



BIRLA
— **CORPORATION** —
— **LIMITED** —
MP BIRLA GROUP

ANNUAL REPORT AND ACCOUNTS 2010-11



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



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

BOARD OF DIRECTORS

Shri Harsh V. Lodha
Chairman

Shri N. K. Kejriwal

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 & Chief Executive Officer

CHIEF FINANCIAL OFFICER

Shri P. K. Chand

ACTING COMPANY SECRETARY

Shri Girish Sharma

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

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

CORPORATE OFFICE

1, Shakespeare Sarani (2nd Floor)
Kolkata - 700 071

REGISTERED OFFICE

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

SENIOR MANAGEMENT TEAM

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
President
Management Audit

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

Shri G. R. Verma
Joint President
Birla Jute Mills

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NOTICE

To the Shareholders

NOTICE is hereby given that the Ninety-First Annual General Meeting of the Shareholders of the Company will be held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata-700 026, on Monday, the 27th June, 2011 at 10.30 A.M. to transact the following business :-

ORDINARY BUSINESS :

01. To receive, consider and adopt the Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
02. To confirm the payment of Interim Dividend on Ordinary Shares and to declare Final Dividend on Ordinary Shares for the year 2010-11.
03. To appoint a director in place of Shri Anand Bordia, who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a director in place of Shri Pracheta Majumdar, who retires by rotation and being eligible, offers himself for re-appointment.
05. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
 "RESOLVED that Shri N.K. Kejriwal, a Director liable to retire by rotation, who does not offer himself for re-appointment, be not re-appointed as a Director of the Company and the vacancy, so caused on the Board of the Company, be not filled up."
06. To appoint Auditors and to fix their remuneration.

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road,
Kolkata-700 001.
Dated, the 13th May, 2011

By Order of the Board

Girish Sharma
Vice-President (Indirect Taxes)
& Acting Company Secretary

Notes :

- (01) **A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Meeting.**
- (02) Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
- (03) The Register of Members and the Share Transfer Books of the Company will remain closed from 14th June, 2011 to 27th June, 2011 (both days inclusive).
- (04) Interim Dividend at the rate of ₹ 2.50 per share (25%) on ordinary share capital of the Company was paid to members whose names appeared on the Register of Members as on the Record Date i.e. Monday, the 8th November, 2010 and the beneficial owners as per details received by the Company from National Securities Depository Limited and Central Depository Services (India) Limited.
- (05) Final Dividend on ordinary shares, when approved at the Meeting, will be credited/dispatched on 7th July, 2011 to those members –
 - (a) whose names appear as Beneficial Owners as at the end of business hours on 13th June, 2011, in the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 13th June, 2011.
- (06) Shareholders holding shares in physical form are requested to notify to the Company's Registrar and Share Transfer Agent, quoting their folio number, any change in their registered address with PIN CODE/mandate/bank details and in case the shares are held in dematerialised form, this information should be passed on to their respective Depository Participants.
- (07) Shareholders who have not so far encashed their Dividend Warrants for the accounting years ended 31st March, 2004, 2005, 2006, 2007, 2008, 2009, 2010 and Interim Dividend Warrants for accounting year ended 31st March, 2010 and 2011 may immediately approach the Company for revalidation of unclaimed Dividend Warrants.

Shareholders are hereby informed that pursuant to Section 205A(5) of the Companies Act, 1956, the Company is required to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') established by the Central Government. In accordance with Section 205B of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. **Accordingly, the money lying in the Unpaid Dividend Account for the year ended 31st March, 2004, will be transferred to the Fund in October, 2011.**



- (08) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records.
- (09) As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. Shareholders holding shares in physical form may obtain Nomination Form - 2B from the Registrar & Share Transfer Agents/Company. Shareholders desiring to avail this facility may send their Nomination Form duly filled in, to the Company or its Registrar & Share Transfer Agents by quoting their respective Folio Numbers. In case of shares held in Demat form, the nomination has to be lodged with the Depository Participant.
- (10) As required by Securities and Exchange Board of India (SEBI) vide its Circular, the shareholders are requested to furnish a copy of the PAN card to the Company/Registrar & Share Transfer Agents while sending the shares for transfer in physical form.
- (11) As required under the Listing Agreement with the Stock Exchanges, given below are the details of the Directors who are proposed to be re-appointed:

Shri Anand Bordia

Shri Anand Bordia holds a Master Degree in Arts, had served as First Secretary, Trade High Commission of India, London and worked in the Secretariat of the World Customs Organisation, Brussels, Belgium for 7 years. He was a member of the Indian Revenue Service and held senior positions in the Central Government. He was also Member (Finance), National Highways Authority of India. He has conducted several technical assistance programmes on tariffs and trade matter, border control and tax modernisation in Asia, Africa and South American countries for the Harvard Institute for International Development, UNCTAD and the World Customs Organisation and has been a consultant to the Asian Development Bank.

Shri Anand Bordia is on the Board of the following Companies : C&C Constructions Limited, C And C Projects Limited and Roto Pumps Limited. Shri Bordia is the Chairman of the Audit Committee of C&C Constructions Limited and a Member of the Audit Committee of Roto Pumps Limited.

Shri Anand Bordia, aged about 67 years, holds 500 shares of the Company, jointly with other shareholder.

Except Shri Anand Bordia, none of the other Directors may be deemed to be concerned or interested in this item.

Shri Pracheta Majumdar

Shri Pracheta Majumdar is a Mechanical Engineer and a Management Advisor by profession. He possesses more than 40 years of experience in diverse fields. He has worked in the fields of design and project management of Chemicals, Petrochemical and Fertilizer plants. He has worked with Hindustan Lever Limited for 12 years. He was the Managing Director of CEAT Tyres Limited. Shri Majumdar has attended various international management seminars across the world.

Shri Pracheta Majumdar is on the Board of the following Companies : Vindhya Telelinks Limited and East India Investment Co. Private Limited.

He is the Chairman of the Remuneration Committee and Member of the Audit Committee and the Share Transfer-cum Investors' Grievance Committee of Vindhya Telelinks Limited.

Shri Pracheta Majumdar, aged about 67 years, holds 500 shares of the Company, jointly with other shareholder.

Except Shri Pracheta Majumdar, none of the other Directors may be deemed to be concerned or interested in this item.

Registered Office :
Birla Building,
9/1, R.N. Mukherjee Road,
Kolkata-700 001.
Dated, the 13th May, 2011

By Order of the Board

Girish Sharma
Vice-President (Indirect Taxes)
& Acting Company Secretary

Important Communication to Shareholders

The Ministry of Corporate Affairs vide its circulars has taken a "**Green Initiative in the Corporate Governance**" by allowing paperless compliances by the Companies. In pursuance of the said initiative, the Company proposes to send notices / documents including Annual Reports electronically. Shareholders holding shares in Demat form, who have not yet registered their e-mail address are requested to register the same with their respective Depository Participant at the earliest. Shareholders who hold shares in physical form are also requested to register their e-mail address with our Registrar & Share Transfer Agent - M/s. MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029, E-mail ID : **mcscal@rediffmail.com**. Such registration of e-mail address may also be made with the Company at its Registered Office as per the address mentioned above or at the E-mail ID : **greeninitiative@birlacorp.com**. Any changes in the E-mail address may also be communicated from time to time.

The Annual Report of the Company (including the Directors' Report, Auditors' Report, Balance Sheet, Profit & Loss Account) and the Notice convening the Annual General Meeting is also available on our website : **www.birlacorporation.com**.

FINANCIAL HIGHLIGHTS

(₹ in lacs)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	1999-00
OPERATING RESULTS								
Turnover	241538	238707	203884	199678	179451	143344	134264	101184
Surplus before Interest & Depreciation								
Depreciation	55512	84342	50193	61367	51992	19187	14522	4632
Interest	5263	2697	2205	2105	1853	1362	2169	5253
Surplus/(Deficit) after Interest but before Depreciation	50249	81645	47988	59262	50139	17825	12353	(621)
Depreciation	6483	5564	4342	4144	3965	3416	2983	3213
Income/Fringe Benefit / Deferred/Wealth Tax	11778	20363	11295	15761	13551	1833	683	2
Net Profit	31988	55718	32351	39357	32623	12576	8687	(3896)
Dividend	5377	5395	4054	3604	3153	1976	1317	—
Dividend Percentage	60.00	60.00	45.00	40.00	35.00	22.50	15.00	—
Retained Earning	26611	50323	28297	35753	29470	10600	7370	(3836)
ASSETS & LIABILITIES								
Fixed Assets:								
Gross Block	224026	175779	144302	130010	116151	112821	98104	82202
Net Block	146435	102645	74887	62746	52630	53037	40297	36444
Current & Other Assets & Investments	211259	190390	121180	130393	85525	42807	37439	30559
Total Assets	357694	293035	196067	193139	138155	95844	77736	67003
Represented by :								
Share Capital	7701	7701	7701	7701	7701	7701	7701	5501
Reserves & Surplus	198091	171422	121070	92797	58880	30723	23578	14995
Net Worth	205792	179123	128771	100498	66581	38424	31279	20496
Borrowings	101579	70919	27645	27225	28265	27178	24156	31492
Current Liabilities & Provisions	50323	42993	39651	65416	43309	30242	22302	15015
RATIOS								
Earning per Ordinary Share (₹)	41.54	72.36	42.01	51.11	42.36	16.33	11.28	(6.97)
Cash Earning per Ordinary Share (₹) (annualised)	49.96	79.58	47.65	56.49	47.51	20.77	15.15	(1.13)
Net Worth per Ordinary Share (₹)	267.24	232.61	167.22	130.51	86.46	49.90	40.62	37.26*
Debt Equity Ratio (on long-term loans)	0.29:1	0.23:1	0.04:1	0.07:1	0.14:1	0.32:1	0.31:1	0.61:1
Current Ratio	2.10	1.96	1.86	1.13	1.18	1.03	1.28	1.90

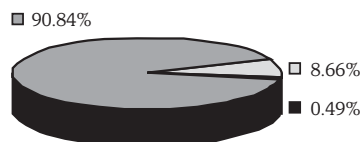
SOURCES AND APPLICATION OF FUNDS

(₹ in lacs)

SOURCES OF FUNDS	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
1. Generation from operations –						
Surplus/(Deficit) after taxes	31988	55718	32351	39357	32623	12576
Depreciation	6483	5564	4342	4144	3965	3416
Deferred Tax	3301	228	1053	116	—	—
	<u>41772</u>	<u>61510</u>	<u>37746</u>	<u>43617</u>	<u>36588</u>	<u>15992</u>
2. Borrowings (Net)	30661	43274	419	(1039)	1087	3022
3. Reduction in Working Capital	—	—	—	—	—	5707
4. Increase in Capital Reserve						
Others (Net)	80	50	(1)	(4)	—	—
	<u>72513</u>	<u>104834</u>	<u>38164</u>	<u>42574</u>	<u>37675</u>	<u>24721</u>
APPLICATION OF FUNDS						
1. Fixed Assets	50296	28040	16505	14289	3637	16234
2. Investments	2756	58936	(8171)	21393	24476	6511
3. Increase in Working Capital	14084	12463	25776	3288	6409	—
4. Dividend	5377	5395	4054	3604	3153	1976
	<u>72513</u>	<u>104834</u>	<u>38164</u>	<u>42574</u>	<u>37675</u>	<u>24721</u>

Statement of Sales by Activities 2010-2011

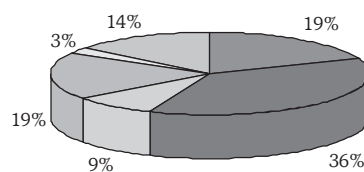
(₹ in lacs)



■ Cement : 219419.88 (90.84%)
□ Jute : 20925.53 (8.66%)
■ Others : 1192.30 (0.49%)

Revenue Distribution 2010-2011

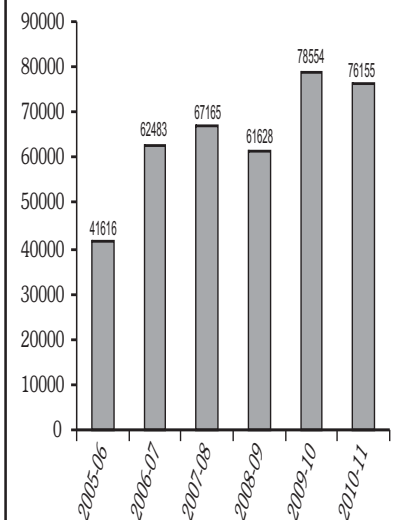
(₹ in lacs)



■ Raw Materials : 39302 (19.18%)
■ Manufacturing Expenses : 75939 (37.05%)
■ Payment to and Provisions for Employees : 17426 (8.50%)
■ Selling, Administration & Other Expenses : 38241 (18.66%)
■ Interest : 5263 (2.57%)
■ Excise Duty : 28795 (14.05%)

Contribution to National Exchequer 2010-2011

(₹ in lacs)



DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS

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, 2011.

(₹ in Crores)

	31st March, 2011	31st March, 2010
FINANCIAL RESULTS		
Gross Turnover	2415.38	2387.07
Income for the year	2264.20	2295.24
Gross Profit before interest	555.12	843.42
Interest Charge	52.63	26.97
Profit before Depreciation & Tax	502.49	816.45
Provision for		
i) Depreciation	64.84	55.64
ii) Taxation	117.78	203.63
Profit after Tax	319.87	557.18
Additions :		
Balance Brought Forward from last year	190.90	100.92
Surplus available for Appropriation	510.77	658.10
Appropriation:		
i) Debenture Redemption Reserve	16.50	13.25
ii) Interim Dividend	19.25	19.25
iii) Corporate Dividend Tax on Interim Dividend	3.20	3.27
iv) Proposed Final Dividend	26.95	26.95
v) Corporate Dividend Tax on proposed Final Dividend	4.37	4.48
vi) General Reserve	250.00	400.00
Balance transferred to Balance Sheet	190.50	190.90

DIVIDEND

The Company has paid an interim dividend of ₹ 2.50 per share (i.e. 25%) on ordinary shares during the year. Your Directors are pleased to recommend a final dividend of ₹ 3.50 per share (i.e. 35%) on ordinary shares for the year ended 31st March, 2011. Thus the aggregate dividend for the year ended 31st March, 2011 works out to ₹ 6.00 per share (60%) aggregating to ₹ 53.77 crores including Corporate Dividend Tax of ₹ 7.57 crores as compared to ₹ 53.95 crores (including Corporate Dividend Tax of ₹ 7.75 crores) in the previous year.

HIGHLIGHTS OF PERFORMANCE/EVENTS

During the year, the Company achieved its highest cement production of

5.93 million tonnes including blended cement at 5.12 million tonnes. The Waste Heat Recovery System (WHRS) projects of 15 MW (two systems of 7.5 MW each) at Satna and 7.5 MW at Chanderia were commissioned during the year. Jute Division registered its highest turnover and export of ₹ 205.52 crores and ₹ 70.43 crores respectively. The debottlenecking project undertaken at the clinker manufacturing units at Satna has been completed during the year. A Memorandum of Understanding with Assam Mineral Development Corporation (AMDC), a Government of Assam undertaking, has been signed to set up one-million ton greenfield cement plant at Umrangsu in the North Cachar Hills district, Assam through a Joint Venture Company.

1.1 CEMENT DIVISION :

(a) Industry Structure and Developments :

During 2010-11, the Indian economy saw acceleration in the pace of its growth due to a rebound in rural income with increase in agricultural production and a good industrial and service sector growth. With strong demand, robust consumption, savings and investment rates set to continue in 2011, the GDP growth projection for 2011-2012 is in excess of 8%.

However, the Indian cement industry has recorded its lowest growth in over a decade during the year. As against the expectation of 9 to 10% growth in the Financial Year 2010-11, the actual growth recorded was less than 5%. The lower growth was mainly on account of poor demand for the commodity throughout the year. After the Commonwealth Games held in Delhi in October, 2010, demand worsened, pulling down production and sales. The industry saw a growth of only 4.82% in its sales in the Financial Year 2010-11, which is less than half the 10.5% growth recorded in the Financial Year 2009-10. Dearth of major infrastructure projects coupled with extended monsoon did not let the demand rise. Regional political issues in the south and strikes by transporters in the northern part of the country impacted despatches. Almost 45 million tons of fresh capacity was added during the Financial Year 2010-11, taking the total capacity to approximately 300 million tons p.a. As a result of various delays in commissioning and ramp up of plants, this did not lead to a major imbalance until the first half of 2010. But during the latter period, average industry capacity utilisation fell to as low as 70%, and even lower in the southern region, which saw higher capacity additions.

Since the beginning of the year, the market rates of cement showed a downward trend and the situation worsened in the second and third quarters. From mid January, 2011 onwards the market rates started picking up on the back of renewed demand.

The decline in selling prices across all regions, coupled with increase in costs of major inputs like coal, slag, fly ash and gypsum led to an overall decline in profitability.

The industry has grown at a brisk pace during the past few years because of a boom in the infrastructure and housing markets. In view of the upcoming massive infrastructure projects, manufacturers are continuing to aggressively increase their production capacities and a 10.5% CAGR growth in cement production is expected during the period from 2012-2014.

(b) Review of performance :

The Company has earned a reputation for quality and reliability of its cement brands. Over the years, various innovative steps, including logistical planning, greater emphasis on blended cement and restructuring marketing zones helped the Company in achieving high operating margins. Though the Company had relatively old plants and higher manpower, it has over the last few years upgraded and expanded its plants and taken other cost cutting measures to improve operational efficiency which has resulted in this performance.

The details of production and despatches of cement and clinker of the Company are as follows :

	2010-11 (Lac Ts.)	2009-10 (Lac Ts.)	Change %
Clinker production	40.24	38.71	3.95
Cement production	59.26	56.98	4.00
Blended Cement	51.18	49.49	3.41
% of total cement production	86.37	86.86	(0.49)
Cement despatches	59.39	56.64	4.86

The operational performance of the cement plants of the company located in the States of West Bengal, Madhya Pradesh, Uttar Pradesh and Rajasthan was satisfactory and the division has achieved highest ever production of clinker as well as cement at 40.24 lac tons and 59.26 lac tons respectively during the year. The cement despatches during the year were also at all time high of 59.39 lac tons.

Production at Satna was lower because the Unit was under shut down for three months for upgradation work. The production of clinker at Chanderia Unit has gone up after the completion of capacity enhancement project during the year. The production at Durgapur plant continued to improve during the year following "Suspension of Operations" and subsequent implementation of the Voluntary Retirement Scheme (VRS) in the previous years.

The above performance is considered satisfactory in the backdrop of demand – supply mis-match as cement capacities exceeded cement consumption. Despite a mix of constraints such as prolonged monsoon, floods, transport bottlenecks at different times in different States, the Cement Division managed to maintain its growth momentum.

(c) Opportunities & Threats; Risks & Concerns :

It is expected that strong demand, robust consumption and savings and investment rates would help the country achieve the projected GDP growth rate of 8% during the Financial Year 2011-12.

The demand for cement is expected to improve in the Financial Year 2011-12 in view of the continued focus of the Central Government on various schemes like Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Indira Aawas Yojna, which are likely to be the drivers of growth for the industry. The National Highway Authority of India (NHAI) has plans to start road building activity with renewed vigour and its plans for building concrete roads, which are maintenance-free and have a longer useful life, offer tremendous scope for growth in cement demand. The private sector is also expected to increase its construction activity in the field of power plants, real estate, retail and low cost housing, which will add to the generation of demand.

While the growth outlook remains strong in the near term, there are number of headwinds facing the economy such as high inflation particularly in input prices, widening trade deficit and deceleration in corporate spending. Concerted and co-ordinated fiscal and policy measures are required to tackle these challenges head on.

The prices of major inputs namely Slag, Gypsum and Fly ash are likely to harden further, while the increase in petroleum prices and levy of Surcharge on railway freight would continue to impact freight costs. Besides, shortages in availability of railway wagons may impact despatches from the plants.

The depleting supply of linkage coal and the recent move of Coal India Limited to sell high-grade indigenous coal at international prices are likely to impact power and fuel costs. While the prices of Grade 'A' and 'B' coal have been increased by more than 150%, the prices of Grade 'C' and below have gone up by about 30%.

Cement, which is the basic material required for construction, continues to be more highly taxed than anywhere else in the world. In addition, the system is very complex and places a heavy compliance burden on the industry. The recent budgetary changes in the Excise Duty structure of cement pose fresh challenges for the industry. The introduction of GST and the new Direct Tax Code (DTC), hopefully in 2012, should bring the much needed simplification, making it easier to do business, as well as bring about a reduction in the overall administrative burden on the industry.

While these developments augur well for long term cement demand, in the short term the demand-supply imbalance as a result of the significant recent capacity additions is likely to widen further. Effective supply is expected to increase by approximately 30 million tons in the coming year, while demand may increase by around 20 million tons. Industry capacity utilisation will consequently remain relatively low for some time, and temporary pricing pressures may continue to surface from time to time across almost all regions.

(d) Outlook :

The Indian Cement industry has witnessed massive capacity additions of over 100 million tons during the past three to four years which has resulted in significant pressure on price realization and also on capacity utilization during 2010, with average national gross Cement prices correcting significantly. Driven by renewed demand and seasonal factors, prices have recovered from these exaggerated lows. However, with the rising surplus capacity over the next few quarters due to new expansions commencing operations, there is a concern on the capacity utilizations and on the sustainability of the sale realizations.

The increased thrust on infrastructure development by Government of India and the projected growth in the housing sector combined with the increasing per capita income and the favourable monsoon in the current year is expected to provide support to the cement prices and hedge against the transitory oversupply situation. With the initiatives taken by the Government of India for infrastructure development, cement demand is expected to rise further in 2011-12.

The long term outlook for the cement industry remains very positive. On one hand the government has ambitious plans for infrastructure investment, looking to accelerate spending to USD 1 trillion in the next five year plan period. On the other hand, sustained high growth should bring a significant increase in the demand for housing and commercial sectors.

The industry is likely to increase its growth momentum and register a growth in the range of 8 to 10% in cement production and consumption.

The high proportion of captive power, optimum road-rail mix for transportation, and higher proportion of blended cement in their product mix may help cement industry to partially offset the pressure on profitability due to rising input costs.

1.2 JUTE DIVISION :

(a) Industry Structure and Developments :

The jute industry occupies an important place in the national economy. It is one of the major industries in the eastern region, particularly in West Bengal. It supports nearly 4 million farm families, besides providing direct employment to about 2.6 lakh industrial workers and livelihood to another 1.4 lakh persons in the related sector and allied activities.

The production process in the Jute Industry goes through a variety of activities, which include cultivation of raw jute, processing of jute fibres, spinning, weaving, bleaching, dyeing, finishing and marketing of both the raw jute and its finished products. The Jute Industry is labour intensive and as such its labour output ratio is also high in spite of various difficulties being faced by the industry. Capacity utilization of the industry is around 75 per cent.

There are 77 composite jute mills in India, of which 60 jute mills are located in West Bengal, 3 each in Bihar and U.P., 7 in Andhra Pradesh and 1 each in Assam, Orissa, Tripura and Chhattisgarh.

