717.68).
- Guarantees and Counter-guarantees - Rs. 1596.11 (Previous Year Rs. 1578.14).
- 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. 747.20 and Rs. 759.15 (Previous Year Rs. 395.29 and Rs. Nil) respectively.
- 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)

(e) Claims/Disputes/Demands not acknowledged as debts -	2009-10	2008-09
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 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	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.	639.71	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.	1089.74	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.	631.00	371.92
xi) Appeal filed by the Excise Department before CESTAT, New Delhi on account of allowance of tolerance limit in weighment of packed cement which was earlier allowed in favour of the Company.	152.10	-
xii) Demand for VAT including penalty and interest by ACCT (Audit), Patna under Bihar VAT Act. 2005. The matter is pending before Jt. Commissioner (Appeal), Patna.	1241.14	-
xiii) 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.158.59, Rs. 263.66, Rs 114.20 Rs.4.91, Rs.0.56, Rs.99.15, Rs.327.68 (Previous Year Rs.81.01, Rs.318.49, Rs.108.81, Rs. 4.91, Rs.0.56, Rs.99.15, and Rs.318.91) respectively.		
2. Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs. 20600.89 (Previous Year Rs. 11455.48).		
3. Disputed amount of Rs.68.61[Paid under protest Rs.68.61](PreviousYear Rs. 68.61[Paid under protest Rs. 68.61] ) in respect of difference of Fuel Cost Adjustment Charges, Rs.450.83 [Paid under protest Rs.75.00] (Previous Year Rs.439.09 [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. 3151.08 [Paid under protest Rs.1782.88] (Previous Year Rs.3265.79 [Paid under protest Rs.506.11] ) in respect of demand of		

**SCHEDULE 26** (Contd.)

(Rs. in lacs)

- Royalty on Limestone including interest thereon, Rs. 655.46 [Paid under protest Rs.9.48] (Previous Year Rs.655.68 [Paid under protest Rs.10.15]) in respect of MODVAT/CENVAT claims, Rs.765.99 [Paid under protest Rs.114.16] (Previous Year Rs.860.93 [Paid under protest Rs.127.53] ) in respect of Sales Tax/VAT and Rs.692.75 [Paid under protest Rs.152.50] (Previous Year Rs.1285.16 [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. 40.15 (Previous Year Rs. 15.59).
  6. Stores, Spare Parts etc. under Schedule 9 "Inventories" include Rs. 135.10 on account of Fixed Assets held for disposal. The same has been valued at Cost or Net Realisable Value, whichever is lower.
  7. The amount of borrowing costs capitalised during the year is Rs. 91.65 (Previous Year Rs. 126.17).
  8. Advances to Employees Rs. 0.37 (Previous Year Rs. 0.37) are under litigation.
  9. Certain Sundry Debtors, Loans and Advances and Creditors are subject to confirmation.
  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 13" 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 Forward Exchange Contracts booked for the purpose of hedging receivables are USD 2.70 (Previous Year USD 0.70) and payables are USD 45.00 (Previous Year USD 32.50). Outstanding Cross Currency Swap Contracts booked for the purpose of hedging payables are CHF/USD 76.04 and JPY/USD 479.31 (Previous Year CHF/USD Nil and JPY/USD Nil )  
(b) Unhedged foreign currency receivables are USD 4.95, GBP Nil and EUR Nil (Previous Year USD 4.08, GBP 0.32 and EUR 0.20 ) and payables are USD 233.93, EUR 2.73, CHF 22.77 and JPY 0.26 (Previous Year USD 36.06, EUR 0.79, CHF Nil and JPY Nil).  
(c) The marked to market gain amounting to Rs. 4.16 (Previous Year 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. Miscellaneous Income under Schedule 17 includes Rs. 700.76 lacs on account of foreign exchange gain (Previous Year foreign exchange loss of Rs. 120.72 lacs and Rs. 41.25 lacs grouped under "Other Expenses" in Schedule 22 and "Other Finance Charges" in Schedule 23 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 :

