



CORPORATION
LIMITED

MP BIRLA GROUP

ANNUAL REPORT AND ACCOUNTS 2011-12



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 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 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

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
Sr. Joint President
Durgapur Cement Works
Durga Hitech Cement

Shri K. K. Sharma
President
Management Audit

Dr. D. Ghosh
Sr. 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-second 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 Thursday, the 28th June, 2012 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, 2012, 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 2011-12.
03. To appoint a director in place of Shri Vikram Swarup, who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a director in place of Shri B.B. Tandon, who retires by rotation and being eligible, offers himself for re-appointment.
05. To appoint a director in place of Shri Harsh V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
06. To appoint Auditors and to fix their remuneration.

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road
Kolkata-700 001
Dated, the 9th May, 2012

By Order of the Board

Girish Sharma
Sr. Vice-President (Indirect Taxes)
& 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 deposited at the registered office of 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 15th June, 2012 to 28th June, 2012 (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 14th November, 2011 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 by 7th July, 2012 to those members –
 - (a) whose names appear as Beneficial Owners as at the end of business hours on 14th June, 2012, 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 14th June, 2012.
- (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, 2005, 2006, 2007, 2008, 2009, 2010, 2011 and Interim Dividend Warrants for accounting year ended 31st March, 2010, 2011 and 2012 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, 2005, will be transferred to the Fund in October, 2012.**

- (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 held in physical form for transfer, transmission, transposition and deletion of name of the deceased shareholder(s).
- (11) Disclosure pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, with respect to Directors seeking re-appointment in the forthcoming Annual General Meeting is given in the Annexure.

Registered Office :
Birla Building,
9/1, R.N. Mukherjee Road
Kolkata-700 001.
Dated, the 9th May, 2012

By Order of the Board

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

Invitation to participate in the Green Initiative launched by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies, vide its circulars No.17/2011 and No.18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advance opportunity to register their e-mail address or changes, if any, therein with the Company.

Pursuant thereto, we once again invite those members who have not registered their e-mail address to participate in the Green Initiative by registering their e-mail address for the purpose of service of documents viz. Annual Report, Notice of General Meetings, Notice of Postal Ballot, Intimation of ECS Credits etc. by e-mail.

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: **mcskol@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.

ANNEXURE TO ITEMS 3, 4 & 5 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting
(in pursuance of Clause 49 of the Listing Agreement)

(As on 31st March, 2012)

Name of the Director	Shri Vikram Swarup	Shri B.B. Tandon	Shri Harsh V. Lodha
Date of Birth	16.09.1948	30.06.1941	13.02.1967
Nationality	Indian	Indian	Indian
Date of appointment on the Board	28.04.2004	30.05.2007	23.04.1996
Qualifications	Mechanical Engineer	I.A.S.	Chartered Accountant
Expertise	Wide experience in Marketing, Engineering and other General Management functions.	Has held various senior positions with Central Government and retired as Chief Election Commissioner	Wide experience in Corporate Management including Finance and General Management functions
Number of shares held in the Company	500*	500*	1260*
List of directorships held in other companies	Paharpur Cooling Towers Limited (Managing Director) Industrial & Prudential Investment Company Limited Melvin Powell Vanaspati & Engineering Industries Limited Okhla Chemicals Ltd. Paharpur Industries Ltd.	ACB (India) Limited Adani Power Limited Bhushan Steel Limited Dhampur Sugar Mills Limited Exicom Tele-Systems Limited Filatex India Limited Jaiprakash Power Ventures Limited Jaypee Infratech Limited Lanco Anapara Power Ltd. Oriental Carbon & Chemicals Limited Precision Pipes & Profiles Limited Vikas Global One Limited VLS Finance Limited	Alfred Herbert (India) Ltd. Birla Ericsson Optical Ltd. Birla Furukawa Fibre Optics Ltd. Fenner (India) Ltd. Hindustan Gum & Chemicals Ltd. Punjab Produce Holdings Ltd. Universal Cables Ltd. Vindhya Telelinks Ltd.
Chairman/Member of the Committees of the Boards of companies in which he is Director	Member <i>Management Committee</i> - Paharpur Cooling Towers Ltd.	Chairman <i>Remuneration Committee</i> - Adani Power Limited Precision Pipes & Profiles Limited Vikas Global One Limited <i>Audit Committee</i> - Bhushan Steel Ltd.	Chairman <i>Investors Grievance Committee</i> - Alfred Herbert (India) Ltd.

Name of the Director	Shri Vikram Swarup	Shri B.B. Tandon	Shri Harsh V. Lodha
		Member <i>Audit Committee –</i> Adani Power Limited Filatex India Limited Oriental Carbon & Chemicals Limited Precision Pipes & Profiles Limited Jaiprakash Power Ventures Ltd. VLS Finance Limited <i>Shareholders/Investors</i> <i>Grievance Committee -</i> VLS Finance Limited <i>Remuneration Committee –</i> ACB (India) Ltd. Dhampur Sugar Mills Ltd. Exicom Tele-Systems Limited Oriental Carbon & Chemicals Limited Lanco Anapara Power Ltd. <i>Finance Committee -</i> Adani Power Limited Jaypee Infratech Limited <i>Yamuna Expressway Appraisal Committee - Jaypee Infratech Limited</i> <i>Committee of Directors -</i> Jaiprakash Power Ventures Ltd.	Member <i>Audit Committee –</i> Fenner (India) Ltd. Punjab Produce Holdings Ltd.
Relationship between Directors inter-se	Nil	Nil	Nil

NOTE : * Shares held jointly with other shareholder.

Directorships / Committee memberships exclude Alternate Directorships and Directorships in private / foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

FINANCIAL HIGHLIGHTS

(₹ in lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2000-01
OPERATING RESULTS								
Turnover*	259682	243681	238707	203884	199678	179451	143344	102130
Surplus before Interest & Depreciation & Amortisation*	47856	55502	84342	50193	61367	51992	19187	6567
Interest	5251	5263	2697	2205	2105	1853	1362	4371
Surplus/(Deficit) after Interest but before Depreciation	42605	50239	81645	47988	59262	50139	17825	2196
Depreciation	8000	6483	5564	4342	4144	3965	3416	3507
Tax Expense*	10684	11768	20363	11295	15761	13551	1833	(40)
Net Profit	23921	31988	55718	32351	39357	32623	12576	(1271)
Dividend	5370	5377	5395	4054	3604	3153	1976	—
Dividend Percentage	60.00	60.00	60.00	45.00	40.00	35.00	22.50	—
Retained Earning	18551	26611	50323	28297	35753	29470	10600	(1271)
ASSETS & LIABILITIES								
Fixed Assets :								
Gross Block*	271073	220945	175779	144302	130010	116151	112821	84515
Net Block*	186216	143393	102645	74887	62746	52630	53037	35253
Other Assets*	219745	216911	190390	121180	130393	85525	42807	32953
Total Assets	405961	360304	293035	196067	193139	138155	95844	68206
Represented by :								
Share Capital	7701	7701	7701	7701	7701	7701	7701	7701
Reserves & Surplus	216637	198091	171422	121070	92797	58880	30723	15558
Net Worth	224338	205792	179123	128771	100498	66581	38424	23259
Borrowings*	112433	93769	70919	27645	27225	28265	27178	30778
Other Liabilities & Provisions*	69190	60743	42993	39651	65416	43309	30242	14169
RATIOS								
Earning per Ordinary Share (₹)	31.06	41.54	72.36	42.01	51.11	42.36	16.33	(2.17)
Cash Earning per Ordinary Share (₹) (annualised)	41.45	49.96	79.58	47.65	56.49	47.51	20.77	4.05
Net Worth per Ordinary Share (₹)	291.33	267.24	232.61	167.22	130.51	86.46	49.90	30.20**
Debt Equity Ratio (on long-term loans)	0.34:1	0.29:1	0.23:1	0.04:1	0.07:1	0.14:1	0.32:1	0.79:1
Current Ratio*	2.51	2.64	1.96	1.86	1.13	1.18	1.03	2.05

* Regrouped as per Revised Schedule VI requirements for Financial Year 2010-2011.

** On the increased Share Capital

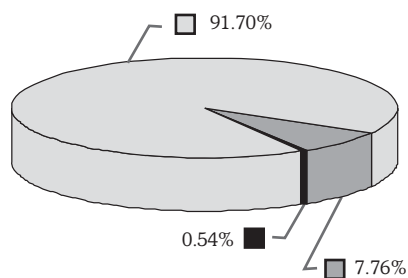
SOURCES AND APPLICATION OF FUNDS

(₹ in lacs)

SOURCES OF FUNDS	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
1. Generation from operations –						
Surplus/(Deficit) after taxes	23921	31988	55718	32357	32357	32623
Depreciation	8000	6483	5564	4342	4144	3965
Deferred Tax	4073	3301	228	1053	116	—
	<u>35994</u>	<u>41772</u>	<u>61510</u>	<u>37746</u>	<u>43617</u>	<u>36588</u>
2. Borrowings (Net)	18664	30661	43274	419	(1039)	1087
3. Reduction in Working Capital	—	—	—	—	—	—
4. Increase in Capital Reserve Others (Net)	17	80	50	(1)	(4)	—
	<u>54675</u>	<u>72513</u>	<u>104834</u>	<u>38164</u>	<u>42574</u>	<u>37675</u>
APPLICATION OF FUNDS						
1. Fixed Assets	50844	50296	28040	16505	14289	3637
2. Investments	(12452)	2756	58936	(8171)	21393	24476
3. Increase in Working Capital	10913	14084	12463	25776	3288	6409
4. Dividend	5370	5377	5395	4054	3604	3153
	<u>54675</u>	<u>72513</u>	<u>104834</u>	<u>38164</u>	<u>42574</u>	<u>37675</u>

Statement of Sales by Activities 2011-2012

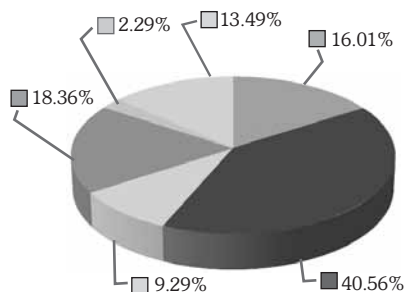
(₹ in lacs)