Main products manufactured by Jute Industry are Sacking, Hessian, Carpet Backing Cloth, Yarn, Food Grade Products, Geo-textiles.

(b) Performance :

The Jute Division has turned around and sustained its operations after the management took various initiatives like setting up of Jute Waste – Based Boiler for processed steam requirement, import of spinning frames for higher productivity and installation of additional looms in the mill to enhance the weaving capacity.

The production during the year was 36952 MT as against 27300 MT in the preceding year. The production during the previous year was affected on account of industry-wide strike.

The Division recorded its highest ever turnover of ₹ 205.52 crores. The exports also touched the highest ever level of ₹ 70.43 crores as against ₹ 35.34 crores in the previous year.

Soorah Jute Mills is under suspension of operation.

(c) Opportunities and Threats; Risks and Concerns :

Jute products are environmental friendly and biodegradable. Jute products are widely used for packaging of food & edible items. Jute bags produced with vegetable oil is used for packaging of coffee, cocoa beans and other shelled nuts in Latin America, African and Far East countries. Many European countries have banned use of synthetic shopping bags. This offers a good opportunity to the jute industry to manufacture value-added products.

Duty free import of jute goods from Bangladesh is continuing unabated for last many years. Jute mills in Bangladesh enjoy cost advantage compared to Jute Mills in India, due to comparatively lower wage structure and government support.

The prices of Raw Jute has almost doubled over a period of last 2 years and so far the jute mills have been able to pass on the increase to end customers. However, it is becoming increasingly difficult to pass on the raw jute price increases to the end consumer since alternative synthetic packaging materials are much cheaper.

(d) Outlook :

The Met department has forecast a normal monsoon for the year 2011-12 and as such it is expected that quantum of jute crop in the ensuing year will be better than the current year. However, the quality will depend upon the weather condition prevailing at the time of harvesting.

The ongoing expansion, modernization and cost cutting measures taken by the management is expected to increase competitiveness of Jute Division. Positive results shown in the current year are likely to be sustained.

1.3 OTHER DIVISIONS :

The Vindhyachal Steel Foundry produces Iron and Steel Castings primarily for internal consumption. The total production of casting during the year was 1367 tonnes as against 1078 tonnes in the previous year.

The performance of Auto Trim Division has been adversely affected on account of lack of orders from the original equipment manufacturers. The division produced 21511 pcs. of door trims as compared to 64416 pcs. of door trims in the previous year.

Birla Vinoleum Unit of the Company continues to be under Lay-off on account of lack of demand of the product.

EXPANSION AND MODERNISATION

During the year under review, the Company has maintained its growth momentum by going ahead with its plans to set up a greenfield plant in Assam as well as brownfield projects and implementing several capacity enhancement, cost reduction and infrastructure development schemes.

All the debottlenecking projects undertaken at the clinker manufacturing units at Satna and Chanderia have been completed, the last project being commissioned in July, 2010. Operations at the units concerned have stabilized after the debottlenecking exercise. The Waste Heat Recovery System (WHRS) project of 7.5 MW each at Satna Cement Works and Chanderia Cement Works, were commissioned in October, 2010 and are functioning satisfactorily thereafter. Another 7.5 MW WHRS project at Birla Vikas Cement, Satna has been commissioned in February, 2011. Under the system, the Hot Waste Gases coming out of the pre-heater and clinker cooler, which is lost to the atmosphere, is used to generate power and the emission of Green House Gases (GHG) into the atmosphere is reduced substantially. Apart from substantial saving of power and fuel costs, the WHRS initiative may also result in fetching Clean Development Mechanism (CDM) benefits for the Company.

Progress of work on the 1.2 million ton brownfield project for increase of capacity at Chanderia and 0.6 million tons capacity addition at Durgapur

is satisfactory and the projects are likely to be commissioned by November-December, 2011. The expansion projects relating to replacement of old cement ball mills, one at Satna and the other at Chanderia, for increasing the cement grinding capacity and ensuring power saving are also progressing satisfactorily. With a view to optimise on the logistic costs, it is proposed to install a grinding cum-packing plant with a capacity of 7.5 lac tons p.a. at Kota, Rajasthan. At Raebareli Cement Works, the cement capacity is being expanded from 6.3 lac tons p.a. to 8 lac tons p.a. The Company is also implementing a coal washery project at Satna which will help to maintain the quality of coal required for cement production on a sustained basis.

After completion of all the expansion programmes, including the 1.20 million ton proposed capacity increase at Chanderia and 0.60 million tons proposed increase in Durgapur, the effective annual capacity of cement will stand enhanced to about 9.30 million tonnes. The Company has applied to the pollution control authorities to further increase the capacity at Chanderia by another 1.5 million tons which will take the total cement capacity of the Company to 10.8 million tons.

The Mining Plan for Bikram Coal Block, allotted to the Company in Madhya Pradesh, has been approved by the Standing Committee of the Ministry of Coal. Applications for Lease, Forest and Environmental Clearances have been submitted to the concerned authorities.

The Madhya Pradesh Government had recommended to the Union Ministry of Mines 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 by filing Revision Petitions in the Tribunal and an SLP in Supreme Court. 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. ₹ 1,200 crores.

The Company is implementing the ERP system in all its cement units, which will introduce best practices and improve the overall efficiency of the Company by augmenting its information technology capabilities.

GREENFIELD CEMENT PROJECT IN THE STATE OF ASSAM

On 13th January, 2011, the Company has signed a Memorandum of Understanding at Guwahati to set up a greenfield cement plant in joint venture with the Assam Mineral Development Corporation (AMDC), in the presence of Shri Tarun Gogoi, Chief Minister of Assam. The one-million ton cement plant, proposed to be set up at Umrangsu, in the North Cachar Hills district, Assam will involve an investment of ₹ 450 crores. Birla Corporation Limited, which has completed more than 50 years in the cement manufacturing business, was selected by AMDC along with another cement company through open bidding in which 23 companies participated.

CREDIT RATING

Credit Analysis and Research Limited (CARE) has re-affirmed "CARE AA+" (Double A Plus) rating for the Company's Long Term Bank facilities of ₹ 909 crores and PR 1 + (PR One Plus) rating for Short Term Bank facilities of ₹ 650 crores. Further, the rating Committee of CARE has re-affirmed "CARE AA+" (Double A Plus) for the Long Term Borrowing (including Non-Convertible Debentures) Programme of ₹ 500 crores and has re-affirmed PR 1 + (PR One Plus) rating for the Short Term Debt for ₹ 125 crores.

Further, CRISIL has also re-affirmed "P1+" (pronounced "P one plus") rating to the Company for ₹ 1250 million (₹ 125 crores) Short Term Debt

Programme (including Commercial Paper) and “AA+/Stable” (pronounced “double A plus with stable outlook”) rating in respect of Non-Convertible Debentures of ₹ 500 crores issued by the Company. This rating indicates high degree of safety with regard to timely payment of interest and principal on the instrument.

FINANCE

During the year the Company has raised funds through issue of Secured Redeemable Non-Convertible Debentures aggregating to ₹ 130 crores. The total amount of funds raised through Secured Redeemable Non-Convertible Debentures works out to ₹ 500 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 ₹ 761.55 crores (₹ 785.54 crores in 2009-10) 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

Shri B.R. Nahar, Executive Director & Chief Executive Officer of the Company, has been identified by the prestigious “*Businessworld*” magazine as India’s “Most Valuable CEO” amongst the country’s mid-sized cement companies. The Research Team of the magazine has decided the ranking based on factors such as sales, profit and stock price performances as well as the market capitalization of the Company.

Two teams from our Satna Unit namely “Pratigya” and “Ash” participated in the Regional Convention - Quality Circle held at Kanpur and both the teams won “Gold” Awards. After winning the Gold Award in the Regional Convention, team “Pratigya” participated in the National Convention of the Quality Circle Forum held at Vishakapatnam in which total 874 teams had participated and won the “Par Excellence” Award. This team has been recommended for participation in International Convention.

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, M. P. Birla Planetarium and

M. P. Birla Foundation Higher Secondary School, also in Kolkata, to name a few.

With a view to provide a road map for its CSR initiatives, the Company has formulated the CSR Policy. The purpose of CSR Policy is to devise an appropriate strategy and focus its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives.

Amongst the new projects being undertaken by M. P. Birla Group in this regard are Mumbai Hospital at Jaipur and M.P. Birla Hospital at Chittorgarh. The Company is actively associated financially and otherwise in the implementation of the philanthropic projects.

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

A) Conservation of Environment

Consistent efforts in promoting clean environment and making the environment eco-friendly have continued throughout the year. 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.

At Satna, for further improving the environmental performance, various steps have been taken during the year such as installation of Bag House with Kiln, upgradation of cooler ESP for efficiency improvement by providing one more field, installation of new Bag House in Ball Coal Mill and Vertical Coal Mill for emission control. All the emitting electrodes in the Kiln ESP were replaced to arrest its snapping and to ensure 100% field availability.

At Chanderia, water tankers, pumps and rain guns have been provided for pressurized spray in order to control dust pollution around mining area and roads. Measures have been taken for conservation of Limestone reserves. It is proposed to install beneficiation plant in the Financial Year 2011-12 for optimizing the extraction of limestone. It is taking various measures for harvesting and conservation of water.

On implementation of the Waste Heat Recovery System at Satna and Chanderia plants the Company uses the waste hot gases coming out of the pre-heater and clinker cooler to generate substantial power thereby reducing Green House Gases (GHG) emissions into the atmosphere. Further, to protect the environment, the Company has consumed 1.15 million tonnes of Fly ash during the year 2010-11 at various cement plants of the Company. This has resulted in reduction of clinker usage, which in turn reduced GHG emissions at our plants, without compromising on the quality and strength of cement.

Extensive plantations and gardening have been undertaken at Satna, Raebareli and Chanderia Units both in and around mining, plant and residential area.

B) Health Initiatives

Medical camps were organized for free medical treatment and free eye check-up for the benefit of villagers of surrounding areas in Satna unit. The medical officer and para-medical staffs also visited various villages every week for free medical check up, treatment and providing medicines. The Company sponsored/supported various programmes in the field of Pulse Polio vaccination and other related programmes organised by local authorities and other agencies. At Chanderia, Family Planning Camp at Rawatbhata and medical camps were organized at nearby places. At Durgapur, 10 nos. eye screening camps



were organised through M.P. Birla Eye Clinic and 1530 eye surgeries were undertaken during the year free of charge.

C) Education Initiatives

Our Plant at Satna supported a number of schools in the nearby areas by undertaking various initiatives such as carrying out the required construction work in the schools, providing bus facility for attending the school in city area to the children living in the surrounding villages of Satna, providing free stationery and sports materials, and organizing sports and other social activities in the villages surrounding our mining areas and nearby schools. 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 by the Satna Unit in nearby villages. The Unit also contributed to development and maintenance of infrastructure for water supply in the nearby villages. The Unit organised sports and various other social activities and functions. Contributions were made towards development of historical & religious place. At Chanderia Unit, regular maintenance and development of various gardens at Chittor was undertaken. The Unit made contributions to various social programmes such as Government's 'Total Sanitation Campaign for Nirmal Gram Scheme for 238 families' and Neera Smriti Sansthan's Meera Mahotsav. Supply of water as a draught relief measures in five Panchayat Samities covering 32 villages by deployment of 92 tankers per day was undertaken at Chanderia.

SUBSIDIARY COMPANIES

The Company has nine subsidiaries out of which the three subsidiaries namely, Thiruvaiyaru Industries Limited, Birla North East Cement Limited and New-Age Cement Limited are under the process of voluntary winding up. Therefore, the aforesaid three subsidiaries have not been considered in preparing the consolidated balance sheet.

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

In view of the general exemption from the applicability of Section 212(8) of the Companies Act, 1956 granted by the Ministry of Corporate Affairs vide its General Circular No.2/2011 dated 8th February, 2011, the Audited Statement of Accounts, the Reports of the Board of Directors and Auditors of the Subsidiary Companies are not annexed. 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 -

- (a) in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;

- (b) the accounting policies adopted in the preparation of the annual accounts have been applied consistently (read with notes as appearing in Schedule 23 on Accounting Policies and Notes on Accounts) and reasonable 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 2010-11 and of the profit for the year ended 31st March, 2011;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the year ended 31st March, 2011, 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.

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 corporate policies and procedures.

Internal Audit is conducted periodically across all locations and of all functions by firms of Chartered Accountants who verify 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.

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 Human Resource 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 9818 employees on its rolls as at the close of business hours on 31st March, 2011. Relations with the employees were cordial at all the Units barring suspension of operations since 29th March, 2004 at Soorah Jute Mills.

DIRECTORS

Shri Anand Bordia and Shri Pracheta Majumdar retire from the Board by rotation and being eligible, offer themselves for re-appointment.

Shri N.K. Kejriwal, who is also retiring by rotation has not offered himself for re-appointment on account of ill health and accordingly shall cease to be a Director upon conclusion of the ensuing Annual General Meeting. Shri Kejriwal has served as a Director on the Board of the Company for more than 44 years and the Board places on record its deep appreciation for the services rendered by him during his tenure.

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.

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 and fuels cost & availability, transportation costs, 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.

APPRECIATION

We wish to place on record our appreciation for the continued assistance and co-operation extended to the Company by the Government of India, State Governments, Financial Institutions and Banks, Dealers and Customers, Shareholders and to all others who are continuing their assistance to the Company.

HARSH V. LODHA	Chairman
PRACHETA MAJUMDAR	} Directors
VIKRAM SWARUP	
B. B. TANDON	
D. N. GHOSH	
DEEPAK NAYYAR	
M. K. SHARMA	
B. R. NAHAR	Executive Director & Chief Executive Officer
Kolkata,	
Dated, the 28th day of April, 2011	



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, 2011

	Auto Trim	Cement
A. Conservation of Energy		
a) Energy Conservation measures taken	Energy Conservation constantly monitored through improvising maintenance system and reducing distribution losses. Usage of Heaters optimized. — — — —	Energy Conservation continues to receive top priority. Energy consumption is being monitored online. A special Cell has been formed during the year for identifying areas for energy savings. Commissioning of Waste Heat Recovery System for Kiln and Cooler Hot Gases for Satna and Chanderis was completed successfully and generation started. Commissioning of energy efficient Intelligent Motor Control Centre (IMCC), Smart Field Instrumentation and Automation system was completed. Coal consumption reduced with commissioning of retrofit project of BVC kiln. New electronic panels of ESP of BVC kiln resulted in decreased electricity consumption and better pollution control. Solar street lights have been installed as a step towards use of Renewable Energy. Intelligent Flow Control Systems have been installed in Packing Compressors for reducing compressed air and electrical energy consumption.
b) Additional investment, proposals, if any	Installation of Automatic Power Factor Correction Capacitor Panel in the distributing system. — — — —	Installation of Roll Press in Cement Mill at Satna, Chanderia and Durgapur, Coal Mill VRM at Satna. Additional infrastructure facilities like coal, Gypsum and Fly Ash/slag unloading, storage and transportation, cement packing and clinker storage at Satna, Durgapur and Raebareli. Coal Washery project for Satna. Installation of equipment for energy efficient measures.
c) Impact	Enhancement of power factor leading to the reduction of total amperage and ultimately the cost of energy. — —	Plant upgradation at Raebareli to enhance grinding capacity by 1.20 LTPA. Capacity optimization and reduction of fuel and energy consumption and consequently reduction in the cost of production of Cement. Increase in Fly Ash 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. Technology Absorption		
e) Research & Development		
1) Specification of Technology absorption and/or R&D	Installation of Water Jet Cutting mechanism in the production process — — — — —	Actively collaborated with National Council for Cement & Building Materials (NCCBM), Institute of Mineral & Materials Technology (formerly RRL), Bhubaneswar for research & development. Participation in International and National conference/ seminars. Technology utilization of Cooler, Pre-heater Waste Gases for productive purpose through Waste Heat Recovery System supplied from China was successfully absorbed. 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.
2) Benefit	Improvement of quality through minimization of rejections and increased productivity would benefit the industry. — —	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.
3) Future Plan of Action	—	Promote usage of alternative fuels like industrial wastes to reduce manufacturing cost .

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.	—
Installation of Capacitor Bank for improvement in power factor.	Consumption monitored, maintenance systems improved and distribution losses were reduced.	—
Replacement of Tube light (50W) & Sodium Vapour lamps (250W) by CEL of 23W & 85W.	Commissioning of high temperature oil fired heat treatment furnace with oil quenching arrangement for improving the quality of grinding media.	—
Installation of energy efficient motors.	Replacement of old and obsolete mould and core dryer .	—
Installation/up gradation of condensate recovery system for steam line.	Installation of electrically operated mould and core dryer in place of coal based mould and core dryer to reduce defective castings.	—
	—	—
	—	—
Installation of energy efficient motors.	—	—
Installation of LED lights.	—	—
	—	—
	—	—
Reduction in power consumption.	Improved quality of grinding media	—
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
—	Latest technology for Grinding media hardening	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
Conservation of Energy	Conservation of Energy	—
—	Product quality improved	—
—	—	—
—	—	—



ANNEXURE

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	AUTO TRIM			CEMENT		
	Current Year (2010-11)	Previous Year (2009-10)		Current Year (2010-11)	Previous Year (2009-10)	
A. POWER & FUEL CONSUMPTION						
1. Electricity						
a) Purchase						
Unit in lacs (KWH)	2.16	2.51		1882.77	1563.3	
Total Amount - ₹ in lacs	12.31	13.61		9349.45	6844.05	
Cost / Unit in ₹	5.70	5.42		4.97	4.38	
b) Own Generation						
i) Through Diesel Generator						
Unit in lacs (KWH)	—	—		9.41	38.6	
KWH per Ltr. of Diesel Oil	—	—		3.21	3.57	
Cost / KWH in ₹	—	—		9.84	6.91	
ii) Through Steam						
Turbine/Generator						
Unit in lacs (KWH)	—	—		3599.45	4003.14	
KWH per Tonne of Coal	—	—		1013	1023	
Cost / Unit in ₹	—	—		2.19	1.83	
iii) Through Waste Heal Recovery System						
Unit in lacs (KWH)	—	—		174.47	—	
2. Coal : Grades - B, C, D & E						
Quantity in Tonnes						
a) Power Generation	—	—		355339	391241	
b) Process Steam	—	—		—	—	
c) Locos	—	—		—	—	
d) Kilns	—	—		619649	621695	
e) Others	—	—		5773	6671	
Total Cost - ₹ in lacs	—	—		33877.59	28769.03	
Average Rate in ₹ / Tn.	—	—		3454	2822	
3. Furnace Oil / Light Diesel Oil						
Quantity (K. Ltrs.)	—	—		99.70	605.92	
Total Amount - ₹ in lacs	—	—		26.15	134.95	
Average Rate in ₹ / K. Ltrs.	—	—		26230	22272	
	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	—	7.18	3.90	105-110	86 (for naked cement)	88
Furnace Oil / Light Diesel Oil in Ltrs.	—	—	—	—	0.131	0.062
Coal : Grades - B, C, D & E Consumption in Tn.						
Kilns	—	—		0.20-0.21	0.118	0.127
Coal Quality - Kilns (UHV)						
	—	—		—	5340	5132

JUTE			STEEL FOUNDRY			VINOLEUM		
	Current Year (2010-11)	Previous Year (2009-10)		Current Year (2010-11)	Previous Year (2009-10)		Current Year (2010-11)	Previous Year (2009-10)
	221.37	165.61		23.92	25.42		0.69	1.59
	1280.88	886.02		160.44	151.137		3.98	8.52
	5.79	5.35		6.71	5.95		5.78	5.35
	0.02	0.23		—	—		—	—
	2.34	2.44		—	—		—	—
	16.81	14.34		—	—		—	—
	—	10.00		—	—		—	0.02
	—	645		—	—		—	645
	—	6.98		—	—		—	6.98
	—	—		—	—		—	—
	—	1555		—	—		—	4
	—	56		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	5.7	53.26		264	264		—	0.12
				9.52	8.49			
	3202	3226		3606	3216		—	3226
	—	—		251.00	254.00		—	42
	—	—		73.34	63.86		—	8.46
	—	—		29219	25142		—	20002
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		
—	597	642	—	2088	2181	—	—	—
—	—	—	—	207.34	217.93	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—



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, 2011 in respect of employees in receipt of remuneration for the year aggregating not less than ₹ 60,00,000/- per year or ₹ 5,00,000/- per month

Sl. No.	Name	Designation / Nature of Duties	Gross Remuneration (₹)	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	1,19,81,758	B.Com, FCA	37	12.12.2002	59	Essar Investment Ltd. Mumbai. Executive Director 3 yrs.

Notes :

- *Employment with him is contractual.
- Gross Remuneration includes Salary, allowances, bonus, perquisites and company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund.
- He is not related to any Directors of the Company.
- He does not falls within the meaning of Section 217(2A)(a)(iii) of The Companies Act, 1956.

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 :

Meetings, attendance and agenda of the Board Meetings :

The strength of the Board of Directors as on 31st March, 2011 is Ten (10) out of which Seven (7) 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 is a Director.

During the year 5 Meetings of the Board of Directors of the Company were held i.e. on 22nd April, 2010, 21st July, 2010, 26th October, 2010, 9th December, 2010 and 24th January, 2011. The maximum time gap between any two consecutive meetings was not more than four months.

All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. The Executive Director & Chief Executive Officer and Chief Financial Officer make presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. Post meetings, important decisions taken are communicated to the concerned officials and departments.

The composition and category of the Directors on Board, their relationship with other Directors, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of Directorships and Committee Memberships /Chairmanships in other Companies and number of shares held by them as on 31st March, 2011 are as follows :

Name of Director	Category	No. of Board Meetings attended	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	5	Yes	1260*	15	2	2
Shri N.K. Kejriwal §	Independent Non-Executive	-	No	1009	4**	**	**
Smt. Nandini Nopany @	Independent Non-Executive	1	No	-	-	-	-
Shri Pracheta Majumdar	Non-Independent Non-Executive	5	Yes	500*	1	2	-
Shri Vikram Swarup	Independent Non-Executive	4	Yes	500*	3	-	-

Shri Anand Bordia	Independent Non-Executive	2	No	500*	3	1	1
Shri B.B. Tandon	Independent Non-Executive	5	No	500*	14	8	1
Shri D.N. Ghosh	Independent Non-Executive	4	No	500*	5	1	1
Shri Deepak Nayyar £	Independent Non-Executive	2	No	500*	2	2	2
Shri M. K. Sharma £	Independent Non-Executive	2	No	500*	4	2	1
Shri B.R. Nahar Executive Director & Chief Executive Officer	Executive	4	Yes	500*	3	-	-

§ Could not attend any meeting due to ill health.

@ Ceased to be a Director w.e.f. 29th June, 2010.

£ Shri Deepak Nayyar and Shri M.K. Sharma joined the Board on 22nd April, 2010.

* Shares held jointly with other shareholders.