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
(i) Provident Fund	40.33	40.29
(ii) Superannuation Fund	300.21	297.17
(iii) Pension Fund	447.48	463.11



**SCHEDULE 26 (Contd.)**

(Rs. in lacs)

(b) In respect of Defined Benefit 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>2009-10</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2008-09</u>
(ii) The amounts recognised in the Balance Sheet are as follows:				
Present value of funded obligations	7141.88	6842.92	—	—
Fair value of plan assets	6817.40	6135.76	—	—
Liabilities in respect of funded obligation	<u>324.48</u>	<u>707.16</u>	—	—
Present value of unfunded obligations	—	—	53.59	68.74
Unrecognised past service cost	—	—	—	—
Liabilities in respect of unfunded obligation	—	—	53.59	68.74
Total Liabilities	<u>324.48</u>	<u>707.16</u>	<u>53.59</u>	<u>68.74</u>
(iii) The amounts recognised in the Profit & Loss Account are as follows :				
Current service cost	296.50	304.83	—	—
Interest on obligation	547.43	562.58	5.50	4.59
Expected return on plan assets	(498.42)	(450.35)	—	—
Expected return on any reimbursement right recognised as an asset	—	—	—	—
Net actuarial losses/(gains) recognised during the year	278.30	(71.02)	(1.73)	26.02
Past service cost	—	—	—	—
Losses/(gains) on curtailments and settlements	—	—	—	—
Total, included in 'Payments to and Provision for Employees'	<u>623.81</u>	<u>346.04</u>	<u>3.77</u>	<u>30.61</u>
Actual return on plan assets	<u>544.26</u>	<u>463.47</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	6842.92	7032.46	68.74	57.45
Service cost	296.50	304.83	—	—
Interest cost	547.43	562.58	5.50	4.59
Actuarial losses/(gains)	327.24	(67.00)	(1.73)	26.02
Past service cost	—	—	—	—
Losses/(gains) on curtailments	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(872.21)	(989.95)	(18.92)	(19.32)
Closing defined benefit obligation	<u>7141.88</u>	<u>6842.92</u>	<u>53.59</u>	<u>68.74</u>

SCHEDULE 26 (Contd.)

(Rs. in lacs)

	Gratuity		Pension	
	2009-10	2008-09	2009-10	2008-09
(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	6135.76	5669.06	-	-
Expected return	498.42	450.35	-	-
Actuarial gains/(losses)	48.93	6.30	-	-
Contribution by employer	1006.50	1000.00	-	-
Benefits paid	(872.21)	(989.95)	-	-
Closing fair value of plan assets	6817.40	6135.76	-	-
a) Amount not recognised as an asset, because of the limit in paragraph 59 (b) of Accounting Standard - 15 (Revised 2005) i.e. Employee Benefits is Rs. 19.88 (Previous Year Rs. 12.25);				
b) The fair value at the end of the year of any reimbursement right recognised as an asset in accordance with paragraph 103 is Rs. Nil				
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 to the extent of the information available.				
(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 :				
	2009-10		2008-09	
	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 at 31st March	8.00% p.a.	8.00% p.a.	8.50% p.a.	8.00% p.a.
Mortality Rate	IAL (1994-96) Modified ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
Salary Escalation	5%	5%	5%	3%
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.	-
(viii) 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. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's Actuary.				
(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.				

**SCHEDULE 26 (Contd.)**

(Rs. in lacs)

- (x) The Company expects to contribute Rs. 600 to its gratuity fund in 2010-11.
- (xi) In respect of provident funds in the nature of defined benefit plans, 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. 518.95 (Previous Year Rs. 376.61) during the year is recognised as expense and included in 'Payments to and Provision for Employees'. Shortfall of Rs. 112.57 in the contribution to the provident funds in the nature of defined benefit plans 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. 5.46 and Rs. 11.14 (Previous year Rs. 11.13 and Rs. 110.20) respectively.
18. Sundry Adjustments include prior period adjustments of Rs. 9.47 (Net Debit) [Previous Year Rs. 2.85 (Net Debit)].
19. 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.
20. Managerial Remuneration is as under :

	<b>For the year ended 31st March, 2010</b>	<b>For the year ended 31st March, 2009</b>
Salary & Bonus	67.48	50.55
Contribution to Provident Fund	2.86	2.38
Contribution to Gratuity Fund	1.51	0.81
Contribution to Superannuation Fund	3.57	2.99
Perquisites	30.13	17.44
	<u>105.55</u>	<u>74.17</u>

Leave encashment has been considered on payment basis.