□ Cement : 234462.15 (91.70%)
■ Jute : 19826.52 (7.76%)
■ Others : 1390.45 (0.54%)

Revenue Distribution 2011-2012

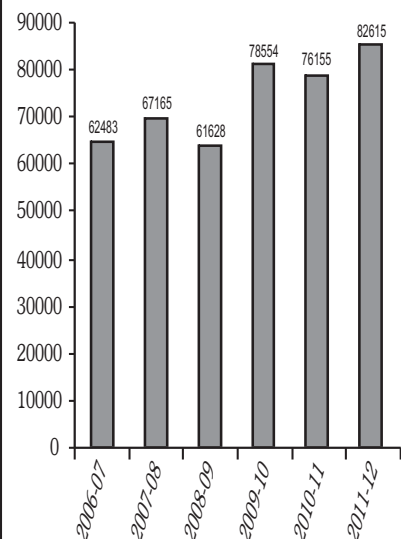
(₹ in lacs)



■ Raw Materials : 36770.66 (16.01%)
■ Manufacturing Expenses : 93171.62 (40.56%)
■ Employee Benefit Expense : 21337.04 (9.29%)
■ Selling, Administration & Other Expenses : 42170.54 (18.36%)
■ Finance Costs : 5250.75 (2.29%)
■ Excise Duty : 30992.32 (13.49%)

Contribution to National Exchequer 2011-2012

(₹ 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, 2012.

(₹ in Crores)

	31st March, 2012	31st March, 2011
FINANCIAL RESULTS		
Revenue from Operations (Gross)	2596.82	2436.81
Total Revenue	2413.06	2260.91
Profit before Finance Costs, Tax, Depreciation and Amortization	478.56	555.02
Finance Costs	52.51	52.63
Profit before Tax, Depreciation and Amortization	426.05	502.39
Depreciation and Amortization Expense	80.00	64.84
Tax Expense	106.84	117.68
Profit for the year	239.21	319.87
Surplus as per last Financial Statements	190.50	190.90
	429.71	510.77
Appropriation:		
Debt Redemption Reserve	16.50	16.50
Interim Dividend	19.25	19.25
Corporate Dividend Tax on Interim Dividend	3.12	3.20
Proposed Final Dividend	26.95	26.95
Corporate Dividend Tax on proposed Final Dividend	4.37	4.37
General Reserve	250.00	250.00
Net Surplus	109.52	190.50

DIVIDEND

The Company has paid an interim dividend of ₹ 2.50 per share (25%) on ordinary shares during the year. Your Directors are pleased to recommend a final dividend of ₹ 3.50 per share (35%) on ordinary shares for the year ended 31st March, 2012. Thus the aggregate dividend for the year ended 31st March, 2012 works out to ₹ 6.00 per share (60%) aggregating to ₹ 53.69 crores including Corporate Dividend Tax of ₹ 7.49 crores as compared to ₹ 53.77 crores (including Corporate Dividend Tax of ₹ 7.57 crores) in the previous year.

HIGHLIGHTS OF PERFORMANCE/EVENTS

- The production of clinker from the 1.2 million tons brownfield cement

capacity expansion at Chanderia commenced during the year.

- The Company has introduced a premium Portland Slag Cement brand, Birla Samrat Unique.
- The production of blended Cement vis-à-vis total Cement production was highest ever at 89.08% (5.26 million tons).
- The Company is actively and financially supporting the establishment of the M.P. Birla Hospital & Research Centre at Chittorgarh, the foundation stone of which was laid by Syt. Ashok Gehlot, Chief Minister of Rajasthan, on 31st May, 2011.
- Implementation of the ERP system in all the cement units of the Company is progressing well and the same is likely to be implemented in the second quarter of the financial year 2012-13.

ECONOMIC SCENARIO

The Indian economy is expected to grow only by 6.9% during the financial year 2011-12, as against the growth rate of 8.4% during the financial year 2010-11. The GDP growth rate of the country has been slowing down over the period due to various internal and external factors, including continuing inflationary pressure, high interest rates, adverse impact of crude oil prices and slow down in the economic decision making process leading to a decline in investment flows. The sharp depreciation of Rupee against US Dollar in the second half of the financial year 2011-12, uncertain external environment and the decline in various indices of economic performance have also been a cause of concern for the policy makers and industry. The country's GDP is projected to grow at about 7.5% during the financial year 2012-13. The marginal improvement in the growth rate is expected on account of stabilizing global economic conditions but significant acceleration in growth would depend on the push to economic reforms.

1.1 CEMENT DIVISION :

(a) Industry Structure and Developments :

After recording its lowest growth over a decade in the year 2010-11, the Indian cement industry put up a better performance in the financial year 2011-12 on the back of robust demand revival in the second half of the year. The industry grew at 6.4% during 2011-12 as against less than 5% in the financial year 2010-11.

All India consumption growth was 6% (estimated). Western Region has shown the highest consumption growth of 16% followed by Northern, Central & Eastern Region at 11%, 8% and 3% respectively. Southern Region has shown negative growth of (-)3%. State wise highest consumption growth was from Gujarat which was 18% followed by Punjab & Orissa at 15%, Maharashtra & Haryana at 14% and Andhra Pradesh, Himachal Pradesh, Jharkhand & Bihar has shown negative growth i.e. (-)13%, (-)6%, (-)6% & (-)1% respectively.

During the first half of the year (April – September), the industry managed to grow merely at 3.2%. However, with a pick up in the construction activity, a strong revival of demand was seen from the 3rd quarter of the financial year. The spurt in demand helped in increasing prices of cement which were languishing in the first half.

Although the pace of capacity addition has slowed down during the year, over-capacity is still a major concern for the industry. The lower than expected demand growth resulted in lower capacity utilization in the industry.

According to the latest report from the working group on the industry for the 12th 5-Year Plan (2012-17), India would require overall cement capacity of around 480 million tons. This would mean that the industry will have to add another about 180 million tons of capacity during the period.

The consistent rise in the inflation added to the input cost, depreciation cost and other overheads and the margins of the industry were severely impacted. The high interest rate regime led to tighter liquidity situation which hurt the investment cycle and new capex plans for various infrastructure and construction projects. Weakening of rupee during the year increased the cost of finance due to exchange losses on exposures in foreign currency.

(b) Review of performance :

Over the years, the cement division of the Company has taken various innovative steps, including expansions & modernization at competitive costs, logistical planning, greater emphasis on blended cement and restructuring marketing zones to make the company one of the best performers in the industry. However, the stay on mining operations at the Company's Chanderia unit has severely affected the overall performance of the Company. In spite of the disruption in operations, the Company could maintain its market in the region, catered by Chanderia unit, by procuring clinker and limestone at a much higher cost.

The increase in the cost of production was partially mitigated by way of substantial increase in sale of blended cement during the year.

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 :

	2011-12 (Lac Ts.)	2010-11 (Lac Ts.)	Change %
Clinker production	37.43	40.24	-6.98
Cement production	59.06	59.26	-0.34
Blended Cement	52.61	51.18	2.79
% of total cement production	89.08	86.37	2.71
Cement despatches	59.53	59.39	0.24

The cement division has achieved the production of clinker and cement at 37.43 lac tons and 59.06 lac tons respectively during the year. The cement despatches during the year was 59.53 lac tons.

The Company continues to focus on production of blended cement and the percentage of blended cement vis-à-vis total cement production was as high as 89.08% during the year.

The Satna unit of the Company has recorded all time high Clinker production of 25.32 lac tons. The unit has also recorded

the highest ever Cement production and despatches at 18.37 lac tons and 18.36 lac tons.

At Chanderia, the production of clinker and cement was lower at 12.11 lac tons and 22.23 lac tons.

Operations at Chanderia during the year have been severely affected due to the order of the Hon'ble Jodhpur High Court staying mining within 10 kilometers area of the Chittorgarh Fort following a PIL filed by a group of individuals against the Union of India and the State of Rajasthan. In view of the said Order, the mining of limestone at Chanderia has been kept under suspension since 20th August, 2011. Consequently, the production of clinker has suffered since September, 2011. The Unit continued to produce clinker by procuring limestone from outside to the extent possible and feasible. The production of cement also continued by supplementing clinker from other sources besides from own produced clinker at Satna. As per the directions of the Court, inspection and various tests were conducted by Indian Bureau of Mines (IBM) with regard to mining activities and its effect on Chittorgarh Fort. The above inspection and tests have been completed by IBM and a report has been submitted to the Court. As a measure of partial relief, the Hon'ble Court had granted permission to lift 70,000 MT of limestone excavated before the Court Order suspending the mining operation and another 1,85,000 MT limestone, which was blasted during the study and tests conducted by IBM, lying in the mining area. The Company is making all efforts to get the Order staying the mining operations vacated, at the earliest. The matter is expected to be taken up for hearing shortly.

The profitability of the Company during the year was impacted on account of increased cost of coal, power and the increase in freight cost as a result of rise in diesel prices.

The production at Durgapur plant has improved during the year. The unit has registered highest ever cement production and despatches of 11.44 lac tons and 11.57 lac tons respectively.

A new brand of premium Portland Slag Cement, BIRLA SAMRAT UNIQUE with improved quality and fineness to capture premium market was introduced in Kolkata in October 2011 which has been well received in the markets.

(c) Opportunities :

The continued thrust of the Central Government on infrastructure along with agriculture and education sectors is expected to provide significant impetus to economic growth in the medium-term. The proposed ₹ 50 Lac crores investment, (half of it to come from private sector) during the 12th Plan, including financial incentives like tax-free bonds and external commercial borrowings for capital expenditure in roads, airlines, low-cost affordable housing project, bodes well for infrastructure.

On the development of road infrastructure, as against 71,772 KM stretch laid so far, the target is to lay roads to the extent of 85,000 KM length by 2020. To set this in motion, the target for the year 2012-13 is to cover a length of 8,800 KM under the National Highway Development Programme (NHDP). To achieve this target, allocation of the Road Transport and Highways Ministry has been enhanced by 14% to ₹ 25,360 crores.