** Based on the declaration received for the year ended 31st March, 2009 (declaration for the two consecutive years ended 31st March, 2010 and 31st March, 2011 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 other 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 could 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, and adequacy of the 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 i.e. on 22nd April, 2010, 21st July, 2010, 26th October, 2010, and 24th January, 2011. 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	1
Shri B.B. Tandon	Member	4

The Executive Director & Chief Executive Officer, Chief Financial Officer, Head of Internal 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 i.e. on 22nd April, 2010 and 21st July, 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	2
Shri Pracheta Majumdar	Member	2
Shri Anand Bordia	Member	1
Shri B.B. Tandon	Member	2

4.3 Details of remuneration paid/payable to the Directors during the financial year ended 31st March, 2011 :

(a) Executive Director & Chief Executive Officer :

(₹ in Lacs)

Name	Salary	Perquisites & Allowances*	Sitting Fees	Performance Linked Bonus	Total amount paid/ payable in 2010-11	Period of Service Contract
Shri B.R. Nahar	30.00	59.82	-	30.00	119.82	5 years w.e.f. 03.08.2009

* Including Retirement benefits.

(b) Non-Executive Directors :

(In Rupees)

Name	Sitting Fees
Shri Harsh V. Lodha	120000
Shri N.K. Kejriwal	-
Smt. Nandini Nopany	20000
Shri Pracheta Majumdar	240000
Shri Vikram Swarup	220000
Shri Anand Bordia	70000
Shri B.B. Tandon	200000
Shri D.N. Ghosh	80000
Shri Deepak Nayyar	40000
Shri M. K. Sharma	40000

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 During the year 2 meetings of the Share Transfer and Shareholders' / Investors' Grievance Committee of the Company were held i.e. on 26th October, 2010 and 24th January, 2011. The composition and

the attendance of Directors at these meetings are as under :

Name of Member	Status	No. of meetings attended
Shri Harsh V. Lodha	Chairman	2
Shri N.K. Kejriwal @	Member	-
Smt. Nandini Nopany \$	Member	-
Shri Pracheta Majumdar #	Member	2
Shri Vikram Swarup #	Member	2
Shri B.R. Nahar	Member	1

@ Ceased to be a member w.e.f. 21st July, 2010.

\$ Ceased to be a member w.e.f. 29th June, 2010.

Inducted as member w.e.f. 21st July, 2010.

5.3 In addition, the Share Transfer and Shareholders'/Investors' Grievance Committee approved 21 Resolutions by Circulation for effecting registration of transfer of shares and other issues concerning investor services during the year.

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

Further, all the requests for transfer of shares have also been processed in time and no transfer was pending for registration for more than 30 days as on 31st March, 2011.

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 Pracheta Majumdar	Member
Shri Vikram Swarup	Member
Shri B.R. Nahar	Member

The Committee of Directors met once during the year on 30th March, 2011 and was attended by all the members.

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

Year	Venue	Date	Time
2009-2010	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	29.06.2010#	10.30 A.M.
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.

The Annual General Meeting originally scheduled for 23rd June, 2010 was adjourned to 29th June, 2010.

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

8.2 At the Annual General Meeting held on 29th June, 2010 a Special Resolution has been passed pursuant to provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, for commencement of all or any of the businesses proposed in Sub-clauses (9A), (17E), (17L), (17M), (17N), (29) and (35) covered under the Object Clause 3. of the Memorandum of Association of the Company, as stated in the Postal Ballot Notice dated 22nd April, 2010.

No Special Resolutions were passed during the Annual General Meetings held on 27th October, 2009 and 30th July, 2008.

8.3 Postal Ballot :

Details of Resolutions passed through Postal Ballot, the persons who conducted the Postal Ballot exercise and details of the voting pattern :

During the year ended 31st March, 2011, the following resolutions were passed by the shareholders of the Company through Postal Ballot :

Postal Ballot Notice dated 22nd April, 2010 in respect of the following matters :

- 1) Special Resolution: Section 17 of the Companies Act, 1956 for amendment to the Object Clause of the Memorandum of Association of the Company.
- 2) Ordinary Resolution: Section 293(1)(a) of the Companies Act, 1956 for creation of security/charge.

Shri Anil Murarka, FCS, LL.B., Company Secretary in Whole-time Practice, Scrutinizer was appointed by the Board for conducting the Postal Ballot process. Based on the Scrutinizer's report the following results of the Postal Ballot were declared on 17th June, 2010 :

Particulars	Total Votes	Total Valid Votes Cast	Total Valid Votes cast in favour of the Resolutions	Total Valid Votes cast against the Resolutions
Resolution No. 1	60158147	59487098	51790834	7696264
Resolution No. 2	60156398	59485349	51785168	7700181

Both the Resolutions were passed with the requisite majority.

Details of Resolutions proposed to be passed through Postal Ballot :

The Company is seeking approval from its shareholders for passing the Special Resolutions under Section 17 and Section 149(2A) of the Companies Act, 1956, through Postal Ballot vide Notice dated 28th April, 2011 in accordance with the provisions of Section 192A of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for amendment to the Object Clause of the Memorandum of Association of the Company and commencement of new business.

The result of the Postal Ballot will be declared on 24th June, 2011 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 i.e. www.birlacorporation.com wherein all relevant information along with the financial results & shareholding patterns are available. As per the requirement of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern, etc. are also furnished to the Stock Exchanges. The Management Discussion & Analysis, part of the Directors' Report is covered in the Annual Report.

12. GENERAL SHAREHOLDERS' INFORMATION :

12.1 Annual General Meeting

Date and Time : 27th June, 2011, 10.30 A.M.
Venue : Kalpataru Uttam Mancha
10/1/1, Monohar Pukur Road
Kolkata - 700 026

12.2 Financial Calendar (tentative and subject to change)

1st Quarterly Results } Within 45 days of
2nd Quarterly/Half yearly Results } the end of the
3rd Quarterly Results } quarter
Audited yearly Results for the : Within 60 days of the end
year ending 31st March, 2012 of the Financial Year

12.3 Date of Book closure : 14th June, 2011 to
(both days inclusive) 27th June, 2011

12.4 Dividend Payment date : 7th July, 2011

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

12.6 ISIN Code for the Company's Ordinary Shares : INE340A01012

B. Debentures

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

12.7 ISIN Code for various series of Debentures is as under :

Secured Redeemable Non-Convertible Debentures Series-1 : INE340A07035
Secured Redeemable Non-Convertible Debentures Series-2 : INE340A07043
Secured Redeemable Non-Convertible Debentures Series-3 : INE340A07050
Secured Redeemable Non-Convertible Debentures Series-4 : INE340A07068

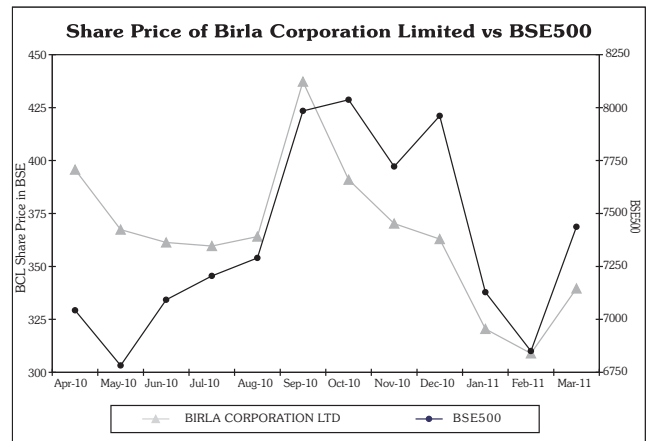
Annual Listing fees as prescribed, has been paid by the Company to the above Stock Exchanges for the financial year 2011-12.

12.8 Corporate Identity Number (CIN) : L01132WB1919PLC003334

12.9 Market Price Data during financial year 2010-2011 :

Month	Bombay Stock Exchange (in ₹)		National Stock Exchange (in ₹)	
	High	Low	High	Low
April, 2010	422.20	380.00	423.00	364.30
May, 2010	400.00	340.00	399.00	340.30
June, 2010	383.50	339.95	398.00	345.00
July, 2010	383.00	349.00	374.75	353.55
August, 2010	383.00	351.00	374.90	347.05
September, 2010	444.00	358.55	447.95	360.00
October, 2010	446.25	376.00	447.00	376.00
November, 2010	448.00	355.65	434.80	360.50
December, 2010	379.95	314.00	383.75	300.05
January, 2011	368.00	311.50	370.00	302.00
February, 2011	330.00	290.00	347.00	293.15
March, 2011	349.95	290.00	346.00	281.85

12.10 Stock Performance in comparison to broad-based indices :



12.11 Registrar & Share 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 : mcsca1@cal2.vsnl.net.in / mcsca1@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 (₹)
2010 - 2011 (Final)	27.06.2011 *	3.50
2010 - 2011 (Interim)	26.10.2010	2.50
2009 - 2010 (Final)	29.06.2010	3.50
2009 - 2010 (Interim)	23.10.2009	2.50
2008 - 2009	27.10.2009	4.50
2007 - 2008	30.07.2008	4.00
2006 - 2007	17.07.2007	3.50

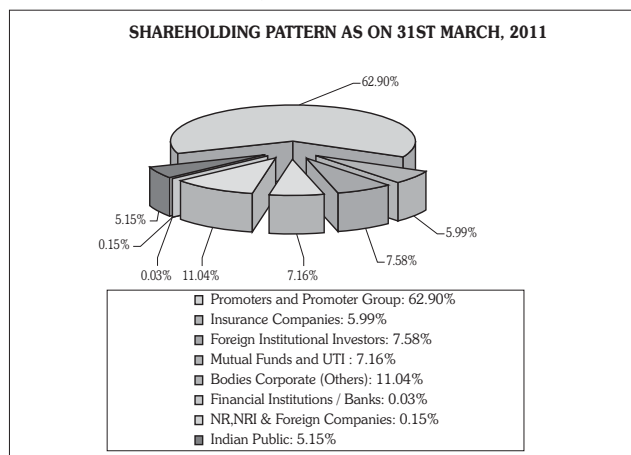
* Subject to approval of shareholders.

12.14 Distribution of shareholding as on 31st March, 2011 :

No. of ordinary shares held	No. of shareholders	% of shareholders	No. of Ordinary shares	% of shareholding
Upto 500	21151	94.68	1665392	2.16
501 to 1000	558	2.50	424429	0.55
1001 to 2000	285	1.28	413130	0.54
2001 to 3000	88	0.39	226370	0.30
3001 to 4000	51	0.23	183830	0.24
4001 to 5000	32	0.14	147630	0.19
5001 to 10000	41	0.18	271582	0.35
10001 & above	133	0.60	73672984	95.67
TOTAL	22339	100.00	77005347	100.00

12.15 Shareholding Pattern :

The shareholding of different categories of the shareholders as on 31st March, 2011 is given below :-



12.16 Dematerialisation of Shares and liquidity :

As on 31st March, 2011, 39.20% of the Company's total ordinary shares representing 30186600 shares were held in dematerialised form and 46818747 shares representing 60.80% of paid-up share capital were held in physical form.

12.17 Reconciliation of Share Capital Audit :

As stipulated by Securities and Exchange Board of India (SEBI), a practising Chartered Accountant carries out the Reconciliation of Share Capital 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) 3057 3700, 3041 0900
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

12.21 E-mail id pursuant to Green Initiative in the Corporate Governance :

For registering the email-id for receiving the notices/documents including Annual Reports of the Company electronically the following e-mail-id has been designated :
greeninitiative@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, 2011 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For **BIRLA CORPORATION LIMITED**

(B.R. NAHAR)

Executive Director &
Chief Executive Officer

Dated, the 28th April, 2011



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

28th April, 2011

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, 2011 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, 2011 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 to 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.

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
Dated, the 28th day of April, 2011

AUDITORS' REPORT

To the Members of
BIRLA CORPORATION LIMITED

We have audited the attached Balance Sheet of BIRLA CORPORATION LIMITED as at 31st March, 2011, 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;

- 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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, 2011;
 - b) In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For H. P. KHANDELWAL & CO.
Chartered Accountants

Rajiv Singhi
Partner

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

1B, Old Post Office Street,
Kolkata- 700 001
Date : the 28th day of April, 2011.

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. Further 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 four subsidiaries, the maximum balance outstanding at any time during the year and closing balance of such advances as on 31.03.11 were ₹ 298.80 Lacs and 204.36 lacs respectively. The advances to three subsidiaries have been adjusted during the year. Advance amounting to ₹ 204.36 lacs to one subsidiary will be realized / adjusted on implementation of the project. Accordingly clauses (b) and (c) of the Order are not applicable.
- (b) There was no overdue amount of more than ₹ 1 lac in respect of the above advance granted by the Company.
- (c) 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 ₹ 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 2011 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 :

Name of the Statute	Nature of Dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where pending
Sales Tax & VAT Laws	Sales Tax& VAT	700.62	1993-2008	Department/1st Appellate Authority
		1,477.61	1989-2008	Tribunals
		176.34	1993- 1994	Hon'ble High Court & above
Central Excise Act, 1944	Excise Duty	1,391.15	1980-2010	Department/1st Appellate Authority
		154.89	2008-2009	Tribunals
		42.55	1988-1999	Hon'ble High Court & above
Finance Act, 1944	Service Tax	72.56	2008-2010	Department/1st Appellate Authority
		314.21	2005-2010	Tribunals
Income Tax Act, 1961	Income Tax	4,102.73	2007-2008	Hon'ble High Court & above

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/charges have been created in respect of the debentures issued.
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

Rajiv Singhi
Partner

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

1B, Old Post Office Street,
Kolkata- 700 001
Date : the 28th day of April, 2011.



BALANCE SHEET as at 31st March, 2011

	Schedule	As at 31st March, 2011	(₹ in lacs) As at 31st March, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	7700.89	7700.89
Reserves and Surplus	2	<u>198090.71</u>	<u>171421.69</u>
		205791.60	179122.58
LOAN FUNDS			
Secured Loans	3	77063.90	51819.58
Unsecured Loans	4	<u>24515.12</u>	<u>19099.15</u>
		101579.02	70918.73
DEFERRED TAX LIABILITIES (NET)	5	11251.66	7951.03
TOTAL		<u>318622.28</u>	<u>257992.34</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	6	175132.32	143001.83
Less: Depreciation		<u>77591.19</u>	<u>73133.42</u>
Net Block		97541.13	69868.41
Capital Work in Progress		<u>48894.16</u>	<u>32776.69</u>
		146435.29	102645.10
INVESTMENTS	7	116920.91	114165.22
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	35960.47	28371.32
Sundry Debtors	9	4425.66	2214.57
Cash and Bank Balances	10	37106.43	33927.47
Loans and Advances	11	<u>28096.79</u>	<u>19662.35</u>
		105589.35	84175.71
Less :			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	12	45066.21	36499.03
Provisions	13	<u>5257.06</u>	<u>6494.66</u>
		50323.27	42993.69
NET CURRENT ASSETS		55266.08	41182.02
TOTAL		<u>318622.28</u>	<u>257992.34</u>
Accounting Policies & Notes on Accounts	23		

The Schedules and Notes on Accounts referred to herein form an integral part of the Balance Sheet As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.
Dated the 28th day of April, 2011

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

HARSH V. LODHA

Chairman

PRACHETA MAJUMDAR
VIKRAM SWARUP
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR
M. K. SHARMA

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

	Schedule	For the year ended 31st March, 2011	(₹ in lacs) For the year ended 31st March, 2010
INCOME			
Gross Sales	14	241537.71	238706.82
Less : Excise Duty		<u>28795.00</u>	<u>23004.04</u>
		212742.71	215702.78
Other Income	15	<u>13676.89</u>	<u>13820.73</u>
		<u>226419.60</u>	<u>229523.51</u>
EXPENDITURE			
(Increase)/Decrease in Stocks	16	(3498.30)	(2712.34)
Raw Materials Consumed	17	39296.14	28489.08
Purchases of Finished Goods		6.07	26.13
Manufacturing Expenses	18	79437.04	70111.26
Payments to and Provision for Employees	19	17426.11	14627.42
Selling, Administration and Other Expenses	20	38240.80	34639.72
Interest and Other Finance Charges	21	<u>5262.67</u>	<u>2697.23</u>
		<u>176170.53</u>	<u>147878.50</u>
Profit before Depreciation		50249.07	81645.01
Depreciation	22	<u>6483.32</u>	<u>5563.65</u>
Profit before Tax		43765.75	76081.36
Provision for Current Tax		8467.53	20125.00
Provision for Deferred Tax		3300.63	228.27
Provision for Wealth Tax		10.00	10.00
Profit after Tax		31987.59	55718.09
Balance brought forward from Previous Year		19089.78	10091.83
Profit available for appropriation		51077.37	65809.92
APPROPRIATIONS			
Debenture Redemption Reserve		1650.00	1325.00
Interim Dividend		1925.13	1925.13
Corporate Dividend Tax on Interim Dividend		319.74	327.18
Proposed Final Dividend		2695.19	2695.19
Corporate Dividend Tax on Proposed Final Dividend		437.23	447.64
General Reserve		25000.00	40000.00
Balance carried to Balance Sheet		<u>19050.08</u>	<u>19089.78</u>
		51077.37	65809.92
Weighted average number of Ordinary shares outstanding during the year		77005347	77005347
Basic and diluted earnings per share of ₹ 10/- each (in Rupees)		41.54	72.36
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 28th day of April, 2011

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

HARSH V. LODHA

PRACHETA MAJUMDAR
VIKRAM SWARUP
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR
M. K. SHARMA

Chairman

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer



CASH FLOW STATEMENT for the year ended 31st March, 2011

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. Cash Flow from Operating Activities:		
Profit before Tax	43765.75	76081.36
Adjustments for :		
Depreciation	6483.32	5563.65
Investing Activities (Net)	(10169.28)	(9562.53)
Adjustment for Capital Subsidy	—	(0.74)
Provision for Doubtful Debts	7.77	3.98
Excess Liabilities and Unclaimed Balances written back (Net)	(419.32)	(1368.75)
Unrealised Loss/(Gain) on Foreign Exchange	(375.64)	(402.32)
Interest Expenses	5262.67	2697.23
Operating Profit before Working Capital Changes	44555.27	73011.88
Adjustments for :		
Trade and Other Receivables	(2223.81)	(220.80)
Inventories	(7589.15)	(9083.41)
Loans and Advances	(5585.35)	(4078.46)
Trade Payables	8526.42	4438.30
Cash generated from operations	37683.38	64067.51
Direct Taxes Paid	(10894.98)	(19134.68)
Net Cash from/(used in) Operating Activities	26788.40	44932.83
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets including CWIP	(49851.30)	(28339.34)
Sale of Fixed Assets	506.24	337.88
Purchase of Investments (Net)	(1524.58)	(55549.31)
Decrease/(Increase) in Advances to Subsidiary Companies	(3.25)	(3.96)
Government Grant Received	80.32	51.05
Interest Received	5906.41	3553.72
Dividend Received	1284.34	2115.48
Net Cash from/(used in) Investing Activities	(43601.82)	(77834.48)
C. Cash Flow from Financing Activities :		
Proceeds from Long Term Borrowings	20447.22	40500.00
Repayments of Long Term Borrowings	(373.06)	(13023.98)
(Repayments)/Proceeds from Short Term Borrowings	10962.61	16205.12
Interest Paid (Includes amount capitalised ₹ 932.48 Previous Year ₹ 91.65)	(5656.69)	(2517.68)
Dividend Paid	(4620.32)	(5390.37)
Corporate Dividend Tax Paid	(767.38)	(916.10)
Net Cash from/(used in) Financing Activities	19992.38	34856.99
Net increase in Cash and Cash Equivalents	3178.96	1955.34
Cash and Cash Equivalents (Opening Balance)	33927.47	31972.13
Cash and Cash Equivalents (Closing Balance)	37106.43	33927.47

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 ₹ 90.31 (Previous Year ₹ 69.20) in Unpaid Dividend Account, ₹ 184.00 (Previous Year ₹ 1344.90) in Fixed Deposit Accounts pledged with Scheduled Banks, ₹ 132.00 (Previous Year ₹ 62.00) in Fixed Deposit Accounts earmarked for deposit under Rule 3A of the Companies (Acceptance & Deposit) Rules, 1975 and ₹ 0.10 (Previous Year ₹ 0.10) deposited with Mining Department.
- 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 28th day of April, 2011

GIRISH SHARMA
Vice President (Indirect Taxes)
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M. K. SHARMA

B. R. NAHAR

Chairman

Directors

Executive Director &
Chief Executive Officer

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date.