21. 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 associates 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	(0.30)	0.20
Total		<u>1.00</u>	<u>0.92</u>	<u>(0.80)</u>	<u>0.20</u>

**SCHEDULE 26** (Contd.)

**22. Segment Reporting**

(Rs. in Lacs)

**A) Primary Segment Information**

	2009-10						2008-09					
	Cement	Jute	Power	Others	Inter Segment	Total	Cement	Jute	Power	Others	Inter Segment	Total
<b>BUSINESS SEGMENT</b>												
<b>Segment Revenue</b>												
(a) External Sales	200434	13004	871	1394	-	215703	164104	12887	206	1871	-	179068
(b) Inter Segment Revenue	212	-	17357	-	(17569)	-	108	2	16323	-	(16433)	-
<b>Total Segment Revenue</b>	<b>200646</b>	<b>13004</b>	<b>18228</b>	<b>1394</b>	<b>(17569)</b>	<b>215703</b>	<b>164212</b>	<b>12889</b>	<b>16529</b>	<b>1871</b>	<b>(16433)</b>	<b>179068</b>
<b>Segment Result</b>	<b>60892</b>	<b>992</b>	<b>9957</b>	<b>(343)</b>		<b>71498</b>	<b>35920</b>	<b>(959)</b>	<b>8278</b>	<b>(367)</b>		<b>42872</b>
<b>(Profit before Interest &amp; Tax)</b>												
Less :												
(i) Interest						2697						2205
(ii) Other un- allocable expenditure net off un-allocable income						(7303)						(2987)
<b>Profit before Tax</b>						<b>76104</b>						<b>43654</b>
<b>Provision for Taxation :</b>												
Current Tax						20125						10099
Fringe Benefit Tax						-						136
Deferred Tax						238						1053
Wealth Tax						10						7
<b>Profit after Tax</b>						<b>55731</b>						<b>32359</b>
<b>OTHER INFORMATION</b>												
<b>Segment Assets</b>	128593	7003	13914	3522		<b>153032</b>	93521	6698	15171	3929		119319
Common Assets						148140						84576
<b>Total</b>						<b>301172</b>						<b>203895</b>
<b>Segment Liabilities</b>	35185	1784	38	232		37239	30933	2382	28	274		33617
Common Liabilities						13766						13750
<b>Total</b>						<b>51005</b>						<b>47367</b>
<b>Capital Expenditure</b>	27874	249	37	38		28198	16480	581	118	179		17358
Common Capital Expenditure						244						79
<b>Total</b>						<b>28442</b>						<b>17437</b>
<b>Depreciation</b>	4287	206	849	235		5577	3137	130	842	232		4341
Common Depreciation						45						59
<b>Total</b>						<b>5622</b>						<b>4400</b>

**SCHEDULE 26** (Contd.)

B) Secondary Segment Information

There are no reportable geographical segments as export turnover is 3.07% (Previous year 4.72%) 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 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 policies of the Company.

23 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	(Rs. In Lacs)	
	Key Mgmt. Personnel	
	2009-2010	2008-2009
Remuneration, Perquisites & Others	105.55	74.17

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

Signatures to Schedules 1 to 26

As per our Report annexed.