With a view to combat inflation, Reserve Bank of India (RBI) had hiked the key interest rates as many as 13 times since March 2010. The recent move of Reserve Bank of India in reducing the repo rate by 50 basis point, the first rate cut in last 3 years, should help in revival of investment and contribute to strengthening of business sentiment. However, the upside risks on inflation may limit the scope for further cuts in the rates.

The demand for cement is likely to continue to remain robust in rural India on account of the various stimulus measures being undertaken by the Government for enhancing rural income levels in the form of NREGA, Pradhan Mantri Gram Sadak Yojana, Indira Awaas Yojana, Bharat Nirman etc.

(d) Threats, Risks and Concerns :

Going by the past experience, the cement demand growth rate has been generally higher than GDP growth rate. However, a disconnect has been seen during the last 2 years when the rate of cement demand growth was lower than the GDP growth rate. The growth of the cement industry may be impacted if this trend continues in future.

Significant capacity has been added during the course of the last 3 years. Cement demand has not been able to keep pace with the additional supply in the market resulting into demand - supply mismatch. This situation may continue to affect the cement prices and realizations in the near future.

The economy is facing problems associated with shortage of domestic coal and the inefficiency in the State-run distribution companies. Coal India has substantially increased the prices during a short span of less than one year. The substantial increase in coal prices subsequent to adoption of Gross Calorific Value (GCV) based pricing model by Coal India Ltd. would put additional cost burden in times to come. The recent move to increase the rate of royalty on coal to 14% on ad valorem basis would further add to the cost pressures. Further, non-availability of linkage coal commensurate with increase in production capacity, inordinate delay in conversion of allotted linkages into Fuel Supply Agreements (FSA) and deteriorating local coal quality has necessitated the import of better quality coal at a higher price.

The cost of power has also gone up substantially on account of increase in coal prices. The increase in the prices of petrol and diesel has resulted into higher freight costs.

Cement has been and is one of the most highly taxed commodities in the country. After approx. 2% increase in the Excise Duty in the last Budget, the rate of duty has been hiked further by more than 2% in the Budget for the year 2012. The increase in Excise Duty which came after the hike in the railway freight has resulted in considerable increase in the cost of delivered cement. This may have a cascading effect on the cost of construction and hence may adversely impact the infrastructure and housing growth.

Availability of railway wagons for movement of raw materials and finished goods has been a major cause of concern in the industry and the non-availability of wagons may severely hamper the movement of goods. The railway freight cost has gone up due to hike in Development Surcharge from 2% to 5% and “Busy Season Rail Load” from 7% to 10% from mid-October 2011. With effect from 6th March, 2012, there has been revision in average Railway freight for cement and clinker by as much as 24% by way of adjustment in classification and increase in terminal charges and development surcharge. This would further add to the cost pressure for the industry.

Though the duty on import of coal has been brought down to zero, other raw materials such as clinker and gypsum continue to attract duty on imports. The policy of the Government in allowing duty-free import of cement and imposing taxes on the raw materials required for manufacturing cement do not augur well for the industry. The weakening of Rupee would have its adverse impact on the import of coal and other raw materials such as, clinker and gypsum.

Reforms, particularly in the fields of land acquisition, power, agriculture, implementation of Goods and Service Tax and FDI in multi brand retail would be the key to economic development of the country. There is a strong need to fast-track these reforms which in turn would boost investments and revive growth.

The proposed legislations in the offing such as the Land Acquisition Bill and Mines and Mineral Development and Regulation (MMDR) Bill would add to the woes of the industry. While the MMDR Bill would substantially increase the amount of royalty payable on various minerals including limestone and coal, the Land Acquisition Bill will pose severe challenges for the industry in acquisition of land.

The performance of the Company will also be severely affected in case the ban on mining operations at Chanderia unit is not lifted in the near future.

(e) Outlook :

On the backdrop of the growth fundamentals, it is expected that economic scenario for the near future will remain modest with growth being slightly higher than that recorded during the year 2011-12.

Factors such as high savings and investment rates, infrastructure development growth and an ever-expanding middle class indicate a steadier economic scenario. On the back of strong economic growth fundamentals and the impetus provided by the housing and infrastructure construction activities in the 12th Five-Year Plan period, the long term growth prospects for the cement industry are quite favourable. The unabated increase in the cost of energy, raw materials and distribution will pose a major challenge for the cement industry.

The recent recovery in the demand for cement is expected to hold until the monsoon sets in. The cement industry is in the midst of cyclical downturn when producers significantly expanded manufacturing capacities and growth in demand slackened. The prices are expected to remain volatile due to demand - supply imbalances. The over supply situation is expected to balance out in the medium to long term with rise in demand due to higher growth.

The long term outlook for the industry continues to be bright as currently, 55-60 percent of cement produced in India is consumed by the housing sector and this is expected to change in the next few years when the emphasis will be on infrastructure developments like roads, ports, irrigation/river connectivity projects and railways etc, which will consume a significant percentage of cement produced in the country.

1.2 JUTE DIVISION

(a) Industry Structure and Developments :

The jute industry is an integral part of the Indian Textile Industry. The jute industry in India is an old industry and is pre-dominant in the eastern part of India. Jute goods possess excellent property for packaging of agricultural products. The jute products are also used in areas like road construction, mining and soil conservation.

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 continues to be highly labour intensive which remains one of the major challenges being faced by the industry. Capacity utilization of the industry is around 75 per cent.

Main products manufactured by jute industry are Sacking, Hessian, Carpet Backing Cloth, Yarn, Food Grade Products and Geo-textiles.

(b) Performance :

Production during the year has been 35,521 MT as compared to 36,952 MT in the preceding year. During the first & second quarters, production has been lower due to paucity of export orders for yarn. During the second half of the year, the

production & productivity has been badly affected due to hostile and non-cooperative trade unionism. The workmen had adopted go-slow tactics and refused to follow agreed productivity and manning norms. The Trade Unions have also stalled installation of newly procured machines on the pretext of lower manning requirement than the traditional machines. Workers have resorted to flash strike on more than one occasion. As a result, Management had to declare Suspension of Work w.e.f. 31st March, 2012.

Soorah Jute Mills continues to be under Suspension of Work.

(c) Opportunities and Threats; Risks and Concerns :

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

Good grade jute products processed with vegetable oil are widely used by the producers and exporters of coffee, cocoa beans and other shelled nuts mainly in Latin America, African and Far East countries.

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.

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

(d) Outlook :

Raw jute crop of 2011-12 was higher than normal by 10%. Higher production coupled with carry over of about 18 lacs bales as on 1st July, 2011 led to comfortable supplies and the raw jute prices came down by about 35% than last crop year. As the farmers have not got remunerative price during the year 2011-12, it is expected that the total sowing area may decrease by about 15% in the ensuing crop year (July 2012 to June 2013).

The expansion and modernization initiative undertaken/implemented will result in long term viability and sustainability of operation of the Jute Division in the coming years.

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 1393 tons as against 1367 tons 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 8952 pcs. of door trims as compared to 21511 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 taken up several projects and capacity enhancement programmes to maintain its market position in the industry besides focusing on various other efficiency improvements and pro-environment efforts.

CEMENT DIVISION

At Chanderia, the first phase of the expansion to enhance the production capacity by 1.2 Million Tons Per Annum (MTPA) brownfield Project has been commissioned. The new kiln was lit up on 14th March, 2012 and the first tranche of clinker was manufactured on 17th March, 2012. During the second phase the production capacity will be enhanced to 2.7 MTPA. The Cement Mill modification programme at Satna and Chanderia is also progressing satisfactorily and is expected to be completed in the first quarter of financial year 2012-13. Work for expansion of grinding unit capacity at Raebareilly by 0.12 MTPA is going on satisfactorily and the same is expected to be commissioned by November, 2012. To take advantage of substantial Portland Pozzolana Cement (PPC) market in northern India, 0.5 MTPA capacity Split Grinding unit at Kota is being installed, for manufacturing of PPC based on Fly ash, for which steps have been undertaken to obtain the environmental clearance. At Durgapur, the 0.7 million tons grinding capacity addition is progressing satisfactorily and the project is likely to be commissioned by June, 2012. The work relating to setting up of a packing plant with cement silo at Durgapur is also progressing well and is likely to be completed by December, 2012. After completion of all the expansion programmes, the effective annual capacity of cement will be 9.3 million tons which will get enhanced to 10.8 million tons on completion of the second phase of expansion at Chanderia from 1.2 to 2.7 MTPA.

At Satna, installation of Coal Washery is in an advanced stage and is likely to be completed by the end of October, 2012. The Washery once installed would help in maintaining the quality of coal required for cement production on a sustained basis.

The Company is planning to install 35 MW Thermal Power Plant at Satna and 50 MW Thermal Power Plant at Chanderia for which necessary steps are being taken for obtaining approval for pollution and other clearances from the concerned authorities.

From a longer term perspective, it is imperative that the Company develops alternative fuel sources. In pursuance of the above objective, the Company has implemented Waste Heat Recovery System (WHRS) at Satna and Chanderia wherein the waste hot gases coming out of the pre-heater and clinker cooler are used to generate substantial power.

In view of the ever-increasing cost of the traditional energy sources, plans are afoot to develop other renewable energy sources for power including solar energy. The Company is also exploring the possibility of producing power through industrial and agricultural waste materials. This would also enable the Company to fulfill the Renewable Power Obligation (RPO), recently introduced by many states across the country. With a view to fulfill the Renewable Power Obligation (RPO), it is proposed to install a 2.5 MW Solar Power project at Satna and a 1.5 MW Biomass Gasifier project each at Satna, Chanderia and Durgapur.

The Company was allotted the Bikram Coal Block in Madhya Pradesh and administrative approval for mining lease has been granted by the Union Ministry of Coal. The forest and environmental clearances are being followed up.

The M. P. 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 was challenged by various parties in the Mines Tribunal and in Jabalpur High Court. All the petitions have since been dismissed except one before the Tribunal and one before the High Court. The Hon'ble High Court, in an interim order passed recently, has held that appropriate Government can execute the mining lease in favour of the Company, subject to the final order. The Union Ministry of Mines has conveyed relaxation of Section 6(1)(b) of the MMDR Act for the grant of the mining lease (as required in case of holding of mining lease in excess of 1000 hectares).