(₹ in lacs)

		As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 1 : SHARE CAPITAL			
	Authorised		
9,00,00,000	Ordinary Shares of ₹ 10/- each	9000.00	9000.00
10,00,000	Preference Shares of ₹ 100/- each	1000.00	1000.00
		<u>10000.00</u>	<u>10000.00</u>
	Issued		
7,70,13,416	Ordinary Shares of ₹ 10/- each	7701.34	7701.34
	Subscribed and Paid-up		
7,70,05,347	Ordinary Shares of ₹ 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	800.28	821.92
	Less : Adjustments in respect of sales/discard of Fixed Assets	0.33	—
		<u>799.95</u>	<u>821.92</u>
	Less : Transfer to Profit & Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	21.27	21.64
		778.68	800.28
ii)	Surplus on amalgamation –		
	As per last Account	105.08	105.08
iii)	Others -		
	As per last Account	101.55	51.24
	Add : Project Capital Subsidy received during the year	80.32	51.05
		<u>181.87</u>	<u>102.29</u>
	Less : Transfer to Profit and Loss Account	—	0.74
		<u>181.87</u>	<u>101.55</u>
		1065.63	1006.91
Debenture Redemption Reserve			
	As per last Account	1325.00	—
	Transferred from Profit & Loss Account	1650.00	1325.00
		2975.00	1325.00
General Reserve			
	As per last Account	150000.00	110000.00
	Add : Transferred from Profit & Loss Account	25000.00	40000.00
		<u>175000.00</u>	<u>150000.00</u>
Profit & Loss Account Balance			
		<u>19050.08</u>	<u>19089.78</u>
		<u>198090.71</u>	<u>171421.69</u>



	As at 31st March, 2011	As at 31st March, 2010
(₹ in lacs)		
SCHEDULE 3 : SECURED LOANS		
Debentures –		
1,300 9.05% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 13th October, 2020)	13000.00	—
1,500 9.10% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 29th March, 2020)	15000.00	15000.00
1,200 8.80% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 6th February, 2017)	12000.00	12000.00
1,000 8.65% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 4th March, 2015)	10000.00	10000.00
	50000.00	37000.00
Term Loans –		
Rupee Loan from Banks (Payable within one year ₹ NIL, Previous Year ₹ NIL)	3975.00	3975.00
Foreign Currency Loan from Bank (Payable within one year ₹ 744.65, Previous Year ₹ NIL)	7074.16	—
Working Capital Borrowings –		
Rupee Loan from Banks	9214.74	10844.58
Collateralised Borrowing and Lending Obligation	6800.00	—
	77063.90	51819.58
Security –		
Debentures are secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking pari-passu with other term lenders.		
Rupee 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 pari-passu with Debentures and other lender.		
Foreign Currency Loan from Bank is secured/to be secured by first charge on the movable and immovable fixed assets pertaining to Company's Cement Units at Chanderia (Rajasthan), ranking pari-passu with Debentures and other term lender.		
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.		
Collateralised Borrowing and Lending Obligation is secured by deposit of Government Securities.		
SCHEDULE 4 : UNSECURED LOANS		
Short Term Loans & Advances –		
From Banks - Buyers Credit and Packing Credit in Foreign Currency	15802.73	12301.87
Trade Deposits	7037.94	5862.79
Staff and Other Deposits	1548.39	808.43
	24389.06	18973.09
Other Loans & Advances –		
Deferred Payment of Sales Tax	126.06	126.06
	24515.12	19099.15
SCHEDULE 5 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	14922.66	10844.39
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	3271.14	2548.50
Others	399.86	344.86
	3671.00	2893.36
Deferred Tax Liabilities (Net)	11251.66	7951.03

SCHEDULE 6 : FIXED ASSETS

(₹ in lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/Value as at	Additions during	Deductions/ Adjustments	Cost/Value as at	Upto	Provided	Deductions/ Adjustments	Upto	As at	As at
	31st March, 2010	the year	during the year	31st March, 2011	31st March, 2010	during the year	during the year	31st March, 2011	31st March, 2011	31st March, 2010
Land										
Leasehold	1541.05	229.14	—	1770.19	1264.35	35.57	—	1299.92	470.27	276.70
Freehold	2184.28	481.68	—	2665.96	—	—	—	—	2665.96	2184.28
Sub Total :	3725.33	710.82	—	4436.15 (A)	1264.35	35.57	—	1299.92	3136.23	2460.98
Buildings	14596.24	490.06	32.02	15054.28 (A&B)	7175.17	326.95	25.79	7476.33 (B)	7577.95	7421.07
Plant & Machinery	119338.86	32536.00	2365.49	149509.37 (C)	61477.35	5839.34	1897.51	65419.18 (C)	84090.19	57861.51
Railway Sidings	1099.49	13.80	—	1113.29	529.83	31.28	—	561.11	552.18	569.66
Furniture & Office Equipment	2853.18	699.48	107.43	3445.23	2032.95	163.43	98.40	2097.98	1347.25	820.23
Livestock	14.76	—	3.02	11.74	—	—	—	—	11.74	14.76
Vehicles	1373.97	216.15	27.86	1562.26	653.77	108.02	25.12	736.67	825.59	720.20
Total :	143001.83	34666.31	2535.82	175132.32	73133.42	6504.59	2046.82	77591.19	97541.13	69868.41
Capital Work in Progress									48894.16	32776.69
Grand Total :									146435.29	102645.10
Previous Year :	135419.78	9840.29	2258.24	143001.83	69415.43	5585.29	1867.30	73133.42	69868.41	
									32776.69	
									102645.10	

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

(B) Includes ₹ 88.50 being cost of Silo on Leasehold Land and ₹ 88.50 being amortisation thereof up to 31st March, 2011.

(C) Includes ₹ 590.63 being cost of flyash handling system on Leasehold Land and ₹ 590.63 being amortisation thereof up to 31st March, 2011.

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



		(₹ in lacs)	
		As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 7 : INVESTMENTS - Other than trade (Unless otherwise stated)			
(At cost unless otherwise stated)			
No. of Shares / Securities/ Bonds Units			
A. Long Term			
FULLY PAID SHARES/SECURITIES			
(Face Value of ₹ 10/- each unless otherwise stated)			
GOVERNMENT SECURITIES¹			
QUOTED			
(Face Value of ₹ 100/- each)			
25,00,000	8.33% GOI 2036	2,718.75	2,718.75
5,00,000	7.35% GOI 2024	497.80	497.80
10,00,000	7.94% GOI 2021	1,047.50	1,047.50
1,00,000	6.90% GOI 2019	99.83	99.83
40,00,000	6.05% GOI 2019	3,791.15	3,791.15
		8155.03	8,155.03
UNQUOTED			
	National Savings Certificates (Face value of ₹ 7500/-)	0.08	0.08
	(Deposited with Government Departments as Security)		
EQUITY SHARES IN JOINT STOCK COMPANIES			
QUOTED			
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
600	Hindustan Media Ventures Ltd. (Formerly Behar Journals Ltd.)	0.03	0.03
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
6,362	Zenith Birla (I) Ltd. ^{2 & 3}	0.70	0.88
2,121	Birla Precision Technologies Ltd. ^{2 & 3} (Face Value of ₹ 2/- each)	0.18	—
		1,519.07	1,519.07
UNQUOTED			
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 ₹ 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
		5.93	5.93
EQUITY SHARES IN CO-OPERATIVE SOCIETIES - UNQUOTED			
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
EQUITY SHARES IN SUBSIDIARY COMPANIES - UNQUOTED			
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. (Under Liquidation)	5.00	5.00
40,00,000	Budge Budge Floor Coverings Ltd.	200.02	200.02
10,00,700	Lok Cements Ltd.	100.56	100.56
20,000	MP Birla Group Service Pvt. Ltd	2.00	2.00
50,000	New Age Cement Ltd. (Under Liquidation)	5.00	5.00
58,79,900	Talavadi Cements Ltd. - Trade	587.99	587.99
50,000	Thiruvaiyaru Industries Ltd. (Under Liquidation)	5.00	5.00
		913.57	913.57

(₹ in lacs)

As at 31st March, 2011

As at 31st March, 2010

SCHEDULE 7 : INVESTMENTS (Contd.)

PREFERENCE SHARES IN A JOINT STOCK COMPANY - UNQUOTED		
100	Elgin Mills Co. Ltd.	0.01
DEBENTURES - UNQUOTED		
52	1/2% Debentures of ₹ 100/- each in Woodlands Medical Centre Ltd.	0.05
BONDS - QUOTED		
(Face Value of ₹ 10,00,000/- each unless otherwise stated)		
40	9.70% IFCI Ltd.	400.00
	(40 bonds purchased during the year)	
32	9.70% IFCI Ltd.	320.00
	(32 bonds purchased during the year)	
20	9.55% IFCI Ltd.	200.00
	(23 bonds purchased and 3 bonds sold during the year)	
2	9.93% Sundaram Finance Ltd.	20.00
	(17 bonds purchased and 15 bonds sold during the year)	
—	9.80% Deutsche Postbank Home Finance Ltd.	250.00
	(25 bonds sold during the year)	
52,120	0% NABARD Bhavishya Nirman Bond (Face Value of ₹ 20,000/- each)	5,080.08
	(No bonds purchased / sold during the year)	
50	11.00% IDBI Bank Ltd.	552.10
	(No bonds purchased / sold during the year)	
50	11.00% Power Finance Corporation Ltd.	569.70
	(No bonds purchased / sold during the year)	
50	8.85% Canara Bank	505.50
	(No bonds purchased / sold during the year)	
50	8.90% Konkan Railway Corporation Ltd.	505.25
	(No bonds purchased / sold during the year)	
500	8.70% Power Finance Corporation	5,088.77
	(500 bonds purchased during the year)	
180	8.15% IDFC Ltd.	1,797.09
	(180 bonds purchased during the year)	
250	8.40% ONGC Videsh Ltd.	2,480.03
	(No bonds purchased / sold during the year)	
5,000	6.85% India Infra Finance Co. Ltd.	5,114.92
	(5000 bonds purchased during the year)	
50	11.35% IDBI Bank Ltd.	544.65
	(No bonds purchased / sold during the year)	
200	9.50% Exim Bank of India	2,042.40
	(No bonds purchased / sold during the year)	
250	7.60% Rural Electrification Corporation Ltd.	2,496.18
	(No bonds purchased / sold during the year)	
250	6.55% National Housing Bank	2,481.47
	(No bonds purchased / sold during the year)	
100	6.90% National Housing Bank	998.74
	(No bonds purchased / sold during the year)	
200	7.90% Rural Electrification Corporation Ltd.	2,009.04
	(No bonds purchased / sold during the year)	
250	9.20% Housing Development Finance Corporation Ltd.	2,585.61
	(No bonds purchased / sold during the year)	
100	7.00% Power Finance Corporation Ltd.	999.30
	(No bonds purchased / sold during the year)	
100	0% IDFC Ltd.	886.37
	(No bonds purchased / sold during the year)	
150	8.60% IDFC Ltd.	1,534.08
	(No bonds purchased / sold during the year)	
50	8.55% Power Finance Corporation Ltd.	471.65
	(No bonds purchased / sold during the year)	
		39,682.93
		26,992.15

		(₹ in lacs)	
		As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 7 : INVESTMENTS (Contd.)			
UNITS IN MUTUAL FUNDS			
(Units of ₹ 10/- each unless otherwise stated)			
QUOTED			
75,00,000	HDFC Mutual Fund 4 - "HDFC FMP 14M March 2010 - Series XII - Growth" (No units subscribed / redeemed during the year)	750.00	750.00
25,00,000	JPMorgan Mutual Fund - "JPMorgan India Fixed Maturity Plan 400D Series 1 - Growth" (2500000 units subscribed during the year)	250.00	—
50,00,000	Canara Robeco Mutual Fund - "Canara Robeco FMP - Series 5 - 13 M (Plan A) Growth" (No units subscribed / redeemed during the year)	500.00	500.00
30,00,000	Canara Robeco Mutual Fund - "Canara Robeco FMP - Series 6 - 13 M (Plan A) Growth" (3000000 units subscribed during the year)	300.00	—
1,00,00,000	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - 13 Months Series 5 - Growth" (No units subscribed / redeemed during the year)	1,000.00	1,000.00
20,00,358	Canara Robeco Mutual Fund - "Canara Robeco FMP - Series 6- 13 Months Plan (B)- Growth" (2000358 units subscribed during the year)	200.04	—
75,01,120	TATA Mutual Fund - "Tata Fixed Maturity Plan Series 29 Scheme B - Growth" (7501120 units subscribed during the year)	750.11	—
50,00,000	TATA Mutual Fund - "Tata Fixed Maturity Plan Series 29 Scheme C - Growth" (5000000 units subscribed during the year)	500.00	—
20,00,000	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series XIX Plan C - Growth Plan" (2000000 units subscribed during the year)	200.00	—
20,00,000	DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 12M Series 12 - Growth" (2000000 units subscribed during the year)	200.00	—
50,00,000	DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 12M Series 11 - Growth" (5000000 units subscribed during the year)	500.00	—
1,00,00,000	DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 12M Series 10 - Growth" (10000000 units subscribed during the year)	1,000.00	—
25,00,422	IDFC Mutual Fund 4 - "IDFC Fixed Maturity Plan - Yearly Series 36 - Growth" (2500422 units subscribed during the year)	250.04	—
20,00,000	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - Yearly Series 33 - Growth" (2000000 units subscribed during the year)	200.00	—
25,00,000	HDFC Mutual Fund - "HDFC FMP 370D March 2011 (2) - Series XVI - Growth" (2500000 units subscribed during the year)	250.00	—
25,09,808	HDFC Mutual Fund - "HDFC FMP 370D March 2011 (3) - Series XVI - Growth" (2509808 units subscribed during the year)	250.98	—
1,00,01,801	HSBC Mutual Fund - "HSBC Fixed Term Series 79 - Growth" (10001801 units subscribed during the year)	1,000.18	—
50,00,000	IDFC Mutual Fund 4 - "IDFC Fixed Maturity Plan - Yearly Series 35 - Growth" (5000000 units subscribed during the year)	500.00	—
21,10,391	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - Yearly Series 42 - Growth" (2110391 units subscribed during the year)	211.04	—
20,00,000	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan Series 34 - Growth" (2000000 units subscribed during the year)	200.00	—
50,00,000	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan Series 30 - Growth" (5000000 units subscribed during the year)	500.00	—
50,00,000	Kotak Mahindra Mutual Fund - "Kotak Fixed Maturity Plan 370 Days Series 3 - Growth" (No units subscribed / redeemed during the year)	500.00	500.00
20,00,000	SBI Mutual Fund - "SBI Debt Fund Series - 370 Days - 10 - Growth" (2000000 units subscribed during the year)	200.00	—
50,00,000	SBI Mutual Fund - "SBI Debt Fund Series - 370 Days - 9 - Growth" (5000000 units subscribed during the year)	500.00	—
50,00,000	SBI Mutual Fund 4 - "SBI Debt Fund Series - 370 Days - 6 - Growth" (5000000 units subscribed during the year)	500.00	—
75,00,000	Kotak Mahindra Mutual Fund 4 - "Kotak Fixed Maturity Plan 370 Days Series 10 - Growth" (7500000 units subscribed during the year)	750.00	—
46,93,088	UTI Mutual Fund 4 - "UTI Fixed Term Income Fund Series VIII (369 Days) - Growth Plan" (4693088 units subscribed during the year)	469.31	—

(₹ in lacs)

		As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 7 : INVESTMENTS (Contd.)			
UNITS IN MUTUAL FUNDS - QUOTED (Contd.)			
50,00,000	Reliance Mutual Fund - "Reliance Fixed Horizon Fund XIX - Series 11 - Growth Plan" (5000000 units subscribed during the year)	500.00	—
2,00,00,000	Reliance Mutual Fund 4- "Reliance Fixed Horizon Fund XVI - Series 2 - Growth Plan" (20000000 units subscribed during the year)	2,000.00	—
15,00,000	IDBI Mutual Fund - "IDBI FMP - 367 Days Series - I (February 2011) - B - Growth" (1500000 units subscribed during the year)	150.00	—
1,00,00,000	UTI Mutual Fund - "UTI Fixed Term Income Fund Series IX - I (367 Days) - Growth Plan" (10000000 units subscribed during the year)	1,000.00	—
50,00,000	IDFC Mutual Fund - "IDFC Fixed Maturity Plan - Yearly Series 40 - Growth" (5000000 units subscribed during the year)	500.00	—
75,02,077	Reliance Mutual Fund - "Reliance Fixed Horizon Fund XVI - Series 5 - Growth Plan" (7502077 units subscribed during the year)	750.21	—
30,00,000	Reliance Mutual Fund - "Reliance Fixed Horizon Fund XVII - Series 1 - Growth Plan" (3000000 units subscribed during the year)	300.00	—
20,00,000	Reliance Mutual Fund - "Reliance Fixed Horizon Fund XVII - Series 2 - Growth Plan" (2000000 units subscribed during the year)	200.00	—
50,00,000	Reliance Mutual Fund - "Reliance Fixed Horizon Fund XIX - Series 8 - Growth Plan" (5000000 units subscribed during the year)	500.00	—
50,00,000	IDFC Mutual Fund 4- "IDFC Fixed Maturity Plan - Yearly Series 37 - Growth" (5000000 units subscribed during the year)	500.00	—
50,00,000	ICICI Pru. Mutual Fund - "ICICI Prudential FMP Series 52 - 1 Yr. Plan A Cumulative" (No units subscribed / redeemed during the year)	500.00	500.00
50,00,000	ICICI Pru. Mutual Fund - "ICICI Prudential FMP Series 53 - 1 Yr. Plan F Cumulative" (5000000 units subscribed during the year)	500.00	—
50,00,000	ICICI Pru. Mutual Fund - "ICICI Prudential FMP Series 55 - 1 Yr. Plan B Cumulative" (5000000 units subscribed during the year)	500.00	—
50,00,000	DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 12M Series 18 - Growth" (5000000 units subscribed during the year)	500.00	—
50,04,496	DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 12M Series 15 - Growth" (5004496 units subscribed during the year)	500.45	—
47,70,000	DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 12M Series 14 - Growth" (4770000 units subscribed during the year)	477.00	—
1,00,00,000	DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 12M Series 13 - Growth" (10000000 units subscribed during the year)	1,000.00	—
1,00,00,000	DSP BlackRock Mutual Fund 4 - "DSP BlackRock FMP - 12M Series 9 - Growth" (10000000 units subscribed during the year)	1,000.00	—
50,00,000	JM Financial Mutual Fund - "JM Fixed Maturity Fund Series XIX Plan A - Growth Plan" (5000000 units subscribed during the year)	500.00	—
20,00,000	Birla Sun Life Mutual Fund - "BSL Fixed Term Plan Series CK - Growth" (2000000 units subscribed during the year)	200.00	—
25,00,000	Birla Sun Life Mutual Fund - "BSL Fixed Term Plan Series CM - Growth" (2500000 units subscribed during the year)	250.00	—
20,00,000	Birla Sun Life Mutual Fund - "BSL Fixed Term Plan Series CO - Growth" (2000000 units subscribed during the year)	200.00	—
		24,959.36	3,250.00
UNQUOTED			
7,200	UTI Mutual Fund - "UTI Master Share Unit Scheme-Dividend Plan-Payout" (No units subscribed / redeemed during the year)	0.60	0.60
19,23,965	UTI Mutual Fund - "UTI Dynamic Bond Fund - Growth Plan" (1923965 units subscribed during the year)	200.00	—
-	IDFC Mutual Fund - "IDFC Arbitrage Fund - Plan B - Growth" (24631285 units redeemed during the year)	—	2,977.93
-	JM Financial Mutual Fund - "JM Arbitrage Advantage Fund - Growth" (19973117 units redeemed during the year)	—	2,504.27
-	Kotak Mahindra Mutual Fund - "Kotak Equity Arbitrage Fund - Growth" (18663898 units redeemed during the year)	—	2,500.00
-	SBI Mutual Fund - "SBI Arbitrage Opportunities Fund Growth" (20405108 units redeemed during the year)	—	2,500.04
		200.60	10,482.84
		75,436.68	51,318.78
	Less : Provision for diminution in value of Long Term Investments	5.26	4.14
	Total Long Term Investment	75,431.42	51,314.64



		(₹ in lacs)	
		As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 7 : INVESTMENTS (Contd.)			
UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)			
B. Current			
CERTIFICATE OF DEPOSIT WITH SCHEDULED BANKS - UNQUOTED			
(Face Value of ₹ 1,00,000/- each)			
2,500	Punjab National Bank (5000 certificates purchased and 2500 certificates sold during the year)	2,296.41	—
2,500	Corporation Bank (2500 certificates purchased during the year)	2,320.42	—
2,500	State Bank of Patiala (2500 certificates purchased and 5000 certificates sold during the year)	2,326.37	4,869.87
2,500	IDBI Bank (2500 certificates purchased during the year)	2,343.78	—
2,500	Bank of Baroda (2500 certificates purchased during the year)	2,344.37	—
2,500	Bank of India (5000 certificates purchased and 2500 certificates matured during the year)	2,345.66	—
2,500	Oriental Bank of Commerce (2500 certificates purchased during the year)	2,346.61	—
1,000	State Bank of Hyderabad (3500 certificates purchased and 5000 certificates matured/sold during the year)	948.87	2,467.46
—	Canara Bank (7500 certificates matured/sold during the year)	—	7,394.07
—	Allahabad Bank (5000 certificates sold during the year)	—	4,945.86
		17,272.49	19,677.26
UNITS IN MUTUAL FUND			
(Unit of ₹ 10/- each unless otherwise stated)			
QUOTED			
20,00,000	SBI Mutual Fund - "SBI Debt Fund Series - 90 Days - 38 - Dividend" (2000000 units subscribed during the year)	200.00	—
		200.00	—
UNQUOTED			
1,03,21,979	Canara Robeco Mutual Fund - "Canara Robeco Income Fund - Growth" (No units subscribed / redeemed during the year)	2,000.08	2,000.08
—	Reliance Mutual Fund - "Reliance Quarterly Interval Fund - Series III - Institutional Dividend" (395817 units subscribed and 10392618 units redeemed during the year)	—	1,000.00
—	Reliance Mutual Fund - "Reliance Quarterly Interval Fund - Series II - Institutional Dividend" (204696 units subscribed and 20200297 units redeemed during the year)	—	2,000.00
—	Birla Sun Life Mutual Fund - "BSL Interval Income Fund - Inst. - Qtrly - Series 2 - Dividend" (58732 units subscribed and 5058732 units redeemed during the year)	—	500.00
—	Canara Robeco Mutual Fund - "Canara Robeco Interval Sr.- 2 - Quarterly Plan 2 - Inst. Dividend" (5000000 units redeemed during the year)	—	500.00
—	Kotak Mahindra Mutual Fund - "Kotak QIP Series 6 - Dividend Reinvestment" (56876 units subscribed and 10112052 units redeemed during the year)	—	1,005.52
2,58,15,719	Reliance Mutual Fund 4 - "Reliance Short Term Fund - Retail Plan - Dividend Plan" (1065946 units subscribed during the year)	2,771.27	2,658.11
86,95,280	Canara Robeco Mutual Fund 4 - "Canara Robeco Short Term Institutional Monthly Dividend Fund" (413015 units subscribed during the year)	874.13	832.34

		As at 31st March, 2011	As at 31st March, 2010
(₹ in lacs)			
SCHEDULE 7 : INVESTMENTS (Contd.)			
UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)			
3,29,93,822	HDFC Mutual Fund - "HDFC Short Term Plan - Dividend Reinvestment" (1330394 units subscribed during the year)	3,430.32	3,293.06
—	Kotak Mahindra Mutual Fund - "Kotak Bond (Short Term) - Monthly Dividend" (212856 units subscribed and 11405935 units redeemed during the year)	—	1,132.77
—	DSP BlackRock Mutual Fund -"DSP BlackRock Short Term Fund - Weekly Dividend" (158853 units subscribed and 15092035 units redeemed during the year)	—	1,520.43
99,01,362	Canara Robeco Mutual Fund 4 - "Canara Robeco Short Term Institutional Growth Fund" (No units subscribed / redeemed during the year)	1,000.43	1,000.43
1,53,29,614	DWS Mutual Fund 4 - "DWS Short Maturity Fund- Institutional - Weekly Dividend" (690901 units subscribed during the year)	1,597.21	1,525.34
45,77,608	DWS Mutual Fund 4 - "DWS Short Maturity Fund - Institutional - Growth" (No units subscribed / redeemed during the year)	500.06	500.06
—	HSBC Mutual Fund - "HSBC Income Fund Short Term Institutional Plus Weekly Dividend" (350797 units subscribed and 20807309 redeemed during the year)	—	2,058.15
50,00,713	Fidelity Mutual Fund - "Fidelity Short Term income Fund - Growth" (5000713 units subscribed during the year)	500.07	—
50,48,531	HSBC Mutual Fund - "HSBC Income Fund Short Term Institutional Plus Monthly Dividend" (5048531 units subscribed during the year)	504.85	—
2,45,25,030	ICICI Pru. Mutual Fund - "ICICI Pru. Insti. Short Term Plan - Div. Reinvestment Fortnightly" (913502 units subscribed during the year)	2,978.03	2,869.17
—	IDFC Mutual Fund - "IDFC Super Saver Income Fund - ST - Plan B - Fortnightly Dividend" (128748 units subscribed and 15706101 units redeemed during the year)	—	1,565.93
—	DSP BlackRock Mutual Fund -"DSP BlackRock Bond Fund - Regular Plan - Monthly Dividend" (307913 units subscribed and 13851606 units redeemed during the year)	—	1,512.73
—	JPMorgan Mutual Fund -"JPMorgan India Short Term Income Fund Monthly Div. - Reinvestment" (101911 units subscribed and 9976801 units redeemed during the year)	—	987.49
—	Birla Sun Life Mutual Fund -" BSL Ultra Short Term Fund - Institutional - Daily Dividend" (7106392 units subscribed and 13212583 units redeemed during the year)	—	610.95
29,99,550	UTI Mutual Fund -"UTI Fixed Income Interval Fund Annual Interval Plan IV - Inst.- Growth Plan" (2999550 units subscribed during the year)	300.00	—
—	Reliance Mutual Fund - "Reliance Monthly Interval Fund Series II Institutional Growth" (16105005 units redeemed during the year)	—	2,000.00
—	ICICI Pru. Mutual Fund -"ICICI Prudential Banking & PSU Debt Fund Weekly Dividend" (86548 units subscribed and 10127202 units redeemed during the year)	—	1,005.20
59,81,779	SBI Mutual Fund - "SBI Premier Liquid Fund - Super Institutional - Daily Dividend" (96561405 units subscribed and 90579626 units redeemed during the year)	600.12	—