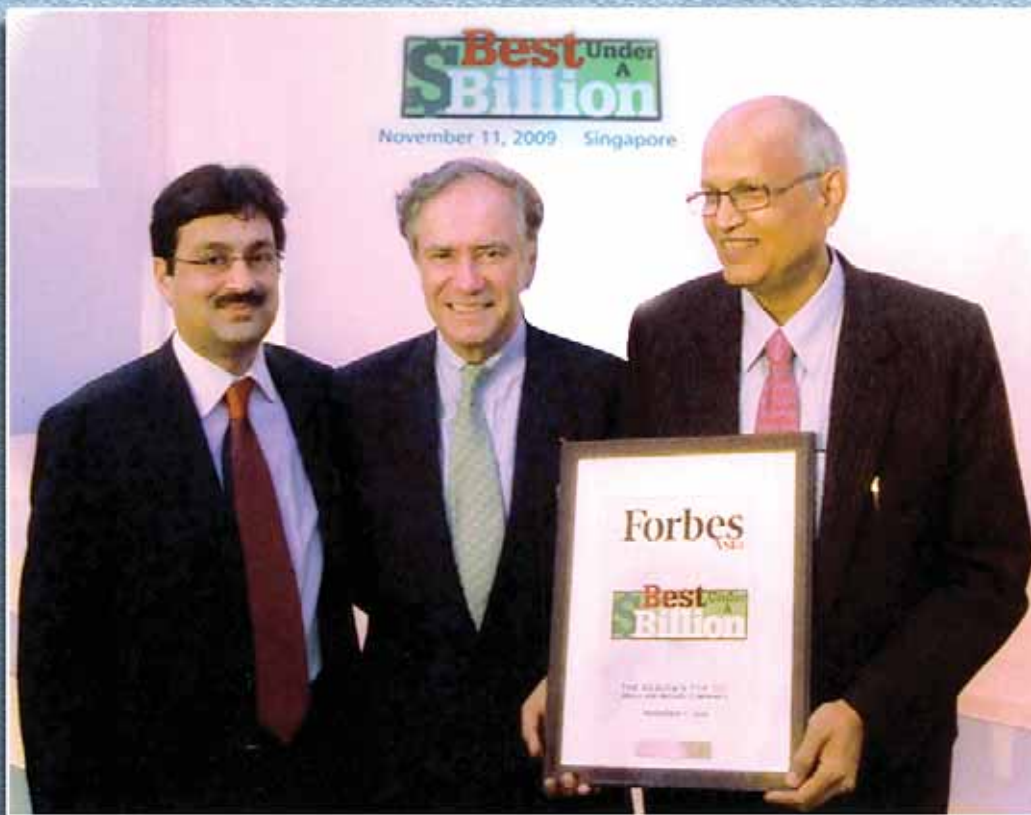
For H. P. KHANDELWAL & CO.  
Chartered Accountants

RAJIV SINGHI  
Partner  
Membership No. 053518  
1B, Old Post Office Street,  
Kolkata-700 001.  
Dated the 22nd day of April, 2010

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

HARSH V. LODHA	}	Chairman
NANDINI NOPANY		Directors
PRACHETA MAJUMDAR		
VIKRAM SWARUP		
B. B . TANDON		
D. N. GHOSH		
B. R. NAHAR		





**RARE HONOUR :** Shri H V Lodha, Chairman, (left), and Shri B R Nahar, ED & CEO, (right), with the Forbes Award in Singapore. Forbes has declared Birla Corporation Limited one of Asia's 200 Best under A Billion \$ Companies.



Shri H V Lodha, Chairman, (fourth from left), Shri Pracheta Majumdar, Director, (fifth from left), Shri B R Nahar, ED & CEO, (third from left), and senior executives at the Golden Jubilee celebration of Satna Cement Works in Satna. (Inset) Shri Lodha addressing the august gathering.





Shri H V Lodha, Chairman, and Smt. Anamika Lodha performing *bhoomi puja* for the New Chanderia Cement Works (NCCW) plant at Chanderia.



Work in progress to set up the Waste Heat Recovery System (WHRS) at Chanderia.





The new pre-heater building in Satna.



An aerial view of the Durgapur Cement Works (DCW) plant at Durgapur.



Jute geo-textile cloth rolling out of Birla Jute Mills at Birlapur. (Inset) Twisting of jute yarn into multiple plies.





**MAZBOOT HAR PAL**