The Company had signed an MoU with the Assam Minerals Development Corporation, a Government of Assam Undertaking, to set up one-million ton greenfield cement plant at Umrangsu, North Cachar, through a Joint Venture (JV) involving an investment of ₹ 450 crores. The activities to set up the plant will be initiated after the JV agreement is signed with the AMDC.

Implementation of the ERP system in all the cement units of the Company is progressing well and the same is likely to be implemented in the second quarter of the financial year 2012-13. The ERP system will introduce best practices and improve the overall efficiency of the Company by augmenting its information technology capabilities.

JUTE DIVISION

Investments have been planned in the Division to acquire latest machineries for improving productivity and efficiency in the operations.

CREDIT RATING

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

Further, CRISIL has also re-affirmed "P1+" rating to the Company for ₹ 1250 million (₹ 125 crores) Short Term Debt Programme (including Commercial Paper) and "AA+/Stable" 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 long term foreign currency loans of USD 28.24 mn (equivalent to ₹ 139.63 crores) and rupee term loan of ₹ 8.55 crores aggregating ₹ 148.18 crores to part finance the ongoing capital expenditure plan of the Company.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review, a sum of ₹ 826.15 crores (₹ 761.55 crores in 2010-11) 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

Quality Circle team, namely "Pratigya", from our Satna Unit participated in International Convention Quality Circle held at Yakohama, Japan and won the "Distinguished" Award. Two other Quality Circle teams, namely "Kiran" and "Lakshya", participated in the Regional Convention, Quality Circle, held at Kanpur and both the teams won "Gold" Awards.

The Company's unit at Chanderia received recognitions for 'Best Improvement in Thermal Energy Performance' from NCB for Chanderia Cement Works and the 'Second Best Environmental Excellence in Plant Operation' from NCB for Birla Cement Works for the year 2009-10. The Unit has also received 'Rajasthan Energy Conservation Award' for the year 2011 for being the Second Best in Cement Industries from Rajasthan Renewable Energy Conservation Ltd, Govt. of Rajasthan and 'Best Employer – 2010' award for Large Scale Industry by Employers' Association of Rajasthan, Jaipur.

At Durgapur, the Quality Control Group, "Pragati" had participated in NCQC – 2011, held at Hyderabad, from 9th – 11th December 2011 and had been awarded with "Meritorious Trophy".

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.

The CSR policy of the Company provides a road map for its CSR activities. 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. The CSR activities are being 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. Each of these institutions are 'not for profit' organizations with social service being their basic objective. The aggregate capacity of hospital beds in the Group currently stands at around 1700. Out of these, more than 300 beds are free. In addition to the free beds, several of our health care institutions offer highly subsidized all-inclusive treatment for the needy. Our educational institutions provide education to more than 22,000 students.

HEALTH, EDUCATIONAL AND SOCIAL INITIATIVES

The Company provides active assistance, financial as well as managerial, to various hospitals and educational and philanthropic institutions set up by the Group.

One of the recent major initiatives taken by the Company is establishment of a hospital at Chittorgarh. The Company is actively contributing to the establishment of the hospital. The foundation stone of the hospital was laid by the Hon'ble Chief Minister of Rajasthan, Shri. Ashok Gehlot on 31st May, 2011. It is proposed to set up a multi-speciality 200 bed hospital, at an estimated cost of around ₹ 40 crores. The architectural and structural design for the proposed hospital has been completed and the plan submitted to Nagarpalika, Chittorgarh has been duly approved. The work for boundary wall has already started and the construction of hospital shall start very soon and will be completed in about two years' time.

Other large initiatives being planned include a 600 bed hospital at Jaipur, Education and Medical hub at Kolkata, management institute at Mysore, a vocational training institute apart from expansions and upgradation of the existing institutions.

This apart, social/charitable/philanthropic activities undertaken include :

- Running voluntary centres and dispensaries providing much-needed medical services to the local population at a highly subsidized rate, free education to girl students coming from economically weaker sections of society, providing Tele medicine facilities in small towns, maintaining Ayurvedic dispensary at mines Colony, run by Cess & Welfare Dept., Govt. of India, organizing medical camps (Orthopaedic, Ophthalmological, Gynaecological, Dental & Pediatric), Polio and blood donation camps, maintaining Mobile dispensaries and ambulances to support villagers residing in areas close to the plants and running reading rooms.
- Supporting schools in nearby villages both financially and by distribution of books etc. free computer training for villages, free tailoring training for women, vocational training to management and engineering students and dependents of workers, training to Women Self Help Groups on

Income Generating activities such as Agarbatti manufacturing and stitching to make them self-reliant.

- Distributing water in villages, making contributions for canal construction for water supply, providing mid-day meal to the poor, development, maintenance and renovation of temples and funding of mass marriages.

CONSERVATION OF ENVIRONMENT

The Company has undertaken consistent efforts in promoting clean and pollution free environment and making the environment eco-friendly 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 measures have been taken during the year such as installation of Bag Dust collector for controlling fugitive dust emission, Kiln and cooler ESP for efficiency improvement. As a part of other environment control measures good housekeeping practices were followed, constructed additional raw material and finished product facilities, regular maintenance of existing controlling devices like ESP's and Bag filters were done. Clinker Silos are being constructed for improvement in clinker storage in order to retain clinker quality and reduction in pollution.

At Chanderia, dust pollution around the mining area and roads have been controlled significantly with the usage of water tankers, pumps and rain guns for pressurized spray. Measures have been taken for conservation of Limestone reserves. Laboratory Test for beneficiation of Crusher Rejects, for optimizing the extraction of limestone has been completed and procurement of 1 No. Vibratory Screen is in process which is likely to be completed and installed during the financial year 2012-13. The Unit has also taken various actions for harvesting and conservation of water.

The Waste Heat Recovery System at Satna and Chanderia plants of the Company has been implemented which 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 1.18 million tons of Fly ash during the year 2011-12 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. Water harvesting schemes in the residential colonies and office areas have also been implemented.

SUBSIDIARY COMPANIES

During the year, the Company has formed a wholly owned subsidiary at Ethiopia namely Birla Corporation Cement Manufacturing PLC (BCCMPLC) for the purpose of exploration/exploitation of limestone and other minerals and setting up Cement and captive power plant. Exploration license for limestone has been allotted to BCCMPLC while the application for exploration of coal is currently under processing and expected to be received shortly.

The three subsidiary companies namely, New-Age Cement Limited, Thiruvaiyaru Industries Limited and Birla North East Cement Limited were under the process of voluntary winding up, out of which New-Age Cement Limited stands dissolved during the year pursuant to the order of the Hon'ble High Court at Calcutta. In view of the aforesaid, these 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 seven 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, 2012, 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 except as otherwise stated in the Notes to Financial Statements 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 2011-12 and of the profit for the year ended 31st March, 2012;
- (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, 2012, 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

The Company has always attached maximum importance for development of human resource, the vital asset responsible for continued success of the Company. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development.

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 10138 employees on its rolls as at the close of business hours on 31st March, 2012. Industrial relations have been cordial throughout the year at all the Units barring suspension of operations since 29th March, 2004 at Soorah Jute Mills and suspension of work at Birla Jute Mills, Birlapur declared w.e.f. 31st March, 2012.

DIRECTORS

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

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.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to Section 233B(2) of the Companies Act, 1956, in terms of the Central Government's approval the Board of Directors on the recommendation of the Audit Committee appointed Shri Somnath Mukherjee, Cost Accountant, as the Cost Auditor of the Company for the year under review relating to Cement and Jute Goods manufactured by the Company. Shri Mukherjee has also been appointed as the Cost Auditor for generation of electricity. Shri Somnath Mukherjee has confirmed that his appointment is within the limits of the Section 224(1B) of the Companies Act, 1956 and has certified that he is free from any disqualifications specified under Section 233B(5) read with Section 224 sub section (3) or sub section (4) of Section 226 of the Companies Act, 1956.

The Audit Committee has also received a Certificate from the Cost Auditor certifying his independence and arm's length relationship with the Company.

Pursuant to Cost Audit (Report) Rules, 2001 the due date for filing the Cost Audit Reports for the financial year 2010-2011 was 30th September, 2011 and the same were filed by the Cost Auditor for Cement and Jute Goods on 20th September, 2011. The due date for filing the Cost Audit Reports for the financial year 2011-2012 is 30th September, 2012.

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	
ANAND BORDIA	
B. B. TANDON	
D. N. GHOSH	
M. K. SHARMA	
B. R. NAHAR	Executive Director & Chief Executive Officer

Kolkata,

Dated, the 2nd day of May, 2012

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, 2012

	Auto Trim	Cement
A. Conservation of Energy	Energy Conservation constantly monitored through improvising maintenance system and reducing distribution losses.	Energy Conservation cell is continuously monitoring energy consumption and taking necessary action for optimisation of power consumption.
a) Energy Conservation measures taken	Usage of Heaters optimized.	Installation of energy efficient Roller Press for cement grinding at Chanderia Unit, for Slag grinding at Durgapur Unit completed.
	—	Analog type ESP controller replaced with latest digital type energy efficient controller.
	—	Analog panel of main drive of Kilns replaced with digital drive D.C. panel.
		Installed energy efficient CFL lights and solar Water heating system in Residential colony.
		Installed Shell Scanner, VF Drives, Intelligent MCC at Chanderia.
		Thermo-technics cameras for kiln burning zone & Cooler.
b) Additional investment, proposals, if any	Reconditioning of standby 500 KVA Transformer.	Installation of Roll Press for cement grinding and Coal Mill VRM at Satna
	—	Coal Washery project at Satna, Installation of CPP, Solar & Bio-mass based power plant
	—	Additional infrastructure facilities for plant balancing
		WHRS for NCCW, Chanderia
		Optimisation of Raebareilly plant capacity.
c) Impact	Reduction in the losses and ultimately the cost of energy.	Capacity optimization and reduction of fuel, power, GHG Emission, energy consumption, Fossil Fuel and consequently reduction in the cost of production of Cement.
		By installing the coal washery, dependence on market for high cost low ash coal will be minimized.
		Installation of VF drives will result in optimizing speed of kiln drive. Shell scanners will improve life of brickdinning.
		Increase in clinker production and reduction in power & specific heat consumption.
d) Power & Fuel Consumption	Form 'A' annexed	Form 'A' annexed
B. Technology Absorption		
e) Research & Development	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 activity
1) Specification of Technology absorption and/or R&D	—	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 conservation of water.
	—	Utilisation of Solar Energy, Bio-mass and other waste material.
3) Future Plan of Action		Classification of Fly Ash and blending for cement manufacturing.