		(₹ in lacs)	
		As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 7 : INVESTMENTS (Contd.)			
UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)			
49,37,829	Birla Sun Life Mutual Fund - "BSL Ultra Short Term Fund - Inst. - Fortnightly Div." (4937829 units subscribed during the year)	508.04	—
84,85,147	Birla Sun Life Mutual Fund - "BSL Cash Plus - Inst. Prem. - Daily Div. Reinvest." (177255850 units subscribed and 168770703 Units redeemed during the year)	850.17	—
—	Birla Sun Life Mutual Fund - "BSL Cash Manager - Institutional Plan - Growth" (4270493 units subscribed and 10846662 Units redeemed during the year)	—	1,012.00
1	Canara Robeco Mutual Fund - "Canara Robeco Liquid Super Inst. - Daily Div. Reinvest." (37485912 units subscribed and 37485911 units redeemed during the year)	—	—
—	Canara Robeco Mutual Fund - "Canara Robeco Treasury Advantage Retail Fund - Growth" (2801194 units redeemed during the year)	—	422.83
9,99,830	DWS Mutual Fund - "DWS Money Plus Fund - Institutional Plan - Growth" (999830 units subscribed during the year)	100.00	—
—	HDFC Mutual Fund - "HDFC Cash Management Fund - Treasury Advantage Plan - Growth" (21794433 units subscribed and 26471365 units redeemed during the year)	—	944.13
50,35,518	IDFC Mutual Fund - "IDFC Money Manager Fund - Investment Plan - Inst Plan B Monthly Div." (5035518 units subscribed during the year)	508.01	—
—	JM Financial Mutual Fund - "JM Money Manager Fund Super Plus Plan - Growth" (3851310 units redeemed during the year)	—	500.07
29,95,692	JM Financial Mutual Fund - "JM High Liquidity Fund Super Inst. Plan - Daily Div." (95485293 units subscribed and 92489601 units redeemed during the year)	300.06	—
—	Principal Mutual Fund - "Principal Floating Rate Fund FMP Institutional - Growth Plan" (6853552 units subscribed and 14401827 units redeemed during the year)	—	1,100.15
4,015	Reliance Mutual Fund - "Reliance Money Manager Fund - Retail - Growth" (No units subscribed and redeemed during the year, face value of ₹ 1000/- each)	50.00	50.00
—	Reliance Mutual Fund - "Reliance Medium Term Fund - Retail Plan - Growth" (27862323 units subscribed and 32841558 units redeemed during the year)	—	950.14
—	TATA Mutual Fund - "Tata Liquid Super High Inv. Fund - Appreciation" (17426 units subscribed and 76307 units redeemed during the year, F.V. of ₹ 1000/- each)	—	1,000.00
4,61,167	UTI Mutual Fund - "UTI Liquid Cash Plan Institutional - Daily Div. Reinvest." (3786576 units subscribed and 3325409 units redeemed during the year)	4,701.35	—
—	UTI Mutual Fund - "UTI Treasury Advantage Fund - Institutional Plan - Growth" (630548 units subscribed and 1058209 units redeemed during the year, F.V. of ₹ 1000/- each)	—	5,200.36
		24,074.20	43,257.44
	Less : Provision for diminution in value of Current Investments	57.20	84.12
	Total Current Investment	41,489.49	62,850.58
		1,16,920.91	1,14,165.22
	Aggregate Book Value of Quoted Investments	74,516.39	39,912.11
	Aggregate Book Value of Unquoted Investments	42,404.52	74,253.11
		1,16,920.91	1,14,165.22
	Aggregate Market Value of Quoted Investments	79,047.63	44,895.26

SCHEDULE 7 : INVESTMENTS (Contd.)

UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)

No. of Bonds

Number of Bonds purchased and sold during the year

(Face Value of ₹ 10,00,000/- each)

9.15% IDBI Bank Limited	50
9.50% State Bank of India (Face Value of ₹ 1,00,000/- each)	420
9.75% IFCI Limited	100
9.65% Yes Bank Limited	45
9.20% West Bengal Infra Dev. Fin. Corp.	50
9.20% Bank of Baroda - Perpetual	50

No. of Certificates

Number of Certificates of Deposits purchased and sold / matured during the year

(Face Value of ₹ 1,00,000/- each)

Axis Bank	2500
Central Bank of India	2500

Units of Mutual Funds subscribed and redeemed during the year

No. of Units

(Units of ₹ 10/- each)

Birla Sun Life Mutual Fund - "Birla Sun Life Savings Fund - Inst. - Growth"	2,02,57,510
Birla Sun Life Mutual Fund - "Birla Sun Life Savings Fund - Inst. - Daily Div. Reinvest."	4,50,39,104
Birla Sun Life Mutual Fund - "Birla Sun Life Cash Manager Inst. Prem. - Daily Div. Reinvest."	1,81,00,228
Birla Sun Life Mutual Fund - "Birla Sun Life Cash Plus - Inst. Prem. - Growth"	3,04,52,299
Birla Sun Life Mutual Fund - "Birla Sun Life Short Term Opport. Fund Inst. - Weekly Div. Reinvest"	50,64,617
Birla Sun Life Mutual Fund - "Birla Sun Life Ultra Short Term Fund Inst. - Growth"	41,81,343
Birla Sun Life Mutual Fund - "Birla Sun Life Floating Rate Fund LT Inst. - Weekly Div. Reinvest."	50,22,713
Canara Robeco Mutual Fund - "Canara Robeco Treasury Adv. Super Inst. Daily Div. Reinvest."	26,12,334
DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 3M Series 23 - Growth"	1,00,00,000
DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 3M Series 21 - Dividend"	40,00,000
DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 3M Series 20 - Dividend"	20,00,000
DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 3M Series 19 - Dividend"	1,00,00,000
DSP BlackRock Mutual Fund - "DSP BlackRock FMP - 3M Series 18 - Dividend"	1,00,00,000
DWS Mutual Fund - "DWS Ultra Short Term Fund - Inst. - Daily Div. Reinvest."	1,34,72,155
DWS Mutual Fund - "DWS Insta Cash Plus Fund - Inst. Plan - Daily Div. Reinvest."	12,74,923
DWS Mutual Fund - "DWS Insta Cash Plus Fund - Super Inst. Plan - Daily Div. Reinvest."	5,02,08,845
DWS Mutual Fund - "DWS Insta Cash Plus Fund - Super Inst. Plan - Growth"	32,28,436
Fidelity Mutual Fund - "Fidelity Cash Fund - Inst. - Daily Div. Reinvest."	79,99,037
Fidelity Mutual Fund - "Fidelity Ultra Short Term Debt Fund - Super Inst. - Daily Div. Reinvest."	20,04,003
Franklin Templeton Mutual Fund - "Templeton India Ultra Short Bond Fund - Super Inst. Plan - Daily Div. Reinvest."	75,15,288
HDFC Mutual Fund - "HDFC Cash Mgt. Fund Treas. Adv. Plan - Wholesale Daily Div. Reinvest."	1,83,43,980
HDFC Mutual Fund - "HDFC Cash Mgt. Fund Savings Plan - Growth"	4,01,45,752
HDFC Mutual Fund - "HDFC Cash Mgt. Fund Savings Plan - Daily Div. Reinvest."	3,84,86,043
HDFC Mutual Fund - "HDFC FMP 100D August 2010 (2) Div.- Series XIV - Div."	50,00,000
HSBC Mutual Fund - "HSBC Cash Fund Inst. Plus - Daily Div. Reinvest."	2,37,93,321
HSBC Mutual Fund - "HSBC Flexi Debt Fund - Inst. - Monthly Div."	19,18,053
HSBC Mutual Fund - "HSBC Floating Rate - LT Plan - Inst. - Weekly Div."	44,68,535
ICICI Pru. Mutual Fund - "ICICI Pru. Blended Plan B Div. - Option I"	27,35,855
ICICI Pru. Mutual Fund - "ICICI Pru. Interval Fund - Monthly Interval Plan I - Inst. Growth"	1,00,91,996
ICICI Pru. Mutual Fund - "ICICI Pru. Interval Fund III- Quarterly Interval Plan - Inst. Growth"	50,02,247
IDFC Mutual Fund - "IDFC Ultra Short Term Fund - Monthly Dividend"	1,51,32,584
IDFC Mutual Fund - "IDFC Cash Fund - Super Inst. Plan C - Daily Div. Reinvest."	8,77,84,166
IDFC Mutual Fund - "IDFC Cash Fund - Super Inst. Plan C - Growth"	3,27,08,853
IDFC Mutual Fund - "IDFC Money Manager Fund - TP - Super Inst. Plan C - Daily Div. Reinvest."	4,97,86,409
IDFC Mutual Fund - "IDFC Money Manager Fund - TP - Super Inst. Plan C - Growth"	2,00,14,419
JM Financial Mutual Fund - "JM High Liquidity Fund - Super Inst. Plan - Growth"	22,37,166
JM Financial Mutual Fund - "JM Money Manager Fund - Super Plus Plan - Daily Div. Reinvest."	4,95,31,547
JM Financial Mutual Fund - "JM Money Manager Fund - Regular Plan - Daily Div. Reinvest."	40,52,847
JM Financial Mutual Fund - "JM Money Manager Fund - Super Plan - Fortnightly Daily "	40,29,334
JPMorgan Mutual Fund - "JPMorgan India Liquid Fund - Super Inst. - Daily Div. Reinvest."	5,82,31,986
JPMorgan Mutual Fund - "JPMorgan India Liquid Fund - Super Inst. - Growth"	40,78,470



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 ₹ 10/- each)

JPMorgan Mutual Fund - "JPMorgan India Liquid Fund - Retail . - Daily Div. Reinvest"	74,933
JPMorgan Mutual Fund - "JPMorgan India Treasury Fund - Super Inst. - Daily Div. Plan Reinvest."	2,95,83,878
JPMorgan Mutual Fund - "JPMorgan India Treasury Fund - Super Inst. - Growth"	40,46,164
Kotak Mahindra Mutual Fund - "Kotak Liquid (Inst. Premium) - Daily Div."	3,93,04,334
Kotak Mahindra Mutual Fund - "Kotak Floater Short Term - Daily Div."	29,67,181
Kotak Mahindra Mutual Fund - "Kotak Floater Long Term - Daily Div."	5,95,26,264
Kotak Mahindra Mutual Fund - "Kotak Flexi Debt Scheme Inst. - Daily Dividend"	12,04,734
Kotak Mahindra Mutual Fund - "Kotak Quarterly Interval Plan Series - 1 - Dividend"	57,21,333
Kotak Mahindra Mutual Fund - "Kotak FMP 6M Series 9 - Dividend"	1,10,00,000
Peerless Mutual Fund - "Peerless Liquid Fund - Inst. - Daily Div. Reinvest."	6,34,16,087
Peerless Mutual Fund - "Peerless Liquid Fund - Super Inst. - Daily Div. Reinvest."	6,33,42,843
Peerless Mutual Fund - "Peerless Liquid Fund - Super Inst. - Growth"	40,42,854
Peerless Mutual Fund - "Peerless Ultra Short Term Fund Inst. - Daily Div. Reinvest."	2,48,50,943
Principal Mutual Fund - "Principal Near Term Fund Conservative Plan - Daily Div. Reinvest."	1,16,03,490
(Formerly : "Principal Floating Rate Fund Flexible Maturity Plan Dividend Reinvestment Daily")	
Principal Mutual Fund - "Principal Income Fund - Short Term Plan - Growth"	1,29,56,875
(Formerly : "Principal Income Fund Short Term Inst. Plan - Growth Plan")	
Principal Mutual Fund - "Principal Cash Mgt. Fund - Div.Reinvest. Daily"	3,47,49,698
(Formerly : "Principal Cash Mgt. Fund - Inst. Prem. Plan Div. Reinvest. Daily")	
Principal Mutual Fund - "Principal Cash Mgt. Fund - Growth"	69,69,467
(Formerly : "Principal Cash Mgt. Fund - Inst. Prem. Plan - Growth Plan")	
Reliance Mutual Fund - "Reliance Fixed Horizon Fund - XV Series - 1 Div. Payout"	30,00,000
Reliance Mutual Fund - "Reliance Fixed Horizon Fund - XV Series - 2 Div. Plan"	50,00,000
Reliance Mutual Fund - "Reliance Liquid Fund Cash Plan - Div. Plan"	2,73,82,150
Reliance Mutual Fund - "Reliance Liquid Fund Cash Plan - Growth Optin - Growth Plan"	32,14,194
Reliance Mutual Fund - "Reliance Liquid Fund - Treasury Plan Inst. Opt. - Daily Div."	3,68,14,797
Reliance Mutual Fund - "Reliance Liquid Fund - Treasury Plan Inst. Opt. - Growth Option"	63,70,868
Reliance Mutual Fund - "Reliance Liquidity Fund - Daily Div. Reinvest."	4,67,96,981
Reliance Mutual Fund - "Reliance Liquidity Fund - Growth Option"	2,80,57,377
Reliance Mutual Fund - "Reliance Interval Fund - Quarterly Plan - Series-I Inst. - Growth"	40,04,801
Reliance Mutual Fund - "Reliance Monthly Interval Fund - Series-I Inst. - Div. Plan"	52,34,662
Reliance Mutual Fund - "Reliance Monthly Interval Fund - Series-II Inst. - Div. Plan"	50,20,015
Reliance Mutual Fund - "Reliance Medium Term Fund - Daily Div. Plan"	3,61,59,230
SBI Mutual Fund - "SBI Premier Liquid Fund Inst. - Growth"	12,57,349
SBI Mutual Fund - "SBI Premier Liquid Fund Super Inst. - Growth"	2,19,75,833
SBI Mutual Fund - "SBI-SHF- Ultra Short Term Fund - Inst. Plan - Daily Div. Reinvest."	4,66,74,538
SBI Mutual Fund - "SBI-SHF- Ultra Short Term Fund - Inst. Plan - Growth"	80,14,819
SBI Mutual Fund - "SBI Debt Fund Series - 180 Days - 11 - Dividend"	1,00,00,000
TATA Mutual Fund - "TATA Floater Fund - Daily Div. Reinvest."	49,89,712
UTI Mutual Fund - "UTI Fixed Income Interval Fund - Monthly Interval Plan Sr - I Inst. Div. Plan Reinvest."	1,00,49,731
UTI Mutual Fund - "UTI Fixed Income Interval Fund - Monthly Interval Plan - II Inst. Div. Plan Reinvest."	1,00,44,865
UTI Mutual Fund - "UTI Fixed Income Interval Fund - Monthly Interval Plan - II Inst. Growth Plan"	99,49,853
UTI Mutual Fund - "UTI Fixed Income Interval Fund - Series - II Quarterly Interval Plan - IV - Inst. Growth Plan"	60,00,000
UTI Mutual Fund - "UTI Fixed Income Interval Fund - Series - II Quarterly Interval Plan - V - Inst. Div. Plan"	50,67,907
UTI Mutual Fund - "UTI Fixed Income Interval Fund - Series - II Quarterly Interval Plan - VI - Inst. Div. Plan"	50,73,006
UTI Mutual Fund - "UTI Fixed Income Interval Fund - Series - II Quarterly Interval Plan - VII - Inst. Growth Plan"	1,00,00,000
(Units of ₹ 100/- each)	
ICICI Pru. Mutual Fund - "ICICI Pru. Flexible Income Plan Premium Daily Div."	16,68,519
ICICI Pru. Mutual Fund - "ICICI Pru. - Flexible Income Plan Premium - Growth"	26,15,655
ICICI Pru. Mutual Fund - "ICICI Pru. Liquid Super Inst. Plan - Daily Div. Reinvest."	98,80,299
ICICI Pru. Mutual Fund - "ICICI Pru. Liquid Super Inst. Plan - Growth"	68,18,731
(Units of ₹ 1000/- each)	
Axis Mutual Fund - "Axis Liquid Fund Inst. Daily Div. Reinvest."	1,84,546
Axis Mutual Fund - "Axis Treasury Advantage Fund Inst. Daily Div. Reinvest."	13,730
DSP BlackRock Mutual Fund - "DSP BlackRock Liquidity Fund - Inst. Plan - Growth"	1,47,225
DSP BlackRock Mutual Fund - "DSP BlackRock Liquidity Fund - Inst. Plan - Daily Div. Reinvest."	4,22,956
DSP BlackRock Mutual Fund - "DSP BlackRock Floating Rate Fund - Inst. Plan - Growth"	37,670
DSP BlackRock Mutual Fund - "DSP BlackRock Money Manager Fund - Inst. Plan - Daily Div. Reinvest."	1,42,813
Franklin Templeton Mutual Fund - "Templeton India Treasury Management Account Super Inst. - Growth"	36,535

SCHEDULE 7 : INVESTMENTS (Contd.)

UNITS IN MUTUAL FUNDS - UNQUOTED (Contd.)

Units of Mutual Funds subscribed and redeemed during the year (Contd.)

(Units of ₹ 1000/- each)

	No. of Units
Franklin Templeton Mutual Fund - "Templeton India Treasury Management Account Super Inst. - Daily Div. Reinvest"	5,25,261
Reliance Mutual Fund - "Reliance Money Manager Fund - Inst. Opt. - Daily Div."	1,12,510
Reliance Mutual Fund - "Reliance Money Manager Fund - Inst. Opt. - Growth"	60,994
TATA Mutual Fund - "TATA Liquid - Super High Invest. Fund - Daily Div. Reinvest."	3,62,643
UTI Mutual Fund - "UTI Treasury Advantage Fund - Inst. Plan - Daily Div. Reinvest."	10,28,503
UTI Mutual Fund - "UTI Liquid Cash Plan Inst. - Growth"	8,09,530
UTI Mutual Fund - "UTI Floating Rate Fund Short Term Plan - Inst. - Daily Div."	61,900
UTI Mutual Fund - "UTI Floating Rate Fund Short Term Plan - Inst. - Growth"	1,88,972
UTI Mutual Fund - "UTI Floating Rate Fund Short Term Plan - Inst. - Weekly Div."	2,50,923

Notes :

1. Deposited against Collateralized Borrowing and Lending Obligation.
2. 1060 no. of bonus shares allotted during the year.
3. Shares of Birla Precision Technologies Ltd allotted in terms of scheme of arrangement with Zenith Birla (I) Ltd.
4. Lien marked in favour of Banks.

SCHEDULE 8 : INVENTORIES

(As valued and certified by the Management)

Stores, Spare Parts etc. (See Note No. 6 in Schedule 23)

	As at 31st March, 2011	As at 31st March, 2010
Machinery Spares not in regular use	18857.63	13764.42
	1752.78	1532.82
	20610.41	15297.24
Stock-in-Trade –		
Finished Goods	7388.11	5659.82
Raw Materials	2289.09	3616.67
Materials under Process	5672.86	3797.59
	15350.06	13074.08
	35960.47	28371.32

SCHEDULE 9 : SUNDRY DEBTORS

Debts outstanding for a period exceeding six months

Secured, Considered Good	120.77	104.65
Unsecured, Considered Good	138.57	149.57
Unsecured, Considered Doubtful	520.02	512.25
	779.36	766.47
Other Debts		
Secured, Considered Good	336.41	271.32
Unsecured, Considered Good	3829.91	1689.03
	4166.32	1960.35
	4945.68	2726.82
Less : Provision	520.02	512.25
	4425.66	2214.57



	As at 31st March, 2011	(₹ in lacs) As at 31st March, 2010
SCHEDULE 10 : CASH AND BANK BALANCES		
Cash Balance in hand		
(Includes Cheques & Drafts in hand ₹ 1394.23, Previous Year ₹ 1156.82)	1411.93	1175.68
Bank Balances -		
With Scheduled Banks -		
In Current Accounts		
(Includes remittances in transit ₹ 782.06, Previous Year ₹ 549.83)	1236.51	863.65
" Unpaid Dividend Accounts	90.31	69.20
" Fixed Deposit Accounts		
(Includes accrued interest ₹ 2768.20, Previous Year ₹ 1901.42)	34367.68	31818.94
(Includes ₹ 184.00, Previous Year ₹ 1344.90 pledged with Scheduled Banks, ₹ 132.00, Previous Year ₹ 62.00 earmarked for deposit under Rule 3A of the Companies (Acceptance & Deposit) Rules, 1975 and ₹ 0.10, Previous Year ₹ 0.10 deposited with Mining Department)	35694.50	32751.79
	<u>37106.43</u>	<u>33927.47</u>
SCHEDULE 11 : LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances to Subsidiary Companies	204.36	201.11
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)	126.36	108.95
" Others, considered Good	18955.11	16450.03
" Others, considered Doubtful	9.17	9.17
	19090.64	16568.15
Advance Tax (including TDS) (Net of provisions)	1115.98	
Interest accrued on Investments	2501.14	771.28
Deposits -		
Balances with Customs, Port Trust & Others	5193.84	2130.98
	28105.96	19671.52
Less : Provision	9.17	9.17
	<u>28096.79</u>	<u>19662.35</u>
SCHEDULE 12 : CURRENT LIABILITIES		
Current Liabilities -		
Sundry Creditors -		
For Goods	6584.72	5275.06
" Expenses (Includes ₹ 0.07, Previous Year ₹ NIL to Subsidiary Company)	26123.72	21074.14
(Includes ₹ Nil, Previous Year ₹ NIL to Micro Enterprises and Small Enterprises)	32708.44	26349.20
Investor Education and Protection Fund shall be credited by the following amounts namely # :		
Unpaid and unclaimed dividends	90.31	69.20
# No amount was due for deposit as on 31st March, 2011		
Other Liabilities	11397.28	9748.91
Interest accrued but not due on Loans	870.18	331.72
	<u>45066.21</u>	<u>36499.03</u>

	As at 31st March, 2011	As at 31st March, 2010
(₹ in lacs)		
SCHEDULE 13 : PROVISIONS		
Provision for Taxation (Net of Payments)	—	1301.47
Proposed Dividend	2695.19	2695.19
Corporate Dividend Tax	437.23	447.64
Employee Benefits	2124.64	2050.36
	<u>5257.06</u>	<u>6494.66</u>
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 14 : SALES		
Sale of Goods (Includes Export Sales ₹ 10312.16, Previous Year ₹ 7275.17)	239170.02	237031.19
Own Consumption	1502.60	1119.47
Export Benefits	293.23	189.47
Miscellaneous	571.86	366.69
	<u>241537.71</u>	<u>238706.82</u>
SCHEDULE 15 : OTHER INCOME		
Income on Investments		
Other than Trade (Gross)		
Interest (Includes ₹ 3160.10 on long term, Previous Year ₹ 1133.93) (Tax Deducted at Source ₹ 0.31, Previous Year ₹ 0.43)	4615.43	1137.09
Dividend (Includes ₹ 117.21 on long term, Previous Year ₹ 134.46)	1284.34	2115.48
Profit on sale of Investments (Includes ₹ 460.19 on long term, Previous Year ₹ 3182.84)	<u>1205.31</u>	<u>3397.67</u>
	7105.08	6650.24
Interest other than on Investments (Tax Deducted at Source ₹ 431.44, Previous Year ₹ 370.49)		
From Banks	2886.83	2873.18
Other than Banks - On Deposits, etc.	<u>134.01</u>	<u>102.94</u>
	3020.84	2976.12
Profit on sale of Fixed Assets	52.15	63.70
Incentives & Subsidies	1999.07	1470.55
Rent (Tax Deducted at Source ₹ 0.50, Previous Year ₹ 0.47)	96.29	76.33
Excess Liabilities and Unclaimed Balances written back	419.32	1368.75
Excess Provision on Investments written back (Net of Provision of ₹ 70.41, Previous Year ₹ 10.77)	25.80	(10.77)
Excess Depreciation written back	22.26	4.02
Insurance and Other Claims (Net)	156.36	203.46
Sundry Adjustments (Net)	—	145.05
Miscellaneous Income (Tax Deducted at Source ₹ 0.15, Previous Year ₹ 0.17)	779.72	873.28
	<u>13676.89</u>	<u>13820.73</u>



	For the year ended 31st March, 2011	(₹ in lacs) For the year ended 31st March, 2010
SCHEDULE 16 : (INCREASE)/DECREASE IN STOCKS		
Opening Stocks		
Finished Goods	5659.82	3124.20
Materials under Process	3797.59	2891.49
	9457.41	6015.69
Closing Stocks		
Finished Goods	7388.11	5659.82
Materials under Process	5672.86	3797.59
	13060.97	9457.41
Add : Increase/(Decrease) in Excise Duty & Cess on Stocks	105.26	729.38
	(3498.30)	(2712.34)
SCHEDULE 17 : RAW MATERIALS CONSUMED		
Opening Stock	3616.67	1808.78
Add : Purchases	37968.56	30296.97
	41585.23	32105.75
Less : Closing Stock	2289.09	3616.67
	39296.14	28489.08
SCHEDULE 18 : MANUFACTURING EXPENSES		
Stores, Spare Parts and Packing Materials	18239.42	16284.33
Power & Fuel	45987.11	38209.94
Royalty & Cess (Tax Collected at Source ₹ 58.02, Previous Year ₹ 54.89)	3756.30	4035.94
Repairs to Buildings	921.12	772.11
Repairs to Machinery	2688.19	3178.61
Repairs to Other Assets	232.98	120.93
Freight & Material Handling on Inter Unit Transfer	5922.14	6016.24
Other Manufacturing Expenses	1689.78	1493.16
	79437.04	70111.26
SCHEDULE 19 : PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus, etc.	14281.29	11585.11
Provident and Other Funds	1660.50	1277.38
Gratuity Fund	305.74	623.42
Superannuation Fund	311.69	300.21
Employees Welfare Expenses	866.89	841.30
	17426.11	14627.42

(₹ in lacs)

For the year ended
31st March, 2011

For the year ended
31st March, 2010

SCHEDULE 20 : SELLING, ADMINISTRATION AND OTHER EXPENSES

Brokerage & Commission on Sales	1038.22	1008.89
Transport & Forwarding Expenses	30712.01	27085.33
Insurance	237.22	207.86
Rent	391.29	318.10
Rates & Taxes	717.06	1749.18
Development Cess on Cement	44.09	42.47
Other Expenses	3563.34	2752.93
Advertisement	885.80	703.35
Sundry Adjustments (Net)	83.26	—
Charity & Donation	450.55	601.45
Auditors' Remuneration –		
Statutory Auditors –		
Audit Fees	17.50	17.50
Tax Audit Fees	4.30	4.30
Travelling Expenses	3.03	2.05
Issue of Certificates	15.92	11.20
	40.75	35.05
Cost Auditors –		
Audit Fees	2.25	1.90
Travelling Expenses	0.04	0.05
	2.29	1.95
Loss on sale/discard of Fixed Assets	56.85	120.78
Provision for Doubtful Debts	7.77	3.98
Directors' Fees	10.30	8.40
	38240.80	34639.72

SCHEDULE 21 : INTEREST AND OTHER FINANCE CHARGES

Interest on Loans, Deposits, etc. –		
On Debentures	3833.96	233.80
" Term Loans	450.44	1428.73
" Working Capital Loans	1086.13	476.26
" Deposits, etc.	644.75	558.38
Other Finance Charges	179.87	91.71
	6195.15	2788.88
Less : Interest & Other Finance Charges Capitalised	932.48	91.65
	5262.67	2697.23

SCHEDULE 22 : DEPRECIATION

On Fixed Assets	6504.59	5585.29
Less : Transferred from Reserve on Revaluation of Fixed Assets	21.27	21.64
	6483.32	5563.65

SCHEDULE 23 : ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Significant Accounting Policies

(₹ 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 borrowing cost 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 payment

Capital Work in Progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets, advances to suppliers and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

(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.

On assets acquired under finance lease on or after 1st April, 2001, depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956.

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. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

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

SCHEDULE 23 (Contd.)

(₹ in lacs)

(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.

(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 & 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.
- iv) Sale of Certified Emission Reductions (CERs) is recognized as income on the delivery of the CERs to the buyer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

(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.

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.



SCHEDULE 23 (Contd.)

(₹ in lacs)

B. Notes on Accounts

1. Contingent Liabilities not provided for –

- Bills discounted with Banks remaining outstanding - ₹ 1394.87 (Previous Year ₹ 995.09).
- Guarantees and Counter-guarantees - ₹ 2366.41 (Previous Year ₹ 1596.11).
- 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 ₹ 685.15 and ₹ 1142.09 (Previous Year ₹ 747.20 and ₹ 759.15) respectively.
- The Company is liable to contribute up to a maximum of ₹ 0.75 (Previous Year ₹ 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.
- Claims/Disputes/Demands not acknowledged as debts –

	2010-11	2009-10
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	639.71
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.	1726.67	1089.74
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.	NIL	631.00
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.	141.93	141.93
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	1241.14
xiii) Demand of penalty by SDO, Raghuraj Nagar, for alleged impermissible mining in Village Naina. Writ Petition has been filed and stay has been granted by Hon'ble High Court.	1160.00	—
xiv) Demand under Income Tax Act, 1961 for Assessment Year 2008 - 09. The matter is pending before CIT (Appeals).	4102.73	—
xv) Other Claims/Disputes/Demands (being less than ₹ 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 - ₹188.91, ₹ 278.28, ₹ 119.58, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 312.28 (Previous Year ₹ 158.59, ₹ 269.69, ₹ 114.20, ₹ 4.91, ₹ 0.56, ₹ 99.15, and ₹ 327.68) respectively.		

2. Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 14173.19 (Previous Year ₹ 20600.89) .

3. Disputed amount of ₹ 68.61 [Paid under protest ₹ 68.61] (Previous Year ₹ 68.61 [Paid under protest ₹ 68.61]) in respect of difference of Fuel Cost Adjustment Charges, ₹ 461.31 [Paid under protest ₹ 75.00] (Previous Year ₹ 450.83 [Paid under protest ₹ 75.00]) in respect of demand of Water Supply Charges, ₹ 355.19 [Paid under protest ₹ 69.70] (Previous Year ₹ 206.02 [Paid under protest ₹ 69.70]) in respect of Surcharge on

SCHEDULE 23 (Contd.)

(₹ in lacs)

Electricity, ₹ 3464.25 [Paid under protest ₹ 2309.50] (Previous Year ₹ 3151.08 [Paid under protest ₹ 1782.88]) in respect of demand of Royalty on Limestone including interest thereon, ₹ 992.98 [Paid under protest ₹ 9.48] (Previous Year ₹ 655.46 [Paid under protest ₹ 9.48]) in respect of MODVAT/CENVAT claims, ₹ 672.20 [Paid under protest ₹ 98.66] (Previous Year ₹ 765.99 [Paid under protest ₹ 114.16]) in respect of Sales Tax/VAT and ₹ 659.02 [Paid under protest ₹ 152.50] (Previous Year ₹ 692.75 [Paid under protest ₹ 152.50]) 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 ₹ 142.25 (Previous Year ₹ 40.15).
6. 'Stores, Spare Parts etc.' under Schedule 8 "Inventories" include ₹ 128.58 (Previous Year ₹ 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. Provision for current tax has been made u/s 115JB of the Income Tax Act, 1961. The company has not accounted for MAT credit u/s 115JAA of ₹ 925.00 as, in the opinion of the management, the company may continue to pay tax u/s 115JB of the Income Tax Act, 1961 in view of capital expenditure plans.
8. Advances to Employees ₹ 0.90 (Previous Year ₹ 0.37) are under litigation.
9. Certain Sundry Debtors, Loans and Advances and Creditors are subject to confirmation.
10. Loans and Advances include :
 - (a) ₹ 204.36 (Previous Year ₹ 201.11) 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 ₹ 204.36 (Previous Year ₹ 201.11).
 - (b) ₹ NIL (Previous Year ₹ NIL) to Budge Budge Floorcoverings Ltd., a subsidiary, being interest free. The maximum amount outstanding at any time during the year ₹ 0.07 (Previous Year ₹ 0.19).
 - (c) ₹ Nil (Previous Year ₹ NIL) to Talavadi Cement Limited., a subsidiary, being interest free. The maximum amount outstanding at any time during the year ₹ 94.36 (Previous Year ₹ 1.31).
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 NIL and EURO 0.88 (Previous Year USD 2.70 and EURO NIL) and payables are USD 170.00 and EURO 20.00 (Previous Year USD 45.00 and EURO NIL). Outstanding Cross Currency Swap Contracts booked for the purpose of hedging payables are CHF/USD 78.65 , CHF/EURO 4.55 and JPY/USD NIL (Previous Year CHF/USD 76.04, CHF/EURO NIL and JPY/USD 479.31).
- (b) Unhedged foreign currency receivables are USD 14.80, GBP 0.30 and EUR 0.75 (Previous Year USD 4.95, GBP NIL and EUR NIL) and payables are USD 323.77, EUR 1.10, CHF 0.17 and JPY NIL (Previous Year USD 233.93, EUR 2.73, CHF 22.77 and JPY 0.26).
- (c) The marked to market gain amounting to ₹ 10.08 (Previous Year ₹ 4.16) 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 ₹ 645.37 lacs on account of foreign exchange gain (Previous Year ₹ 700.76 lacs).
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 :

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
(i) Provident Fund	42.95	40.33
(ii) Superannuation Fund	311.69	300.21
(iii) Pension Fund	515.47	447.48

SCHEDULE 23 (Contd.)

(₹ 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.

	Gratuity		Pension	
	2010-11	2009-11	2010-11	2009-10
(ii) The amounts recognised in the Balance Sheet are as follow :				
Present value of funded obligations	7390.64	7113.39	—	—
Fair value of plan assets	7311.85	6773.92	—	—
Liabilities in respect of funded obligation	78.79	339.47	—	—
Present value of unfunded obligations	—	—	42.08	53.59
Unrecognised past service cost	—	—	—	—
Liabilities in respect of unfunded obligation	—	—	42.08	53.59
Total Liabilities	78.79	339.47	42.08	53.59
(iii) The amounts recognised in the Profit & Loss Account are as follow :				
Current service cost	306.78	295.08	—	—
Interest on obligation	569.07	545.10	4.29	5.50
Expected return on plan assets	(538.59)	(493.10)	—	—
Expected return on any reimbursement right recognised as an asset	—	—	—	—
Net actuarial losses/(gains) recognised during the year	117.85	276.34	2.96	(1.73)
Past service cost	—	—	—	—
Losses/(gains) on curtailments and settlements	(149.37)	—	—	—
Total, included in 'Payments to and Provision for Employees'	305.74	623.42	7.25	3.77
Actual return on plan assets	621.04	538.33	—	—
(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	7113.39	6813.73	53.59	68.74
Service cost	306.78	295.08	—	—
Interest cost	569.07	545.10	4.29	5.50
Actuarial losses/(gains)	200.30	324.04	2.96	(1.73)
Past service cost	—	—	—	—
Losses/(gains) on curtailments	—	—	—	—
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(798.91)	(864.56)	(18.76)	(18.92)
Closing defined benefit obligation	7390.64	7113.39	42.08	53.59

SCHEDULE 23 (Contd.)

(₹ in lacs)

	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
(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	6773.92	6091.19	—	—
Expected return	538.59	493.10	—	—
Actuarial gains/(losses)	82.45	47.69	—	—
Contribution by employer	715.81	1006.50	—	—
Benefits paid	(798.91)	(864.56)	—	—
Closing fair value of plan assets	7311.85	6773.92	—	—
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 ₹ 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 ₹ 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 :				
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.	—	—
Mortality Rate	IAL (1994-96) Modified ultimate	IAL (1994-96) Modified 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 ₹ 300 to its gratuity fund in 2011-12.				
(xi) In respect of provident funds in the nature of defined benefit plans contribution amounting to ₹ 476.07 (Previous Year ₹ 518.95) and the accrued past service liability of ₹ 143.17 as valued by the actuary is recognised as expense and included in 'Payments to and Provision for Employees'.				
18. The closing stock of Certified Emission Reductions (CERs) as on 31st March 2011 is 87157 units (Previous Year 96145 units).				
19. Repairs to Buildings', 'Repairs to Machinery', 'Salary, Wages & Bonus etc.' and 'Transporting & Forwarding Expenses' includes Voluntary Retirement Payments to employees on separation ₹ NIL, ₹ 12.93, ₹ 225.46 and ₹ 5.48 (Previous year ₹ 5.46, ₹ 11.14, ₹ NIL and ₹ NIL) respectively.				
20. Sundry Adjustments include prior periods adjustments of ₹ 34.14 (Net Debit) [Previous Year ₹ 9.47 (Net Debit)].				
21. The Company's Unit: Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.				



SCHEDULE 23 (Contd.)

(₹ in Lacs)

22. Managerial Remuneration is as under :

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Salary & Bonus	78.00	67.48
Contribution to Provident Fund	3.60	2.86
Contribution to Gratuity Fund	1.44	1.51
Contribution to Superannuation Fund	4.50	3.57
Perquisites	32.28	30.13
	<u>119.82</u>	<u>105.55</u>

Leave encashment has been considered on payment basis.

23. Segment Reporting

A) Primary Segment Information

	2010-11						2009-10					
	Cement	Jute	Power	Others	Inter Segment Elimination	Total	Cement	Jute	Power	Others	Inter Segment Elimination	Total
BUSINESS SEGMENT												
Segment Revenue												
(a) External Sales	190853	20715	43	1132		212743	200434	13004	871	1394		215703
(b) Inter Segment Revenue	147	-	17323	-	(17470)	-	212	-	17357	-	(17569)	-
Total Segment Revenue	191000	20715	17366	1132	(17470)	212743	200646	13004	18228	1394	(17569)	215703
Segment Result (Profit before Interest & Tax)	33073	722	7855	(272)		41378	60848	990	9957	(313)		71482
Less : (i) Interest						5263						2697
(ii) Other un-allocable expenditure net off un-allocable income						(7651)						(7296)
Profit before Tax						43766						76081
Provision for :												
Current Tax						8467						20125
Fringe Benefit Tax						-						-
Deferred Tax						3301						228
Wealth Tax						10						10
Profit after Tax						31988						55718
OTHER INFORMATION												
Segment Assets	166922	8682	31903	3096		210603	127802	6996	13914	3230		151942
Common Assets						158343						149044
Total						368946						300986
Segment Liabilities	42831	1257	1008	263		45359	35184	1784	38	227		37233
Common Liabilities						16664						13712
Total						62023						50945
Capital Expenditure	46151	318	3358	126		49953	27862	249	37	38		28186
Common Capital Expenditure						830						245
Total						50783						28431
Depreciation	4832	212	1178	205		6427	4256	206	849	208		5519
Common Depreciation						56						45
Total						6483						5564

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 4.31% (Previous Year 3.07%) of the external sales of the Company, there are no reportable geographical 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.)

(₹ in lacs)

24. 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 :

	2010-2011		2009-2010	
	Subsidiaries	Key Mgmt. Personnel	Subsidiaries	Key Mgmt. Personnel
Purchases of goods/services	136.38	—	202.50	—
Sale of goods/services	—	—	—	—
Purchase of Fixed Assets	—	—	1.25	—
Receipt of rent	.03	—	.02	—
Investment in Equity Shares	—	—	—	—
Advances given	97.75	—	5.79	—
Advances recovered	94.50	—	1.83	—
Advances received	.34	—	—	—
Advances repaid	.34	—	—	—
Remuneration, Perquisites & Others	—	119.82	—	105.55
Balance outstanding at year end :				
Creditors	.07	—	—	—
Advances given	204.36	—	201.11	—

25. Quantitative information of goods manufactured -

(₹ in lacs)

- a) Licensed and Installed Capacity and Production -

		31.03.2011		31.03.2010	
Goods Manufactured	Unit	Capacities Installed	Production*	Capacities Installed	Production*
Auto Trim Parts	Pc.	780000	21511	780000	64416
Cement	Tonne	6071000	5926042	6071000	5698004
Iron & Steel Castings	"	3750	1367	3750	1078
Jute Goods	"	32	36952	32	27300
		(Broad Looms)		(Broad Looms)	
		822		822	
		(Narrow Looms)		(Narrow Looms)	
P.V.C.Goods	Sq. Mtr.	4860000	—	4860000	109915
Power	MW/Units	76.50	377392494	54.00	399503050

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 39068 Tonnes, 220 Tonnes, 1016 Tonnes, 1802 Sq. Mtrs. and 376757627 Units (Previous Year 18910 Tonnes, 218 Tonnes, 929 Tonnes, 642 Sq. Mtrs. and 386812645 Units respectively) of Cement, Jute Goods, Iron & Steel Castings, PVC Goods and Power respectively.

SCHEDULE 23 (Contd.)

25. Quantitative information of goods manufactured - (Contd.)

(₹ in lacs)

b) Sales (excluding Departmental Transfers and Own Consumption)

Goods Sold	Unit	2010-2011		2009-2010	
		Quantity	Value	Quantity	Value
Auto Trim Parts	Pc.	20628	109.99	64620	224.92
Cement	Tonne	5881469	217884.68	5565502	221581.15
Clinker	"	18724	364.22	39361	1039.00
Iron & Steel Castings	"	309	215.86	214	183.08
Jute Goods	"	35657	20552.07	28930	12871.55
PVC Goods	Sq. Mtr.	2791	2.78	181251	265.93
Power	Units	634867	40.42	12690405	865.56
			239170.02		237031.19

c) Finished Goods Stock -

	Unit	Opening Stock 2009-2010		Closing Stock 2009-2010 Opening Stock 2010-2011		Closing Stock 2010-2011	
		Quantity	Value	Quantity	Value	Quantity	Value
Auto Trim Parts	Pc.	880	7.74	676	2.10	1559	6.79
Cement	Tonne	48965	1094.33	162557	4205.54	168062	4843.98
Iron & Steel Castings	"	256	150.59	191	111.10	233	194.26
Jute Goods	"	4826	1754.89	3011	1327.25	4095	2337.36
PVC Goods	Sq. Mtr.	80480	112.90	8502	11.20	3909	3.87
Others			3.75		2.63		1.85
			3124.20		5659.82		7388.11

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

	Unit	2010-2011		2009-2010	
		Quantity	Value	Quantity	Value
Jute Goods	Tonne	9	6.07	33	26.13
			6.07		26.13

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

a) Raw Materials consumed

	Unit	2010-2011		2009-2010	
		Quantity	Value	Quantity	Value
Granulated Slag	Tonne	207010	2299.44	239074	2061.03
Molten Slag	"	113656	338.25	72652	288.22
Gypsum	"	346162	5757.28	308509	4830.75
Latertre	"	289654	1003.73	267212	812.43
Jute	"	38832	12878.14	28329	6501.98
Limestone (including own raising)	"	5800119	11640.34	5663717	10014.81
Clinker	Tonne	274089	9240.91	257371	7575.61
Fly Ash	Tonne	1147452	5291.78	1050391	4648.91
Others			296.58		432.16
			48746.45		37165.90
Limestone (own raising)	Tonne	4915371	9450.31	5049337	8676.82
			39296.14		28489.08

SCHEDULE 23 (Contd.)

(₹ in lacs)

b) Value of Imported and Indigenous Raw Materials and Spare Parts consumed –
2010 - 2011

	2010 - 2011				2009 - 2010			
	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	6223.41	15.84	172.17	4.29	9491.03	33.31	193.43	4.54
Indigenous	33072.73	84.16	3838.47	95.71	18998.05	66.69	4064.68	95.46
	39296.14	100.00	4010.64	100.00	28489.08	100.00	4258.11	100.00

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

	2010-2011	2009-2010
(a) C.I.F. Value of Imports during the year –		
Raw Materials	3458.14	7329.57
Spare Parts	1961.06	734.09
Capital Goods	10424.71	11918.84
Others	1315.80	—
(b) Expenditure in Foreign Currency –		
Interest	402.81	79.56
Travelling	33.77	69.42
Professional Service	3.39	110.82
Others	29.81	6.52
(c) Earnings in Foreign Currency –		
Export of goods on F.O.B. basis (Including exports in Indian Currency - ₹ 2285.23, Previous Year ₹ 2648.15)	9905.56	7108.68
Sale of Certified Emission Reductions	48.07	—

29. 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 28th day of April, 2011

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

HARSH V. LODHA

PRACHETA MAJUMDAR
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D. N. GHOSH
DEEPAK NAYYAR
M. K. SHARMA

Chairman

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer



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

I. Registration Details

Registration No.