Jute	Steel Foundry	Vinoleum
Optimised motor rating of Beaming Machines, Looms.	Optimising energy conservation by improvement in productivity.	—
Replaced group-drive with individual motor on the cop-winding machines.	Optimised oil quenching arrangement.	—
Installed energy efficient CFL lights.		—
		—
		—
Installation of energy efficient motors	—	—
Installation of LED lights.		—
		—
		—
Reduction in power consumption.	Improved quality of grinding media	—
		—
		—
		—
Form 'A' annexed	Form 'A' annexed	Form 'A' annexed
Installed of High Speed fully automatic Weaving Machine (S4A Looms) for Sacking Cloth	Latest technology for Grinding media hardening	—
Installed of Two for One Twisting Machine for Export Yarn	—	—
—	—	—
—	—	—
—	—	—
—	—	—
Conservation of Energy	Conservation of Energy	—
—	Product quality improved.	—
Exploration of new areas of eco-friendly jute product	—	—

ANNEXURE

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		AUTO TRIM		CEMENT			
		Current Year (2011-12)	Previous Year (2010-11)	Current Year (2011-12)	Previous Year (2010-11)		
A. POWER & FUEL CONSUMPTION							
1. Electricity							
a) Purchase							
Unit in lacs (KWH)		1.86	2.16	1776.35	1882.77		
Total Amount - ₹ in lacs		11.09	12.31	9685.74	9349.45		
Cost / Unit in ₹		5.95	5.70	5.45	4.97		
b) Own Generation							
i) Through Diesel Generator							
Unit in lacs (KWH)		—	—	7.79	9.41		
KWH per Ltr. of Diesel Oil		—	—	2.30	3.21		
Cost / KWH in ₹		—	—	9.92	9.84		
ii) Through Steam							
Turbine/Generator							
Unit in lacs (KWH)		—	—	3250.51	3599.45		
KWH per Tonne of Coal		—	—	1031.12	1012.96		
Cost / Unit in ₹		—	—	2.30	2.19		
iii) Through Waste Heal Recovery							
System							
Unit in lacs (KWH)		—	—	667.91	174.47		
2. Coal : Grades - B, C, D & E							
Quantity in Tonnes							
a) Power Generation		—	—	315240	355339		
b) Process Steam		—	—	—	—		
c) Locos		—	—	—	—		
d) Kilns		—	—	575049	619649		
e) Others		—	—	5162	5773		
Total Cost - ₹ in lacs		—	—	41277.69	33877.59		
Average Rate in ₹ / Tn.		—	—	4610	3454		
3. Furnace Oil / Light Diesel Oil							
Quantity (K. Ltrs.)		—	—	92.76	99.70		
Total Amount - ₹ in lacs		—	—	24.73	26.15		
Average Rate in ₹ / K. Ltrs.		—	—	26657	26230		
		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		—	13.80	7.18	105-110	90 (for naked cement)	86
Furnace Oil / Light Diesel Oil in Ltrs.		—	—	—	—	0.085	0.131
Coal : Grades - B, C, D & E							
Consumption in Tn.							
Kilns		—	—	—	0.20-0.21	0.117	0.118
Coal Quality -							
Kilns (UHV)		—	—	—	—	5245	5340

JUTE			STEEL FOUNDRY			VINOLEUM		
	Current Year (2011-12)	Previous Year (2010-11)		Current Year (2011-12)	Previous Year (2010-11)		Current Year (2011-12)	Previous Year (2010-11)
	225.49	221.37		28.19	23.92		0.12	0.69
	1342.81	1280.88		186.15	160.44		0.72	3.98
	5.96	5.79		6.60	6.71		5.95	5.78
	0.09	0.02		—	—		—	—
	2.30	2.34		—	—		—	—
	19.02	16.81		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		22	264		—	—
	—	5.7		0.83	9.52		—	—
	—	3202		3773	3606		—	—
	—	—		299.55	251.00		—	—
	—	—		108.71	73.34		—	—
	—	—		36290	29219		—	—
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		
—	633	597	—	2221	2088	—	—	—
—	—	—	—	236.00	207.34	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—

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, 2012 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	1,66,66,267	B.Com, FCA	38	12.12.2002	60	Essar Investment Ltd. Mumbai. Executive Director 3 yrs.

Notes :

1. Employment is contractual.
2. Gross Remuneration includes Salary, allowances, bonus, perquisites and company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund.
3. He is not related to any Director of the Company.
4. He does not fall 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 :

Board Composition :

The strength of the Board of Directors as on 31st March, 2012 is Nine (9) out of which Six (6) are independent. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

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

Directors' Profile :

The Board of Directors is composed of highly renowned professionals drawn from diverse fields, who bring with them a wide range of skill and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under :

Shri Harsh V. Lodha, an eminent Chartered Accountant and Director of Lodha & Co, serves on the Board of several reputed companies and as Trustee and Managing Committee Member of many social and philanthropic organizations. He is the member of managing committee of Assocham and executive committee member of Indian Chamber of Commerce where he has also served as Vice President. He has served as member of the executive committee of FICCI and served as the Co-chairman of its Young Leaders Forum. He has served as member of the Accounting Standards Board of the Institute of Chartered Accountants of India.

Apart from handling audits of several large publicly quoted companies in India and other professional work, has been involved in and handled several Advisory assignments in the fields of international takeovers and financing, domestic financing, project structuring, capital mobilisation, joint ventures/collaborations, mergers/reconstructions and rehabilitation.

Shri Pracheta Majumdar, former Managing Director of CEAT Tyres Ltd., is a Mechanical Engineer and a Management Advisor by profession. 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.

Shri Vikram Swarup is the Managing Director of Paharpur Cooling Towers Limited. He is a Mechanical Engineer and is an acknowledged authority on thermal design of cooling towers in India. He has vast experience in Marketing, Engineering and other General Management functions.

Shri Anand Bordia, a former Member of the Indian Revenue Service, was First Secretary, Trade High Commission of India,

London, and worked in the Secretariat of the World Customs Organization, Brussels, for seven years. He held various senior positions in the Central Government. He has been a Consultant to Asian Development Bank and was Member (Finance), National Highways Authority of India.

Shri B.B. Tandon, the former Chief Election Commissioner of India, was a Member of the Delimitation Commission. He was Secretary, Ministry of Personnel, under the direct charge of the Prime Minister as well as Secretary, Mines to the Government of India. He served in several Ministries as Additional Secretary including as in-charge of the Department of Company Affairs as well as in the Cabinet Secretariat and in the Ministry of Finance. He headed the Working Group on Revision of the Companies Act, 1956, and is on the Board of a number of reputed companies.

Shri D.N. Ghosh is the former Chairman of State Bank of India, Larsen & Toubro Ltd., Philips (India) Ltd. and the Management Development Institute, Gurgaon and Founder Chairman of the Indian Institute of Management, Lucknow. Presently, he is the Chairman and on the Board of various reputed companies including Housing Development Finance Corporation Ltd. Shri Ghosh also served various Central and State Government Departments in various capacities such as Financial Advisor, Additional Secretary and Secretary.

Shri Deepak Nayyar is an eminent economist and a Professor of Economics at Jawaharlal Nehru University, New Delhi. He has also taught at the Universities of Oxford & Sussex, and the IIM-Kolkata. A Rhodes Scholar, he was Vice-Chancellor of Delhi University, Member of the National Knowledge Commission and Chief Economic Advisor to the Government of India and Finance Secretary. His books on Trade Policies, Industrialization Strategies, Macro Economic Stabilization, and Economic Liberalization enjoy universal acceptance. Shri Nayyar is on the Board of number of reputed companies including SAIL & ONGC.

Shri Mahendra Kumar Sharma is the former Vice-Chairman of Hindustan Unilever Ltd. He has served as a member of the Corporate Law Committee formed by the Ministry of Corporate Affairs, Government of India to comprehensively redraft the Companies Act. He served as a Member of the Committee on Corporate Governance under the Chairmanship of Shri Naresh Chandra, former Indian Cabinet Secretary. He is on the Board of several reputed companies, including Wipro Ltd.

Shri B.R. Nahar, Executive Director & Chief Executive Officer, is an eminent Chartered Accountant and has served in diverse fields at senior positions in large corporate houses. **Businessworld** magazine has identified him as the Most Valuable CEO among India's midsize cement companies.

Meetings, attendance and agenda of the Board Meetings :

During the year 5 Meetings of the Board of Directors of the Company were held i.e. on 28th April, 2011, 30th June, 2011, 27th July, 2011, 31st October, 2011 and 31st January, 2012. 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, 2012 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*	13	2	1
Shri N.K. Kejriwal @	Independent Non-Executive	–	No	–	–	–	–
Shri Pracheta Majumdar	Non-Independent Non-Executive	5	Yes	500*	1	2	–
Shri Vikram Swarup	Independent Non-Executive	3	Yes	500*	5	–	–
Shri Anand Bordia	Independent Non-Executive	2	No	500*	3	1	1
Shri B.B. Tandon	Independent Non-Executive	5	No	500*	13	7	1
Shri D.N. Ghosh	Independent Non-Executive	5	No	500*	5	1	1
Shri Deepak Nayyar	Independent Non-Executive	1	No	500*	3	2	3
Shri M. K. Sharma	Independent Non-Executive	4	No	500*	7	5	1
Shri B.R. Nahar Executive Director & Chief Executive Officer	Executive	5	Yes	500*	3	–	–

* Shares held jointly with other shareholders.

@ Ceased to be a Director w.e.f. 27th June, 2011.

\$ 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 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 :
 - a. 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.

- b. 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.
- c. 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 28th April, 2011, 27th July, 2011, 31st October, 2011 and 30th January, 2012. 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	3
Shri Pracheta Majumdar	Member	4
Shri Anand Bordia	Member	2
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 Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 attend the Audit Committee Meeting, where cost audit reports are discussed.

The 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 28th April, 2011 and 27th July, 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	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, 2012 :

(a) Executive Director & Chief Executive Officer :

(₹ in Lacs)

Name	Salary	Perquisites & Allowances ^a	Sitting Fees	Performance Linked Bonus	Total amount paid/payable in 2011-12	Period of Service Contract
Shri B.R. Nahar	42.00	84.66	-	40.00	166.66	5 years w.e.f. 03.08.2009

* Including Retirement benefits.

(b) Non-Executive Directors :

(In ₹)

Name	Sitting Fees
Shri Harsh V. Lodha	140000
Shri Pracheta Majumdar	260000
Shri Vikram Swarup	190000
Shri Anand Bordia	90000
Shri B.B. Tandon	200000
Shri D.N. Ghosh	100000
Shri Deepak Nayyar	20000
Shri M. K. Sharma	80000

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

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

- 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 4 meetings of the Share Transfer and Shareholders'/Investors' Grievance Committee of the Company were held i.e. on 28th April, 2011, 27th July, 2011, 31st October, 2011 and 31st January, 2012. 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	4
Shri Pracheta Majumdar	Member	4
Shri Vikram Swarup	Member	3
Shri B.R. Nahar	Member	4

- 5.3 In addition, the Share Transfer and Shareholders'/Investors' Grievance Committee approved 19 Resolutions by Circulation for affecting registration of transfer of shares and other issues concerning investor services during the year.

The Company has received 7 complaints from the shareholders during the year. All the complaints have been processed in time and replied/resolved to the satisfaction of the shareholders.

In view of the SEBI Letter No. OIAE/AN/AD/18487/126/2011 dated June 10, 2011, the Company has obtained a user Id and Password from SEBI for processing of investor complaints in a centralized web based complaints redress system 'SCORES'. This enables the investors' online viewing of the actions taken by the Company on the complaints and its current status by logging on to the SEBI's website i.e. www.sebi.gov.in. The Company affirms that no shareholder's complaints was lying pending as on March 31, 2012 under SCORES.

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 March 31, 2012.

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 22nd March, 2012 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
2010-2011	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	27.06.2011	10.30 A.M.

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.

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 June, 2011 and 27th October, 2009.

8.3 **Postal Ballot :**

During the year, the Company had issued Notice for passing the Special Resolutions under Section 17 and Section 149(2A) of the Companies Act, 1956 through Postal Ballot for amendment to the Object Clause of the Memorandum of Association of the Company and commencement of new business. However, the Company Law Board (CLB), Principal Bench, New Delhi restrained the Company from further proceeding with the voting through Postal Ballot.

At present, there is no proposal for passing any Special Resolution through Postal Ballot.

9. DISCLOSURES :

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

Details of transactions with related parties during the year have been furnished in Note No. 2.40 of 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 those 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 requirements 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 : 28th June, 2012, 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 the end of the quarter
2nd Quarterly/Half yearly Results	
3rd Quarterly Results	
Audited yearly Results for the year ending 31st March, 2013	: Within 60 days of the end of the Financial Year

12.3 **Date of Book closure** : 15th June, 2012 to 28th June, 2012
(both days inclusive)

12.4 **Dividend Payment date** : 7th July, 2012

12.5 **Listing of Shares & Debentures :**

A. Ordinary Shares

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

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

B. Debentures

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

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

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

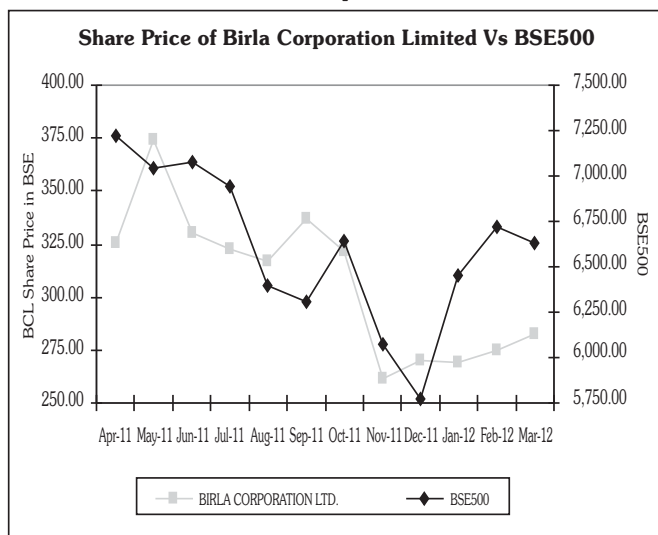
Annual Listing fees as prescribed, has been paid by the Company to the above Stock Exchanges for the financial year 2012-13.

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

12.9 **Market Price Data during financial year 2011-2012 :**

Month	Bombay Stock Exchange (in ₹)		National Stock Exchange (in ₹)	
	High	Low	High	Low
April, 2011	375.00	336.25	377.40	334.00
May, 2011	394.95	343.60	399.60	345.00
June, 2011	383.65	325.30	398.95	325.50
July, 2011	350.00	316.70	359.00	318.85
August, 2011	348.45	251.00	344.40	277.65
September, 2011	343.00	301.20	343.80	294.60
October, 2011	344.95	305.60	336.00	312.00
November, 2011	331.00	257.00	334.30	255.20
December, 2011	280.00	242.70	279.90	249.00
January, 2012	280.95	263.00	285.00	241.20
February, 2012	304.00	251.00	305.00	246.50
March, 2012	295.00	265.20	298.95	263.95

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) 2454-1892/2454-1893
Fax : (033) 2454-1961
E-mail : mcskol@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 (₹)
2011 - 2012 (Final)	28.06.2012 *	3.50
2011 - 2012 (Interim)	31.10.2011	2.50
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

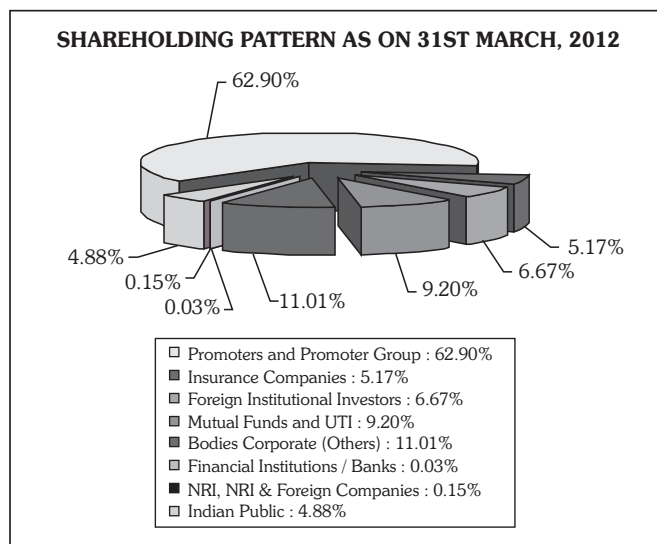
* Subject to approval of shareholders.

12.14 **Distribution of shareholding as on 31st March, 2012 :**

No. of ordinary shares held	No. of shareholders	% of shareholders	No. of Ordinary shares	% of shareholding
Upto 500	19857	94.74	1520842	1.97
501 to 1000	517	2.47	392585	0.51
1001 to 2000	271	1.29	394094	0.51
2001 to 3000	86	0.41	220695	0.29
3001 to 4000	42	0.20	151706	0.20
4001 to 5000	33	0.16	152885	0.20
5001 to 10000	33	0.16	222656	0.29
10001 & above	119	0.57	73949884	96.03
TOTAL	20958	100.00	77005347	100.00

12.15 **Shareholding Pattern :**

The shareholding of different categories of the shareholders as on 31st March, 2012 is given below :-



12.16 Dematerialisation of Shares and liquidity :

As on 31st March, 2012, 39.24% of the Company's total ordinary shares representing 30216516 shares were held in dematerialised form and 46788831 shares representing 60.76% 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 practicing 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 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 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, 2012 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For **BIRLA CORPORATION LIMITED**

(B.R. NAHAR)

Executive Director &
Chief Executive Officer

Dated, the 2nd May, 2012

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

2nd May, 2012

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, 2012 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, if any, in the internal controls over financial reporting during the year;
 - ii) significant changes, if any, 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'12 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring 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.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

1B, Old Post Office Street
Kolkata - 700 001
Dated, the 2nd day of May, 2012

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

FINANCIAL STATEMENTS & NOTES

AUDITORS' REPORT

To the Members of
BIRLA CORPORATION LIMITED

We have audited the attached Balance Sheet of **BIRLA CORPORATION LIMITED** as at 31st March, 2012, the Statement of Profit & Loss 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 Statement of Profit & Loss 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 Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes and in particular notes no. 2.28 (b) and 2.38, 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, 2012;
 - b) In the case of the Statement of Profit & Loss, 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
Firm Registration No. 302050E

1B, Old Post Office Street,
Kolkata- 700 001
Date : the 2nd day of May, 2012.

Rajiv Singhi
Partner
Membership No. 053518

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. No material discrepancies have been noticed on physical verification of stocks as compared to book records in so far as it appears from our examination of books except in respect to one item of consumables during the physical verification, which has 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 31.03.2012 were ₹ 324.79 lacs and ₹ 210.93 lacs respectively. The advances to two subsidiaries have been adjusted during the year. Advance amounting to ₹ 210.93 lacs to two subsidiaries will be realised / adjusted on implementation of the projects. Accordingly clauses (b) and (c) of the Order are not applicable.
- (d) There was no overdue amount of more than ₹ 1 lac in respect of the above advance granted by the Company.
- (e) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses (f) and (g) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been duly entered in the register required to be maintained in pursuance of Section 301 of the Companies Act, 1956.
- (b) According to the information available and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to ₹ 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, 2012 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	1,629.15	1994-2009	Department/1st Appellate Authority
		511.27	1989-2008	Tribunals
		204.42	1985-2006	Hon'ble High Court & above
Central Excise Act, 1944	Excise Duty	744.57	1980-2011	Department/1st Appellate Authority
		1,019.81	1976-2008	Tribunals
		34.11	1998-2000	Hon'ble High Court & above
Finance Act, 1944	Service Tax	257.85	2006-2009	Department/1st Appellate Authority
		579.34	2004-2012	Tribunals
Income Tax Act, 1961	Income Tax	4,837.23	2007-2009	Department/1st Appellate Authority

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
Firm Registration No. 302050E

1B, Old Post Office Street,
Kolkata- 700 001
Date : the 2nd day of May, 2012.