2	1
---	---

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

Balance Sheet Date

3	1
---	---

0	3
---	---

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

Date Month Year

State Code

2	1
---	---

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

Total Liabilities

	3	6	8	9	4	5	5	5
--	---	---	---	---	---	---	---	---

Total Assets

	3	6	8	9	4	5	5	5
--	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

Secured Loans

		7	7	0	6	3	9	0
--	--	---	---	---	---	---	---	---

Unsecured Loans

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

Reserves & Surplus

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

Deferred Tax Liabilities

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

Application of Funds

Net Fixed Assets

	1	4	6	4	3	5	2	9
--	---	---	---	---	---	---	---	---

Net Current Assets

		5	5	2	6	6	0	8
--	--	---	---	---	---	---	---	---

Accumulated Losses

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

Investments

	1	1	6	9	2	0	9	1
--	---	---	---	---	---	---	---	---

Misc. Expenditure

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

IV. Performance of Company (Amount in ₹ Thousands)

Turnover

	2	1	2	7	4	2	7	1
--	---	---	---	---	---	---	---	---

Other Income

		1	3	6	7	6	8	9
--	--	---	---	---	---	---	---	---

Profit/Loss Before Tax

		4	3	7	6	5	7	5
--	--	---	---	---	---	---	---	---

Earning per share in Rs.

				4	1	.	5	4
--	--	--	--	---	---	---	---	---

Total Expenditure

	1	7	6	1	7	0	5	3
--	---	---	---	---	---	---	---	---

Profit/(Loss) After Tax

		3	1	9	8	7	5	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, 2011
AS PER SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956

(₹ in lacs)

1. The Interest of Birla Corporation Limited in its Subsidiary Companies at the close of its financial year 31st March, 2011 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 ₹ 100/- each issued by the (Formerly: Assam Jute Supply Co. Ltd.) Subsidiary Company.
(b) Talavadi Cements Ltd.	58,79,900 Equity Shares of ₹ 10/- each out of the issued capital of 60,00,000 Equity Shares of ₹ 10/- each issued by the Subsidiary Company.
(c) Lok Cements Ltd.	Entire Share Capital of 10,00,700 Equity Shares of ₹ 10/- each issued by the Subsidiary Company.
(d) Budge Budge Floorcoverings Ltd.	Entire Share Capital of 40,00,000 Equity Shares of ₹ 10/- each issued by the Subsidiary Company.
(e) Thiruvaiyaru Industries Ltd. (under liquidation)	Entire Share Capital of 50,000 Equity Shares of ₹ 10/- each issued by the Subsidiary Company.
(f) Birla Cement (Assam) Ltd.	Entire Share Capital of 50,000 Equity Shares of ₹ 10/- each issued by the Subsidiary Company.
(g) Birla North East Cement Ltd. (under liquidation)	Entire Share Capital of 50,000 Equity Shares of ₹ 10/- each issued by the Subsidiary Company.
(h) New- Age Cement Ltd. (under liquidation)	Entire Share Capital of 50,000 Equity Shares of ₹ 10/- each issued by the Subsidiary Company.
(i) M P Birla Group Services Pvt Ltd.	Entire Share Capital of 20,000 Equity Shares of ₹ 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, 2011</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 ₹ 2.76	Profit ₹ 60.89
(b) Talavadi Cements Ltd.	Profit ₹ 49.75	Profit ₹ 60.55
(c) Lok Cements Ltd.	₹ NIL	₹ NIL
(d) Budge Budge Floorcoverings Ltd.	Loss ₹ 19.33	Loss ₹ 148.93
(e) Thiruvaiyaru Industries Ltd. (under liquidation)	₹ NIL	Loss ₹ 2.18
(f) Birla Cement (Assam) Ltd.	Loss ₹ 0.09	Loss ₹ 0.70
(g) Birla North East Cement Ltd. (under liquidation)	₹ NIL	₹ NIL
(h) New-Age Cement Ltd. (under liquidation)	₹ NIL	₹ NIL
(i) M P Birla Group Services Pvt Ltd.	Loss ₹ 0.09	Loss ₹ 0.29



Statement Regarding Subsidiary Companies (Contd.)

(₹ 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.)	₹ NIL	₹ 3.20
(b) Talavadi Cements Ltd.	₹ NIL	₹ NIL
(c) Lok Cements Ltd.	₹ NIL	₹ NIL
(d) Budge Budge Floorcoverings Ltd.	₹ NIL	₹ NIL
(e) Thiruvaiyaru Industries Ltd. (under liquidation)	₹ NIL	₹ NIL
(f) Birla Cement (Assam) Ltd.	₹ NIL	₹ NIL
(g) Birla North East Cement Ltd. (under liquidation)	₹ NIL	₹ NIL
(h) New-Age Cement Ltd. (under liquidation)	₹ NIL	₹ NIL
(i) M P Birla Group Services Pvt. Ltd.	₹ NIL	₹ NIL

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road
Kolkata-700 001.
Dated the 28th day of April, 2011

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

HARSH V. LODHA

PRACHETA MAJUMDAR
VIKRAM SWARUP
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR
M. K. SHARMA

Chairman

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(₹ 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	(159.88)	438.84	438.84	—	14.22	14.22	1.24	(26.00)	(6.68)	(19.32)	—
2	Birla Jute Supply Company Limited	6.00	66.17	74.07	74.07	—	—	—	6.32	3.89	1.13	2.76	—
3	Talvadi Cements Limited	600.00	95.00	747.36	747.36	0.10	190.09	190.19	—	67.55	17.79	49.76	—
4	Lok Cements Limited	100.07	0.05	305.20	305.20	—	—	—	—	—	—	—	—
5	Thiruvaiyaru Industries Limited	—	—	—	—	—	—	—	—	—	—	—	—
6	Birla Cement (Assam) Limited	5.00	(0.79)	5.07	5.07	—	—	—	—	(0.09)	—	(0.09)	—
7	New-Age Cement Limited	—	—	—	—	—	—	—	—	—	—	—	—
8	Birla North-East Cement Limited	—	—	—	—	—	—	—	—	—	—	—	—
9	M.P. Birla Group Services Pvt. Ltd.	2.00	(0.38)	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, 2011, 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 6 (Six) subsidiaries of the Company namely M/s. Birla Jute Supply Co. Ltd, M/s Lok Cements Ltd., M/s. Budge Budge Floorcoverings Ltd., M/s Talavadi Cements Ltd., M/s M. P. Birla Group Services (P) Ltd. and M/s Birla Cement (Assam) Ltd., whose financial statements reflect total assets of ₹ 1344.44 lacs as at 31st March, 2011, total revenue of ₹ 151.29 lacs and net cash outflow of ₹ 56.17 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 ₹ 1.29 lacs as at 31st March, 2011 and total revenue of ₹ 0.09 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. Further 3 (Three) subsidiaries namely M/s Thiruvaiyaru Industries Ltd., M/s Birla North East Cement Ltd. and M/s New Age Cement Ltd. have not been considered for consolidation as they are under liquidation process.

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

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of BIRLA CORPORATION LIMITED, its subsidiaries and associates and read with other notes and in particular note no. 3 and 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, 2011;
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations for the year then ended; and
- (c) the Consolidated Cash flow statement gives a true and fair view, of the cash flows for the year ended on that date.

For H. P. KHANDELWAL & CO.
Chartered Accountants

Rajiv Singhi
Partner

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

1B, Old Post Office Street,
Kolkata- 700 001
Date : the 28th day of April, 2011.

CONSOLIDATED FINANCIAL STATEMENTS



BALANCE SHEET as at 31st March, 2011

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	7700.89	7700.89
Reserves and Surplus	2	198308.35	171604.16
		206009.24	179305.05
MINORITY INTEREST			
Equity	3	12.01	12.01
Non Equity	4	(12.01)	(12.01)
		-	-
LOAN FUNDS			
Secured Loans	5	77063.90	51819.58
Unsecured Loans	6	24515.12	19099.15
		101579.02	70918.73
DEFERRED TAX LIABILITIES (NET)	7	11329.27	8017.68
TOTAL		318917.53	258241.46
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	8	176353.18	144208.59
Less: Depreciation		78201.56	73685.86
Net Block		98151.62	70522.73
Capital Work in Progress		48936.18	32787.70
Preoperative Expenses		255.47	252.05
		147343.27	103562.48
INVESTMENTS		116225.91	113365.52
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	9	36022.23	28437.30
Sundry Debtors	10	4425.66	2215.08
Cash and Bank Balances	11	37190.68	34067.89
Loans and Advances	12	27980.49	19523.71
		105619.06	84243.98
Less :			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	13	45068.25	36504.49
Provisions	14	5258.09	6482.80
		50326.34	42987.29
NET CURRENT ASSETS		55292.72	41256.69
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	15	55.63	56.77
TOTAL		318917.53	258241.46
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 28th day of April, 2011

GIRISH SHARMA
Vice President (Indirect Taxes)
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B. R. NAHAR

Chairman

Directors

Executive Director &
Chief Executive Officer



CONSOLIDATED FINANCIAL STATEMENTS

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

	Schedule	For the year ended 31st March, 2011	(₹ in lacs) For the year ended 31st March, 2010
INCOME			
Gross Sales	16	241539.05	238707.57
Less : Excise Duty		28795.10	23004.10
		212743.95	215703.47
Other Income	17	13690.91	13828.79
		226434.86	229532.26
EXPENDITURE			
(Increase)/Decrease in Stocks	18	(3498.14)	(2712.34)
Raw Materials Consumed	19	39166.05	28371.05
Purchases of Finished Goods		6.07	26.13
Manufacturing Expenses	20	79437.04	70111.26
Payments to and Provision for Employees	21	17421.34	14627.82
Selling, Administration and Other Expenses	22	38287.56	34684.98
Interest and Other Finance Charges	23	5262.67	2697.23
		176082.59	147806.13
Profit before Depreciation		50352.27	81726.13
Depreciation	24	6541.25	5621.79
Profit before Tax		43811.02	76104.34
Provision for Current Tax		8480.41	20132.97
Less : MAT Credit Entitlement		(11.79)	(7.63)
Provision for Deferred Tax		3311.60	238.36
Provision for Wealth Tax		10.00	10.00
Provision for Income Tax relating to earlier years		0.18	—
Profit after Tax		32020.62	55730.64
Share of Loss in associates	25	0.04	0.03
Net Profit		32020.58	55730.61
Balance brought forward from previous year		19022.52	10012.05
Add : Brought Forward Loss on account of Liquidation of Subsidiaries		2.18	—
Profit available for appropriation		51045.28	65742.66
APPROPRIATIONS			
Debenture Redemption Reserve		1650.00	1325.00
Interim Dividend		1925.13	1925.13
Corporate Dividend Tax on Interim Dividend		319.74	327.18
Proposed Final Dividend		2695.19	2695.19
Corporate Dividend Tax on Proposed Final Dividend		437.23	447.64
General Reserve		25000.00	40000.00
Balance carried to Balance Sheet		19017.99	19022.52
		51045.28	65742.66
Weighted average number of Ordinary shares outstanding during the year		77005347	77005347
Basic and diluted earnings per share of ₹ 10/- each (in Rupees)		41.58	72.37
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,
Kolkata-700 001.
Dated the 28th day of April, 2011

GIRISH SHARMA
Vice President (Indirect Taxes)
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B. R. NAHAR

Chairman

Directors

Executive Director &
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2011

(₹ in lacs)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. Cash Flow from Operating Activities :		
Profit before Tax	43811.02	76104.34
Adjustments for :		
Depreciation	6541.25	5621.79
Investing Activity (Net)	(10183.10)	(3338.65)
Adjustment for Capital Subsidy	0.00	(0.74)
Provision for Doubtful Debts/written back (Net)	7.77	3.98
Excess Liabilities and Unclaimed Balances written back (Net)	(419.52)	(1369.96)
Unrealised Loss/(Gain) on Foreign Exchange	(375.64)	(402.32)
Interest and Dividend	5262.67	2697.23
Miscellaneous Expenditure Amortised	1.14	0.31
Operating Profit before Working Capital Changes	44645.59	79315.98
Adjustments for :		
Trade and Other Receivables	(2223.30)	(221.31)
Inventories	(7584.94)	(9082.00)
Loans and Advances	(5599.24)	(4085.28)
Trade Payables	8525.15	4499.73
Cash generated from operations	37763.26	70427.12
Direct Taxes Paid	(10895.13)	(19137.02)
Net Cash from Operating Activities	26868.13	51290.10
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(49899.82)	(28354.76)
Sale of Fixed Assets	506.24	339.13
Purchase of Investments (Net)	(1623.79)	(55602.14)
Government Grant Received	80.32	51.05
Interest Received	5911.02	(559.79)
Dividend Received	1288.31	0.00
Net Cash used in Investing Activities	(43737.72)	(84126.51)
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	20447.22	40500.00
Repayments of Long Term Borrowings	(373.06)	(13023.98)
(Repayments)/Proceeds from Short Term Borrowings	10962.61	16205.13
Interest Paid (Includes interest capitalised ₹ 932.48 lacs Previous Year ₹ 91.65)	(5656.69)	(2517.68)
Dividend Paid	(4620.32)	(5390.37)
Corporate Dividend Tax Paid	(767.38)	(916.10)
Net Cash from/(used in) Financing Activities	19992.38	34857.00
Net increase in Cash and Cash Equivalents	3122.79	2020.59
Cash and Cash Equivalents (Opening Balance)	34067.89	32047.30
Cash and Cash Equivalents (Closing Balance)	37190.68	34067.89

Notes :

- Above statement has been prepared in indirect method.
- Cash and Cash Equivalents consist of Cash Balance in hand and balances with Scheduled Banks and includes ₹ 90.31 (Previous Year ₹ 69.20) in Unpaid Dividend Account, ₹ 184.00 (Previous Year ₹ 1344.90) in Fixed Deposit Accounts pledged with Scheduled Banks, ₹ 132.00 (Previous Year ₹ 62.00) in Fixed Deposit Accounts earmarked for deposit under Rule 3A of the Companies (Acceptance & Deposit) Rules, 1975 and ₹ 0.10 (Previous Year ₹ 0.10) deposited with Mining Department.
- 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 28th day of April, 2011

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

HARSH V. LODHA

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M. K. SHARMA

B. R. NAHAR

Chairman

Directors

Executive Director &
Chief Executive Officer



CONSOLIDATED FINANCIAL STATEMENTS

Schedules annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011 and Consolidated Profit & Loss Account for the year ended on that date.

(₹ in lacs)

		As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 1 : SHARE CAPITAL			
	Authorised		
9,00,00,000	Ordinary Shares of ₹ 10/- each	9000.00	9000.00
10,00,000	Preference Shares of ₹ 100/- each	1000.00	1000.00
		10000.00	10000.00
	Issued		
7,70,13,416	Ordinary Shares of ₹10/- each	7701.34	7701.34
	Subscribed and Paid-up		
7,70,05,347	Ordinary Shares of ₹ 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
NOTE : 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	800.28	821.92
	Less : Adjustments in respect of sales/discard of Fixed Assets	0.33	—
		799.95	821.92
	Less : Transfer to Profit & Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	21.27	21.64
		778.68	800.28
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	102.12	51.81
	Add : Project Capital Subsidy received during the year	80.32	51.05
		182.44	102.86
	Less : Transfer to Profit & Loss Account	—	0.74
		182.44	102.12
		1279.52	1220.80
Debenture Redemption Reserve			
	As per last Account	1325.00	—
	Transferred from Profit & Loss Account	1650.00	1325.00
		2975.00	1325.00
General Reserve			
	As per last Account	150035.84	110035.84
	Add : Transferred from Profit & Loss Account	25000.00	40000.00
		175035.84	150035.84
Profit & Loss Account Balance			
		19017.99	19022.52
		198308.35	171604.16

CONSOLIDATED FINANCIAL STATEMENTS



	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 3 : MINORITY INTEREST IN EQUITY		
Talavadi Cements Ltd		
1,20,100 Equity shares (2009-10 : 1,20,100) held by minority having 2.00% (2009-10 : 2.00%) interest	12.01	12.01
SCHEDULE 4 : MINORITY INTEREST IN NON-EQUITY		
Talavadi Cements Ltd		
Balance brought forward	(12.01)	(12.01)
SCHEDULE 5 : SECURED LOANS		
Debentures –		
1,300 9.05% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 13th October, 2020)	13000.00	—
1,500 9.10% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 29th March, 2020)	15000.00	15000.00
1,200 8.80% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 6th Feb, 2017)	12000.00	12000.00
1,000 8.65% Non Convertible Debentures of ₹ 10,00,000 each (Fully redeemable at par on 4th March, 2015)	10000.00	10000.00
	50000.00	37000.00
Term Loans –		
Rupee Loan from Banks (Payable within one year ₹ NIL, Previous Year ₹ NIL)	3975.00	3975.00
Foreign Currency Loan from Bank (Payable within one year ₹ 744.65, Previous Year ₹ NIL)	7074.16	—
Working Capital Borrowings –		
Rupee Loan from Banks	9214.74	10844.58
Collateralised Borrowing and Lending Obligation	6800.00	—
	77063.90	51819.58
Security -		
Debentures are secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking pari-passu with the term lenders.		
Rupee 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 pari-passu with Debentures and other term lender.		
Foreign Currency Loan from Bank is secured / to be secured by first charge on the moveable and immovable fixed assets pertaining to Company's Cement Units at Chanderia (Rajasthan), ranking pari-passu with Debentures and other term lender.		
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.		
Collateralised Borrowing and Lending Obligation is secured by deposit of Government Securities		
SCHEDULE 6 : UNSECURED LOANS		
Short Term Loans & Advances –		
From Banks - Buyers' Credit and Packing Credit in Foreign Currency	15802.73	12301.87
Trade Deposits	7037.94	5862.79
Staff and Other Deposits	1548.39	808.43
	24389.06	18973.09
Other Loans & Advances –		
Deferred Payment of Sales Tax	126.06	126.06
	24515.12	19099.15



CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2011	As at 31st March, 2010
(₹ in lacs)		
SCHEDULE 7 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	15019.33	10945.49
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	3271.14	2548.50
Others	418.92	379.31
	3690.06	2927.81
Deferred Tax Liabilities (Net)	11329.27	8017.68

(₹ in lacs)										
SCHEDULE 8 : FIXED ASSETS										
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	Cost/Value as at 31st March, 2010	Additions during the year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2011	Upto 31st March, 2010	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Goodwill	15.23	0.00	—	15.23	—	—	—	—	15.23	15.23
Land										
Leasehold	1541.05	229.14	—	1770.19	1264.35	35.57	—	1299.92	470.27	276.70
Freehold	2184.69	481.68	—	2666.37	—	—	—	—	2666.37	2184.69
Sub Total :	3725.74	710.82	—	4436.56 (A)	1264.35	35.57	—	1299.92	3136.64	2461.39
Buildings	14816.95	490.06	32.02	15274.99 (A&B)	7276.51	334.28	25.79	7585.00 (B)	7689.99	7540.44
Plant & Machinery	120291.85	32550.10	2365.49	150476.46 (C)	61912.91	5889.50	1897.51	65904.90 (C)	84571.56	58378.94
Railway Sidings	1099.49	13.80	—	1113.29	529.83	31.28	—	561.11	552.18	569.66
Furniture & Office Equipment	2868.01	699.48	107.43	3460.06	2045.91	163.87	98.40	2111.38	1348.68	822.10
Livestock	14.76	—	3.02	11.74	—	—	—	—	11.74	14.76
Vehicles	1376.56	216.15	27.86	1564.85	656.35	108.02	25.12	739.25	825.60	720.21
Total :	144208.59	34680.41	2535.82	176353.18	73685.86	6562.52	2046.82	78201.56	98151.62	70522.73
Capital Work in Progress									48936.18	32787.70
Grand Total :	144208.59	34680.41	2535.82	176353.18	73685.86	6562.52	2046.82	78201.56	147087.80	103310.43
Previous Year :	136630.10	9840.29	2261.80	144208.59	69912.04	5643.43	1869.61	73685.86	70522.73	
									32787.70	
									103310.43	

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

(B) Includes ₹ 88.50 being cost of Silo on leasehold land and ₹ 88.50 being amortisation thereof up to 31st March,2011.

(C) Includes ₹ 590.63 being cost of flyash handling system on leasehold land and ₹ 590.63 being amortisation thereof up to 31st March,2011.