Rajiv Singhi
Partner
Membership No. 053518



BALANCE SHEET as at 31st March, 2012

			(₹ in lacs)
	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	7700.89	7700.89
Reserves and Surplus	2.2	216637.08	198090.71
		224337.97	205791.60
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.3	75223.82	60414.85
Deferred Tax Liabilities (Net)	2.4	15324.87	11251.66
Other Long-Term Liabilities	2.5	22163.21	18637.40
Long-Term Provisions	2.6	1789.29	1577.53
		114501.19	91881.44
CURRENT LIABILITIES			
Short-Term Borrowings	2.7	37209.52	33354.05
Trade Payables	2.8	11293.75	10255.66
Other Current Liabilities	2.9	13986.10	14756.75
Short-Term Provisions	2.6	4631.69	4264.54
		67121.06	62631.00
TOTAL		405960.22	360304.04
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.10	134823.04	97529.40
Capital Work-in-Progress		50962.39	45578.12
Intangible Assets under Development		430.22	285.69
		186215.65	143393.21
Non-Current Investments	2.11	45994.43	44696.28
Long-Term Loans and Advances	2.12	4566.68	6051.29
Other Non-Current Assets	2.13	1025.07	518.35
		51586.18	51,265.92
CURRENT ASSETS			
Current Investments	2.14	58486.57	72236.36
Inventories	2.15	41709.71	35960.47
Trade Receivables	2.16	3724.52	4407.20
Cash and Bank Balances	2.17	43856.82	34338.23
Short-Term Loans and Advances	2.12	11353.54	9027.89
Other Current Assets	2.13	9027.23	9674.76
		168158.39	165644.91
TOTAL		405960.22	360304.04
Significant Accounting Policies	1		
The Notes are an integral part of the Financial Statements			

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.
Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

PRACHETA MAJUMDAR
VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
M. K. SHARMA

Chairman

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2012

	Note No.	For the year ended 31st March, 2012	(₹ in lacs) For the year ended 31st March, 2011
INCOME			
Revenue from Operations (Gross)	2.18	259682.18	243680.91
Less : Excise Duty		30992.32	28297.25
Revenue from Operations (Net)		228689.86	215383.66
Other Income	2.19	12615.76	10707.15
Total Revenue		241305.62	226090.81
EXPENSES			
Cost of Materials Consumed	2.20	36652.91	39296.14
Purchases of Traded Goods	2.21	117.75	6.07
(Increase)/ Decrease in Inventories of Finished Goods,			
Work-in-Progress and Traded Goods	2.22	4037.03	(3603.56)
Employee Benefits Expense	2.23	21337.04	19208.97
Finance Costs	2.24	5250.75	5262.66
Other Expenses	2.25	131305.13	115681.46
		198700.61	175851.74
Profit before Tax, Depreciation and Amortisation		42605.01	50239.07
Depreciation and Amortisation Expenses	2.26	8000.29	6483.32
Profit before Tax		34604.72	43755.75
Tax Expense :	2.27		
Current Tax		6610.98	8467.53
Deferred Tax		4073.21	3300.63
Profit for the year		23920.53	31987.59
Earnings Per Share [nominal value ₹ 10 /- each(in Rupees)]			
Weighted Average Number of Ordinary Shares outstanding during the year		77005347	77005347
Basic and Diluted earnings per share (in Rupees)		31.06	41.54
Significant Accounting Policies	1		
The Notes are an integral part of the Financial Statements			

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.
Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

PRACHETA MAJUMDAR
VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
M. K. SHARMA

B. R. NAHAR

Chairman

Directors

Executive Director &
Chief Executive Officer

CASH FLOW STATEMENT for the year ended 31st March, 2012

	For the year ended 31st March, 2012	(₹ in lacs) For the year ended 31st March, 2011
Cash Flow from Operating Activities :		
Profit before Tax	34604.72	43755.75
Adjustments for :		
Depreciation and Amortisation	8000.29	6483.32
Investing Activities (Net)	(11722.20)	(10169.78)
Provision for Doubtful Debts	125.84	7.77
Excess Liabilities and Unclaimed Balances written back (Net)	(620.68)	(427.00)
Unrealised Loss/ (Gain) on Foreign Exchange	1611.86	(375.64)
Finance Costs	5250.75	5262.66
Operating Profit before Working Capital changes	37250.58	44537.08
Adjustments for :		
(Inc)/ Dec in Trade Receivables	662.48	(2205.34)
(Inc)/ Dec in Inventories	(5749.24)	(7589.19)
(Inc)/ Dec in Long-Term Loans and Advances & Other Non-Current Assets	(732.26)	1272.37
(Inc)/ Dec in Short-Term Loans and Advances & Other Current Assets	(11733.43)	(614.06)
Inc/(Dec) in Trade Payables & Other Current Liabilities	463.31	(4228.35)
Inc/ (Dec) in Other Long-Term Liabilities	3525.81	4627.50
Inc/ (Dec) in Long-Term Provisions	211.76	(277.67)
Inc/ (Dec) in Short-Term Provisions	366.67	185.64
Cash generated from operations	24265.68	35707.98
Direct Taxes Paid	(7496.10)	(11059.88)
Net Cash from Operating Activities	16769.58	24648.10
Cash Flow from Investing Activities :		
Purchase of Tangible & Intangible Assets including CWIP & Intangible Assets under development	(43650.91)	(49980.74)
Sale of Tangible Assets	601.01	506.74
(Purchase)/Sale of Non-Current Investments (Net)	947.79	(3366.16)
(Purchase)/Sale of Current Investments (Net)	13831.06	1841.56
(Increase)/ Decrease in Advances to Subsidiary Companies	(6.57)	(3.25)
Government Grant Received	16.87	80.32
Interest Received on Non-Current Investments	3212.42	2704.47
Interest Received on Current Investments	5947.81	3654.18
Dividend Received on Non-Current Investments	114.95	117.21
Dividend Received on Current Investments	1583.62	1167.13
Net Cash used in Investing Activities	(17401.95)	(43278.54)
Cash Flow from Financing Activities :		
Proceeds from Long-Term Borrowings	16026.05	20447.22
Repayments of Long-Term Borrowings	(870.71)	(373.06)
(Repayments)/Proceeds from Short-Term Borrowings	2256.19	9775.65
Interest Paid	(10760.20)	(5656.68)
Dividend Paid	(4608.68)	(4599.21)
Corporate Dividend Tax Paid	(749.52)	(767.38)
Net Cash from/(used in) Financing Activities	1293.13	18826.54
Net Increase in Cash and Cash Equivalents	660.76	196.10
Cash and Cash Equivalents (Opening Balance)	2738.75	2542.65
Cash and Cash Equivalents (Closing Balance)	3399.51	2738.75

Notes :

- a) Above statement has been prepared in indirect method.
b) Figures for the previous year have been re-grouped wherever considered necessary.

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.

Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

Chairman

PRACHETA MAJUMDAR
VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
M. K. SHARMA

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2012

(₹ in lacs)

1. Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention, except stated otherwise, 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 (as amended) and the relevant provisions of the Companies Act, 1956.

The financial statements had been prepared and presented as per the requirement of revised schedule VI as notified under Companies Act 1956 with effect from current year. The adoption of revised schedule VI does not have any impact on recognition and measurement principles as consistently followed by the company.

1.2 Use of Estimates

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent 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 recognised in the period in which the results are known/materialised.

1.3 Tangible and Intangible Fixed Assets

Tangible Assets

- a) 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 as defined by Accounting Standard 16, related pre-operational expenses including borrowing costs are also capitalised and included in the cost. Claims in respect of capital assets are adjusted as and when settled.
- b) From accounting period commencing on or after 1st April, 2011, the company adjusts exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset.
- c) Revalued assets are stated at the values determined on revaluation.
- d) Assets acquired under finance lease are recognised at lower of fair value or present value of minimum lease payments.

Intangible Assets

Intangible assets are stated at cost on initial recognition, after which the same are stated at cost less accumulated amortisation and accumulated impairment loss, if any.

1.4 Depreciation and Amortisation

- a) Depreciation on tangible assets (other than livestock) is provided on Straight Line Method as follows :
 - i) 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.
 - ii) On the assets of other Divisions, depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956.
 - iii) On amount added on revaluation, depreciation is provided at the rates considered reasonable.
 - iv) 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.
- b) Leasehold land is amortised over the period of the lease.
- c) Depreciation on assets built on leasehold land, which is transferable to the lessor on expiry of lease period, is amortised over the period of lease.
- d) Intangible assets are amortised on straight line basis over its estimated useful economic life. The amortisation period and the amortisation method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortisation period is changed accordingly.

(₹ in lacs)

1.5 Capital Work-in-Progress and Intangible assets under Development

- a) Capital Work-in-Progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets 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.
- b) Intangible assets under development is stated at cost which includes expenses incurred during development period and all other expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

1.6 Investments

- a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investments expected to be realised within twelve months after the reporting date are disclosed under current investments as per the requirement of revised schedule VI.
- b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- c) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- d) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

1.7 Inventories

Stock-in-Trade viz. Raw Materials, Finished Goods and Materials under Process and Traded Goods 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.