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

CONSOLIDATED FINANCIAL STATEMENTS



	As at 31st March, 2011	As at 31st March, 2010
(₹ in lacs)		
SCHEDULE 9 : INVENTORIES		
(As valued and certified by the Management)		
Stores, Spare Parts etc. (See Note No. 6 in Schedule 26)	18860.20	13767.05
Machinery Spares not in regular use	1752.78	1532.82
	20612.98	15299.87
Stock-in-Trade –		
Finished Goods	7388.11	5659.82
Raw Materials	2348.28	3679.86
Materials under Process	5672.86	3797.75
	15409.25	13137.43
	36022.23	28437.30
SCHEDULE 10 : SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Secured, Considered Good	120.77	104.65
Unsecured, Considered Good	138.57	149.57
Unsecured, Considered Doubtful	520.02	512.25
	779.36	766.47
Other Debts		
Secured, Considered Good	336.41	271.83
Unsecured, Considered Good	3829.91	1689.03
	4166.32	1960.86
	4945.68	2727.33
Less : Provision	520.02	512.25
	4425.66	2215.08
SCHEDULE 11 : CASH AND BANK BALANCES		
Cash Balance in hand		
(Including Cheques & Drafts in hand ₹ 1394.23, Previous Year ₹ 1156.82)	1412.06	1175.80
Bank Balances -		
With Scheduled Banks -		
In Current Accounts		
(Includes remittances in transit ₹ 782.06, Previous Year ₹ 549.83)	1250.43	943.95
" Unpaid Dividend Accounts	90.31	69.20
" Fixed Deposit Accounts	34437.88	31878.94
(Includes accrued interest ₹ 2768.20, Previous Year ₹ 1901.42)	35778.62	32892.09
(Includes ₹ 184.00, Previous Year ₹ 1344.90 pledged with Scheduled Banks, ₹ 132.00, Previous Year ₹ 62.00 earmarked for deposit under Rule 3A of the Companies (Acceptance & Deposit) Rules, 1975 and ₹ 0.10, Previous Year ₹ 0.10 deposited with Mining Department)		
	37190.68	34067.89



CONSOLIDATED FINANCIAL STATEMENTS

	As at 31st March, 2011	(₹ in lacs) As at 31st March, 2010
SCHEDULE 12 : LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances (recoverable in cash or in kind or for value to be received or pending adjustments) -		
To Employees (See Note No. 8 in Schedule 26)	126.36	108.95
" Others, Considered Good	18973.49	16466.29
" Others, Considered Doubtful	9.17	9.17
	19109.02	16584.41
Advance Tax (including TDS) (Net of Provisions)	1127.97	—
Interest accrued on Investments	2501.20	771.63
Deposits -		
Balances with Customs, Port Trust & Others	5225.45	2162.60
MAT Credit Entitlement	26.02	14.24
	27989.66	19532.88
Less : Provision	9.17	9.17
	27980.49	19523.71

SCHEDULE 13 : CURRENT LIABILITIES

Current Liabilities –		
Sundry Creditors –		
For Goods	6584.72	5275.06
" Expenses	26125.34	21078.74
(Includes ₹ NIL, Previous Year ₹ NIL to Micro and Small Enterprises)	32710.06	26353.80
Investor Education and Protection Fund shall be credited by the following amounts namely : #		
Unpaid and unclaimed dividends	90.31	69.20
# No amount was due for deposit as on 31st March, 2011		
Other Liabilities	11397.70	9749.77
Interest accrued but not due on Debentures, Loans & Deposits	870.18	331.72
	45068.25	36504.49

SCHEDULE 14 : PROVISIONS

Provision for Taxation (Net of Payments)	—	1288.54
Proposed Dividend	2695.19	2695.19
Corporate Dividend Tax	437.23	447.64
Employee Benefits	2125.67	2051.43
	5258.09	6482.80

CONSOLIDATED FINANCIAL STATEMENTS



	As at 31st March, 2011	As at 31st March, 2010
(₹ in lacs)		
SCHEDULE 15 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenditure	—	0.76
Others	55.63	56.01
	<u>55.63</u>	<u>56.77</u>
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 16 : SALES		
Sale of Goods (Including Export Sales ₹ 10312.16, Previous Year ₹ 7275.17)	239170.92	237031.86
Own Consumption	1502.95	1119.47
Export Benefits	293.23	189.47
Miscellaneous	571.95	366.77
	<u>241539.05</u>	<u>238707.57</u>
SCHEDULE 17 : OTHER INCOME		
Income on Investments		
Other than Trade (Gross)		
Interest (Includes ₹ 3160.10 on Long Term, Previous Year ₹ 1133.93)		
(Tax Deducted at Source ₹ 0.31, Previous Year ₹ 0.43)	4615.43	1137.09
Dividend (Including ₹ 117.21 on long term, Previous Year ₹ 134.46)	1288.31	2117.13
Profit on sale of Investments (Including ₹ 460.19 on long term, Previous Year ₹ 3187.53)	<u>1210.80</u>	<u>3402.45</u>
	7114.54	6656.67
Interest other than on Investments		
(Tax Deducted at Source ₹ 431.44, Previous Year ₹ 370.49)		
From Banks	2891.15	2873.47
Other than Banks - On Deposits, etc.	<u>134.01</u>	<u>102.96</u>
	3025.16	2976.43
Profit on sale of Fixed Assets	52.15	63.70
Incentives & Subsidies	1999.07	1470.55
Rent (Tax Deducted at Source ₹ 0.50, Previous Year ₹ 0.47)	96.27	76.31
Excess Liabilities and Unclaimed Balances written back	419.52	1369.96
Excess Provision on Investments written back (Net of Provision of ₹ 70.41, Previous Year ₹ 10.77)	25.80	(10.77)
Excess Depreciation written back	22.26	4.02
Insurance and Other Claims (Net)	156.36	203.46
Sundry Adjustments (Net)	—	145.05
Miscellaneous Income (Tax Deducted at Source ₹ 2.74, Previous Year ₹ 0.17)	<u>779.78</u>	<u>873.41</u>
	<u>13690.91</u>	<u>13828.79</u>



CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31st March, 2011	(₹ in lacs) For the year ended 31st March, 2010
SCHEDULE 18 : (INCREASE)/DECREASE IN STOCKS		
Opening Stocks		
Finished Goods	5659.82	3124.20
Materials under Process	3797.75	2891.65
	9457.57	6015.85
Closing Stocks		
Finished Goods	7388.11	5659.82
Materials under Process	5672.86	3797.75
	13060.97	9457.57
	(3603.40)	(3441.72)
Add : Increase/(Decrease) in Excise Duty & Cess on Stocks	105.26	729.38
	(3498.14)	(2712.34)
SCHEDULE 19 : RAW MATERIALS CONSUMED		
Opening Stock	3616.67	1808.78
Add : Purchases	37838.47	30178.94
	41455.14	31987.72
Less : Closing Stock	2289.09	3616.67
	39166.05	28371.05
SCHEDULE 20 : MANUFACTURING EXPENSES		
Stores, Spare Parts and Packing Materials	18239.42	16284.33
Power & Fuel	45987.11	38209.94
Royalty & Cess (Tax Collected at Source ₹ 58.02, Previous Year ₹ 54.89)	3756.30	4035.94
Repairs to Buildings	921.12	772.11
Repairs to Machinery	2688.19	3178.61
Repairs to Other Assets	232.98	120.93
Freight & Material Handling on Inter Unit Material Transfer	5922.14	6016.24
Other Manufacturing Expenses	1689.78	1493.16
	79437.04	70111.26
SCHEDULE 21 : PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages, Bonus, etc.	14281.29	11585.11
Provident and Other Funds	1660.50	1277.38
Gratuity Fund	300.97	623.82
Superannuation Fund	311.69	300.21
Employees Welfare Expenses	866.89	841.30
	17421.34	14627.82

CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 22 : SELLING, ADMINISTRATION AND OTHER EXPENSES		
Brokerage & Commission on Sales	1038.22	1008.93
Transport & Forwarding Expenses	30712.01	27085.33
Insurance	237.86	208.52
Rent	391.29	318.10
Rates & Taxes	717.31	1749.48
Development Cess on Cement	44.09	42.47
Other Expenses	3608.48	2796.31
Advertisement	885.80	703.35
Sundry Adjustment (Net)	83.26	—
Charity & Donation	450.55	601.45
Auditors' Remuneration –		
Statutory Auditors -		
Audit Fees	18.12	18.25
Tax Audit Fees	4.41	4.41
Travelling Expenses	3.03	2.05
Issue of Certificates	15.92	11.22
	41.48	35.93
Cost Auditors -		
Audit Fees	2.25	1.90
Travelling Expenses	0.04	0.05
	2.29	1.95
Loss on sale/discard of Fixed Assets	56.85	120.78
Provision for Doubtful Debts	7.77	3.98
Directors' Fees	10.30	8.40
	<u>38287.56</u>	<u>34684.98</u>
SCHEDULE 23 : INTEREST AND OTHER FINANCE CHARGES		
Interest on Loans, Deposits, etc. –		
On Debenture	3833.96	233.80
" Term Loans	450.44	1428.73
" Working Capital Loans	1086.13	476.26
" Deposits etc.	644.75	558.38
Other Finance Charges	179.87	91.71
	6195.15	2788.88
Less : Interest and Other Finance charges capitalised	932.48	91.65
	<u>5262.67</u>	<u>2697.23</u>
SCHEDULE 24 : DEPRECIATION		
On Fixed Assets	6562.52	5643.43
Less : Transferred from Reserve on Revaluation	21.27	21.64
	<u>6541.25</u>	<u>5621.79</u>



CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in lacs)
For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 25 : SHARE OF LOSS IN ASSOCIATES	
Birla Readymix Pvt. Ltd.	0.03
0.04	0.03

SCHEDULE 26 : ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Basis of Consolidation

Birla Corporation Limited 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.

B1. Companies included in Consolidation

Name of the Company (incorporated in India)	Extent of Shareholding	Relationship
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) Birla Cement (Assam) Ltd.	100.00%	Subsidiary
vi) M.P. Birla Group Services Pvt. Ltd.	100.00%	Subsidiary
vii) Birla Odessa Industries Pvt. Ltd.	48.61%	Associate
viii) Birla Readymix Pvt Ltd.	46.73%	Associate

B2. Companies not included in Consolidation as they are under voluntary winding up

Name of the Company (incorporated in India)	Extent of Shareholding	Relationship
i) Thiruvaiyaru Industries Ltd.	100.00%	Subsidiary
ii) Birla North East Cement Ltd.	100.00%	Subsidiary
iii) New-Age Cement Ltd.	100.00%	Subsidiary

C. Significant Accounting Policies

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

D. Notes on Accounts

1. Contingent Liabilities not provided for -
 - (a) Bills discounted with Banks remaining outstanding - ₹ 1394.87 (Previous Year ₹ 995.09).
 - (b) Guarantees and Counter-guarantees - ₹ 2366.41 (Previous Year ₹ 1596.11).
 - (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 ₹ 685.15 and ₹ 1142.09 (Previous Year ₹ 747.20 and ₹ 759.15) respectively.
 - (d) The Company is liable to contribute up to a maximum of ₹ 0.75 (Previous Year ₹ 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.

CONSOLIDATED FINANCIAL STATEMENTS



SCHEDULE 26 (Contd.)

(₹ in lacs)

	2010-11	2009-10
(e) Claims/Disputes/Demands not acknowledged as debts -		
i) Demand notice for levying Sales Tax on packing material at the rate applicable on cement. Writ petition has been filed and the matter is pending before Hon'ble High Court, Chandigarh.	161.07	161.07
ii) Demand for Water Supply Charges under Rajasthan Irrigation & Drainage Act, 1954. Writ petition has been filed before the Hon'ble High Court, Rajasthan which has granted stay in the matter.	147.16	147.16
iii) Additional U. P. Sales Tax demanded by enhancing the value of cement. The case has been decided by Tribunal in Company's favour. Department has filed revision petition before Hon'ble High Court, Allahabad against order of the Tribunal. The High Court has remanded the case to UP Trade Tax Tribunal.	146.40	146.40
iv) Demand for interest on delayed payment of Entry Tax raised by the U.P. Trade Tax Department, Allahabad. Writ petition has been filed before the Hon'ble High Court, Allahabad which has granted stay in the matter.	158.46	158.46
v) Cenvat Credit taken on GTA service on the basis of TR - 6 challan disallowed. Appeal filed before the CESTAT, New Delhi and stay granted in the matter.	190.94	190.94
vi) Excise Duty rebate received in earlier year by a Unit of the Company has been protested by the excise authorities before the Hon'ble Supreme Court. The matter has been remitted to the Assistant Commissioner of Central Excise. Hearing held 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	639.71
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.	1726.67	1089.74
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.	NIL	631.00
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.	141.93	141.93
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	1241.14
xiii) Demand of penalty by SDO, Raghuraj Nagar, for alleged impermissible mining in Village Naina. Writ Petition has been filed and stay has been granted by Hon'ble High Court.	1160.00	-
xiv) Demand under Income Tax Act, 1961 for Assessment Year 2008 - 09. The matter is pending before CIT (Appeals).	4102.73	-
xv) Other Claims/Disputes/Demands (being less than ₹ 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 - ₹ 188.91, ₹ 282.42, ₹ 119.58, ₹ Nil, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 312.28 (Previous Year ₹ 158.59, ₹ 273.83, ₹ 114.20, ₹ 4.91, ₹ 0.56, ₹ 99.15, and ₹ 327.68) respectively.		
2. Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 14173.19 (Previous Year ₹ 20600.89).		
3. Disputed amount of ₹ 68.61 [Paid under protest ₹ 68.61] (Previous Year ₹ 68.61 [Paid under protest ₹ 68.61]) in respect of difference of Fuel Cost Adjustment Charges, ₹ 461.31 [Paid under protest ₹ 75.00] (Previous Year ₹ 450.83 [Paid under protest ₹ 75.00]) in respect of demand of Water Supply Charges, ₹ 355.19 [Paid under protest ₹ 69.70] (Previous Year ₹ 206.02 [Paid under protest ₹ 69.70]) in respect of Surcharge on Electricity, ₹ 3464.25 [Paid under protest ₹ 2309.50] (Previous Year ₹ 3151.08 [Paid under protest ₹ 1782.88]) in respect of demand of Royalty on Limestone		

SCHEDULE 26 (Contd.)

(₹ in lacs)

including interest thereon, ₹ 992.98 [Paid under protest ₹ 9.48] (Previous Year ₹ 655.68 [Paid under protest ₹ 9.48]) in respect of MODVAT/CENVAT claims, ₹ 672.20 [Paid under protest ₹ 98.66] (Previous Year ₹ 765.99 [Paid under protest ₹ 114.16]) in respect of Sales Tax/VAT and ₹ 659.02 [Paid under protest ₹ 152.50] (Previous Year ₹ 692.75 [Paid under protest ₹ 152.50]) 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 ₹ 142.25 (Previous Year ₹ 40.15).
6. Stores, Spare Parts etc. under Schedule 9 "Inventories" include ₹ 128.58 (Previous Year ₹ 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. Provision for current tax has been made u/s 115JB of the Income Tax Act, 1961. The company has not accounted for MAT credit u/s 115JAA of ₹ 925.00 as in the opinion of the management, the company may continue to pay tax u/s 115JB of the Income Tax Act, 1961 in view of capital expenditure plans.
8. Advances to Employees ₹ 0.90 (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 NIL and EURO 0.88 (Previous Year USD 2.70 and EURO NIL) and payables are USD 170.00 and EURO 20.00 (Previous Year USD 45.00 and EURO NIL). Outstanding Cross Currency Swap Contracts booked for the purpose of hedging payables are CHF/USD 78.65, CHF/EURO 4.55 and JPY/USD NIL (Previous Year CHF/USD 76.04, CHF/EURO NIL and JPY/USD 479.31).
- (b) Unhedged foreign currency receivables are USD 14.80, GBP 0.30 and EURO 0.75 (Previous Year USD 4.95, GBP NIL and EURO NIL) and payables are USD 323.77, EURO 1.10, CHF 0.17 and JPY NIL (Previous Year USD 233.93, EURO 2.73, CHF 22.77 and JPY 0.26)
- (c) The marked to market gain amounting to ₹ 10.08 (Previous Year ₹ 4.16) 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 ₹ 645.37 lacs on account of foreign exchange gain (Previous Year ₹ 700.76 lacs).
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, 2011	For the year ended 31st March, 2010
(i) Provident Fund	42.95	40.33
(ii) Superannuation Fund	311.69	300.21
(iii) Pension Fund	515.47	447.48

CONSOLIDATED FINANCIAL STATEMENTS



SCHEDULE 26 (Contd.)

(₹ 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.

	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
(ii) The amounts recognised in the Balance Sheet are as follows:				
Present value of funded obligations	7420.90	7141.88	-	-
Fair value of plan assets	7359.37	6817.40	-	-
Liabilities in respect of funded obligation	61.53	324.48	-	-
Present value of unfunded obligations	-	-	42.08	53.59
Unrecognised past service cost	-	-	-	-
Liabilities in respect of unfunded obligation	-	-	42.08	53.59
Total Liabilities	61.53	324.48	42.08	53.59
(iii) The amounts recognised in the Profit & Loss Account are as follows :				
Current service cost	308.16	296.50	-	-
Interest on obligation	571.35	547.43	4.29	5.50
Expected return on plan assets	(543.60)	(498.42)	-	-
Expected return on any reimbursement right recognised as an asset	-	-	-	-
Net actuarial losses/(gains) recognised during the year	116.94	278.30	2.96	(1.73)
Past service cost	-	-	-	-
Losses/(gains) on curtailments and settlements	(151.89)	-	-	-
Total, included in 'Payments to and Provision for Employees'	300.96	623.81	7.25	3.77
Actual return on plan assets	626.45	544.26	-	-
(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	7141.88	6842.92	53.59	68.74
Service cost	308.16	296.50	-	-
Interest cost	571.35	547.43	4.29	5.50
Actuarial losses/(gains)	199.80	327.24	2.96	(1.73)
Past service cost	-	-	-	-
Losses/(gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Benefits paid	(800.29)	(872.21)	(18.76)	(18.92)
Closing defined benefit obligation	7420.90	7141.88	42.08	53.59



CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 26 (Contd.)

(₹ in lacs)

	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
(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	6817.40	6135.76	-	-
Expected return	543.60	498.42	-	-
Actuarial gains/(losses)	82.85	48.93	-	-
Contribution by employer	715.81	1006.50	-	-
Benefits paid	(800.29)	(872.21)	-	-
Closing fair value of plan assets	7359.37	6817.40	-	-
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 ₹ 20.26 (Previous Year ₹ 19.88);				
b) The fair value at the end of the year of any reimbursement right recognised as an asset in accordance with paragraph 103 is ₹ 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 :				
	2010-11		2009-10	
	Holding Co.	Subsidiary (Budge Budge Floorcoverings Ltd)	Holding Co.	Subsidiary (Budge Budge Floorcoverings Ltd)
a) Gratuity				
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.	8.00% p.a.	8.00% p.a.
Mortality Rate	IAL (1994-96) Modified ultimate	LIC (1994-96) ultimate	IAL (1994-96) Modified ultimate	LIC (1994-96) ultimate
Salary Escalation	5%	5%	5%	5%
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) Pension				
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.				

CONSOLIDATED FINANCIAL STATEMENTS



SCHEDULE 26 (Contd.)

(₹ in lacs)

- (x) The Company expects to contribute ₹ 300 to its gratuity fund in 2011-12.
- (xi) In respect of provident funds in the nature of defined benefit plans contribution amounting to ₹ 476.07 (Previous Year ₹ 518.95) and the accrued past service liability ₹ 143.17 as value by the actuary is recognised as expense and included in 'Payments to and Provision for Employees'.
17. The closing stock of Certified Emission Reductions (CERs) as on 31st March, 2011 is 87157 units (Previous Year 96145 units).
18. 'Repairs to Buildings', 'Repairs to Machinery', 'Salary, Wages & Bonus etc.' and 'Transporting & Forwarding Expenses' includes Voluntary Retirement Payments to employees on separation ₹ NIL, ₹ 12.93, ₹ 225.46 and ₹ 5.48 (Previous year ₹ 5.46, ₹ 11.14, ₹ NIL and ₹ NIL) respectively.
19. Sundry Adjustments include prior period adjustments of ₹ 34.14 (Net Debit) [Previous Year ₹ 9.47 (Net Debit)].
20. 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.
21. Managerial Remuneration is as under :

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Salary & Bonus	78.00	67.48
Contribution to Provident Fund	3.60	2.86
Contribution to Gratuity Fund	1.44	1.51
Contribution to Superannuation Fund	4.50	3.57
Perquisites	32.28	30.13
	<u>119.82</u>	<u>105.55</u>

Leave encashment has been considered on payment basis.

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

Associate Company	Share in Equity Capital (%)	Original Cost (a)	Goodwill (Included in cost)	Loss (b)	Carrying Amount of Investments (a - b)
Birla Odessa Industries Pvt. Ltd.	48.61	0.50	0.43	(0.50)	-
Birla Readymix Pvt. Ltd.	46.73	0.50	0.49	(0.34)	0.16
Total		<u>1.00</u>	<u>0.92</u>	<u>(0.84)</u>	<u>0.16</u>

SCHEDULE 26 (Contd.)

22. Segment Reporting

(₹ in Lacs)

A) Primary Segment Information

	2010-11						2009-10					
	Cement	Jute	Power	Others	Inter Segment Elimination	Total	Cement	Jute	Power	Others	Inter Segment Elimination	Total
BUSINESS SEGMENT												
Segment Revenue												
(a) External Sales	190853	20715	43	1133	—	212744	200434	13004	871	1394	—	215703
(b) Inter Segment Revenue	147	—	17323	—	(17470)	—	212	—	17357	—	(17569)	—
Total Segment Revenue	191000	20715	17366	1133	(17470)	212744	200646	13004	18228	1394	(17569)	215703
Segment Result	33130	722	7855	(298)	—	41409	60892	992	9957	(343)	—	71498
(Profit before Interest & Tax)												
Less :												
(i) Interest						5263						2697
(ii) Other un- allocable expenditure net off un-allocable income						(7665)						(7303)
Profit before Tax						43811						76104
Provision for Taxation :												
Current Tax						8468						20125
Deferred Tax						3312						238
Wealth Tax						10						10
Profit after Tax						32021						55731
OTHER INFORMATION												
Segment Assets	167674	8685	31902	3360	—	211621	128593	7003	13914	3522	—	153032
Common Assets						157567						148140
Total						369188						301172
Segment Liabilities	42832	1257	1008	265	—	45362	35185	1784	38	232	—	37239
Common Liabilities						16294						13766
Total						61656						51005
Capital Expenditure	46197	318	3358	126	—	49999	27874	249	37	38	—	28198
Common Capital Expenditure						830						244
Total						50829						28442
Depreciation	4863	212	1178	232	—	6485	4287	206	849	235	—	5577
Common Depreciation						56						45
Total						6541						5622

CONSOLIDATED FINANCIAL STATEMENTS



SCHEDULE 26 (Contd.)

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 4.31% (Previous year 3.07%) of the external sales of the Company, there are no reportable geographical 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.

24 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 :

(₹ in Lacs)

<u>Particulars</u>	<u>Key Mgmt. Personnel</u>	
	<u>2010-2011</u>	<u>2009-2010</u>
Remuneration, Perquisites & Others	<u>119.82</u>	<u>105.55</u>

25. 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 28th day of April, 2011

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

HARSH V. LODHA

PRACHETA MAJUMDAR

VIKRAM SWARUP

B. B. TANDON

D. N. GHOSH

DEEPAK NAYYAR

M. K. SHARMA

B. R. NAHAR

Chairman

Directors

Executive Director &
Chief Executive Officer



NOTES





NOTES

BIRLA CORPORATION LIMITED

Registered Office : 'Birla Building', 9/1, R. N. Mukherjee Road, Kolkata - 700 001.

ATTENDANCE SLIP

 BIRLA CORPORATION LIMITED MP BIRLA GROUP	DP Id ** Client Id ** Folio No.
--	---------------------------------------

Full Name of the member/ proxy attending the meeting	
---	--

I hereby record my presence at the NINETY-FIRST ANNUAL GENERAL MEETING of the Company being held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata - 700 026 on Monday, the 27th June, 2011 at 10.30 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

** Applicable for investors holding shares in electronic form.

- Notes :
1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance, duly signed.
 2. Shareholders/Proxyholders are requested to bring their copies of the Annual Report and Accounts with them to the Meeting.

BIRLA CORPORATION LIMITED

Registered Office : 'Birla Building', 9/1, R. N. Mukherjee Road, Kolkata - 700 001.

FORM OF PROXY

I/We.....
ofin the district of
being a member/members of the above named Company, hereby appoint Shri
of
in the district of or failing him Shri
ofin the district of
..... as my/our Proxy to vote for me/us on my/our behalf at the Ninety-First Annual General Meeting of the Company, to be held on Monday the 27th June, 2011 and at any adjournment thereof * in favour of/against the resolution (s).

Signed this day of 2011.

Folio No.

No. of Shares :

DP Id **

Client Id **

Signature

Affix
Revenue
Stamp

* Strike out whichever is not desired.

Unless otherwise instructed, the Proxy will vote as he thinks fit.

** Applicable for investors holding shares in electronic form.

The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



Shri Tarun Gogoi, Chief Minister of Assam (right), and Shri Harsh V. Lodha, Chairman, Birla Corporation Limited, at the signing of the Memorandum of Understanding at Guwahati for the 1-million ton cement plant in Assam.



The first and second roller press buildings at the upgraded Chanderia Cement Works, Chanderia.



The preheater tower at Birla Vikas Cement, Satna (top)
and the preheater tower of New Chanderia
Cement Works, Chanderia (right).





The 7.5 MW WHRS (Waste Heat Recovery System) boilers at Satna Cement Works, Satna (top), and the 9 MW WHRS boilers at Chanderia Cement Works, Chanderia (left).



Shri Harsh V Lodha, Chairman, Birla Corporation Limited, and Shri B R Nahar, ED & CEO, inspecting WHRS turbine generator sets at Chanderia.



MAZBOOT HAR PAL