1.8 Employee Benefits

- a) Employee benefits of short term nature are recognised as expense as and when it accrues.
- b) Employee benefits of long term nature are recognised as expense based on actuarial valuation using projected unit credit method.
- c) Post employment benefits in the nature of Defined Contribution Plans are recognised as expense as and when it accrues and that in the nature of Defined Benefit Plans are recognised as expenses based on actuarial valuation using projected unit credit method.
- d) Actuarial gains and losses are recognised immediately in the Profit & Loss Account as income or expense.
- e) Expenditure incurred on Voluntary Retirement Scheme is charged to Profit & Loss Account immediately.

1.9 Foreign Currency Transactions and Derivatives

- a) 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.
- b) The company has opted to avail the choice provided under paragraph 46A of Accounting Standard-11 i.e The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011. Consequently, exchange differences arising on settlement of long-term monetary items or on reporting of long term monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements in so far as they relate to the acquisition of the depreciable capital asset, added to / deducted from the cost of the asset and depreciated over the balance useful life of the asset.

(₹ in lacs)

- c) All other exchange differences are recognised as income or expense in the period in which they arise.
- d) In respect of Forward Exchange Contracts (except for firm commitments and highly probable forecast transactions), the premium or discount arising at the inception of Forward Exchange Contracts entered into to hedge an existing asset/liability, is amortised over the life of the contract. Exchange differences between rate at the inception of such contracts and rate on the reporting date are recognised as income or expense for the period.
- e) 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 recognised as a prudent accounting policy.

1.10 **Recognition of Revenue and Expenses**

- a) All revenue and expenses are accounted for on accrual basis except as otherwise stated.
- b) Gross Sales are inclusive of excise duty and net of returns, claims and discount etc.
- c) Export benefit entitlements to the Company under the EXIM/Foreign Trade Policy is recognised in the year of exports on accrual basis.
- d) Sale of Certified Emission Reductions (CERs) is recognised 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.

1.11 **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.

1.12 **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 recognised as Other Income or reduced from respective expenses.

1.13 **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.

1.14 **Borrowing Costs**

General and specific 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.

1.15 **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.

1.16 **Contingent Liabilities**

Contingent Liabilities are not provided for and are disclosed separately.

2. Notes to Financial Statements for the year ended 31st March, 2012

		(₹ in lacs)	
		As at 31st March, 2012	As at 31st March, 2011
2.1 : 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	<u>7701.34</u>	<u>7701.34</u>
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>

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) The Company has only one class of issued shares i.e. Ordinary Shares having par value of ₹ 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) The Company does not have any Holding Company/ultimate Holding Company.
- d) Details of shareholders holding more than 5% shares in the Company:

Ordinary Shares of ₹ 10/- each fully paid

	<u>No. of Shares</u>	
Hindustan Medical Institution	71,59,460	71,59,460
Vindhya Telelinks Limited	63,80,243	63,80,243
August Agents Limited	60,15,912	60,15,912
Insilco Agents Limited	60,04,080	60,04,080
Laneseda Agents Limited	59,94,680	59,94,680
The Punjab Produce & Trading Co. (P) Limited	45,20,572	45,20,572
Life Insurance Corporation of India	39,48,117	39,48,117

- e) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No shares have been allotted or has been bought back by the Company during the period of 5 years preceeding the date as at which the Balance Sheet is prepared.
- g) No securities convertible into Equity/Preference shares issued by the Company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.

	As at 31st March, 2012	As at 31st March, 2011
2.2 : RESERVES & SURPLUS		
Capital Reserves		
Surplus on Amalgamation		
As per last Financial Statements	105.08	105.08
Others		
As per last Financial Statements	181.87	101.55
Add : Project Capital Subsidy received during the year	16.67	80.32
	198.74	181.87
Debenture Redemption Reserve		
As per last Financial Statements	2975.00	1325.00
Add : Transferred from Surplus	1650.00	1650.00
	4625.00	2975.00
Revaluation Reserve		
As per last Financial Statements	778.68	800.28
Less : Adjustments in respect of sales/discard of Fixed Assets	—	0.33
	778.68	799.95
Less : Transfer to the Statement of Profit & Loss being difference of depreciation on revalued cost of assets and on the original cost	21.18	21.27
	757.50	778.68
General Reserve		
As per last Financial Statements	175000.00	150000.00
Add : Transferred from Surplus	25000.00	25000.00
	200000.00	175000.00
Surplus		
As per last Financial Statements	19050.08	19089.78
Add : Profit for the year	23920.53	31987.59
	42970.61	51077.37
Less : Appropriations		
Debenture Redemption Reserve	1650.00	1650.00
Interim Dividend	1925.13	1925.13
Corporate Dividend Tax on Interim Dividend	312.30	319.74
Proposed Final Dividend	2695.19	2695.19
Corporate Dividend Tax on Proposed Final Dividend	437.23	437.23
General Reserve	25000.00	25000.00
	32019.85	32027.29
Net Surplus	10950.76	19050.08
	216637.08	198090.71

2.3 : LONG-TERM BORROWINGS	(₹ in lacs)			
	Non-current portion		Current Maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Non-Convertible Debentures (NCD)				
(Face Value of ₹10,00,000/- each) (Secured)				
1300 (Previous Yr: 1300) 9.05% NCD 2020	13000.00	13000.00	—	—
1500 (Previous Yr: 1500) 9.10% NCD 2020	15000.00	15000.00	—	—
1200 (Previous Yr: 1200) 8.80% NCD 2017	12000.00	12000.00	—	—
1000 (Previous Yr: 1000) 8.65% NCD 2015	10000.00	10000.00	—	—
	<u>50000.00</u>	<u>50000.00</u>	<u>—</u>	<u>—</u>
Term Loans (Secured)				
Rupee Loans from Bank	4756.38	3975.00	73.75	—
Foreign Currency Loans from Banks	20467.44	6329.51	1032.99	744.65
	<u>25223.82</u>	<u>10304.51</u>	<u>1106.74</u>	<u>744.65</u>
Total Secured Borrowings	75223.82	60304.51	1106.74	744.65
Deferred payment of Sales Tax (Unsecured)	—	110.34	—	15.72
Total Unsecured Borrowings	—	110.34	—	15.72
Amount disclosed under the head “Other Current Liability” (Note 2.9)			(1106.74)	(760.37)
	<u>75223.82</u>	<u>60414.85</u>	<u>—</u>	<u>—</u>

a) Non-Convertible Debentures are redeemable fully at par as under :

- 9.05% NCD 2020 on 13th October, 2020;
- 9.10% NCD 2020 on 29th March, 2020;
- 8.80% NCD 2017 on 6th February, 2017;
- 8.65% NCD 2015 on 4th March, 2015.

The 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.

b) Rupee Term Loans from Bank of ₹ 3975.00 is repayable on 30th September, 2013 and is secured by first charge on the movable and immovable fixed assets of the Company's Cement Units at Satna (Madhya Pradesh) and Chanderia (Rajasthan), ranking pari-passu with Debentures and other term lenders. Rupee Term Loan from Bank of ₹ 855.13 is repayable in quarterly instalments of ₹ 73.75 starting from 31st March, 2013 and is secured by specific charge on certain Plant & Machineries of the Company's Unit Birla Jute Mills (West Bengal).

c) Foreign Currency Loans from Banks of ₹ 8780.43 is repayable in remaining seventeen semi-annual instalments and is secured by first charge on the movable and immovable fixed assets of the Company's Cement Units at Chanderia (Rajasthan), ranking pari-passu with Debenture holders and other term lenders.

Foreign Currency Loans from Banks of ₹ 3816.00 is repayable in July/August, 2016 and ₹ 8904.00 is repayable in December, 2016/January, 2017. These Foreign Currency Loans are secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking pari-passu with Debenture holders and other term lenders.

(₹ in lacs)

	<u>As at 31st March, 2012</u>		<u>As at 31st March, 2011</u>
2.4 : DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities			
Arising on account of :			
Depreciation		19980.93	14922.66
Less : Deferred Tax Assets			
Arising on account of :			
Section 43B of Income-Tax Act	4168.79		3271.14
Others	487.27	4656.06	399.86
			3671.00
Deferred Tax Liabilities (Net)		15324.87	11251.66

2.5 : OTHER LONG-TERM LIABILITIES

Other Liabilities

Liabilities under Litigation	25488.54		20415.54
Less : Paid under protest	13043.46	12445.08	9418.80
			10996.74
Liability for Capital Goods		16.23	—
Trade Deposits		9212.17	7151.92
Other Liabilities		489.73	488.74
		22163.21	18637.40

2.6 : PROVISIONS

	<u>Long-term</u>		<u>Short-term</u>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>31st March, 2012</u>	<u>31st March, 2011</u>	<u>31st March, 2012</u>	<u>31st March, 2011</u>
Provision for Employee Benefits	1789.29	1577.53	747.47	380.80
Other Provisions				
Provisions for Taxation (Net of Payments)	—	—	751.80	751.32
Proposed Dividend			2,695.19	2695.19
Corporate Dividend Tax			437.23	437.23
	—	—	3884.22	3883.74
	1789.29	1577.53	4631.69	4264.54

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 ₹ 3763 (Previous Year ₹ 925) 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.

	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
2.7 : SHORT-TERM BORROWINGS		
Working Capital Borrowings		
From Banks		
Rupee Loans (Secured)	8372.87	9214.74
Buyers Credit and Packing Credit in Foreign Currency (Secured)	—	1698.54
Buyers Credit and Packing Credit in Foreign Currency (Unsecured)	8165.21	5603.68
From Others		
Collateralised Borrowing and Lending Obligation (Secured)	6500.00	6800.00
	<u>23038.08</u>	<u>23316.96</u>
Deposits		
Staff and Other Deposits (Unsecured)	<u>1182.00</u>	<u>1536.58</u>
Other Loans & Advances		
Buyers Credit in Foreign Currency (Secured)	2165.34	1642.64
Buyers Credit in Foreign Currency (Unsecured)	10824.10	6857.87
	<u>12989.44</u>	<u>8500.51</u>
	<u>37209.52</u>	<u>33354.05</u>
The above amount includes		
Secured Borrowings	17038.21	19355.92
Unsecured Borrowings	<u>20171.31</u>	<u>13998.13</u>
	<u>37209.52</u>	<u>33354.05</u>
<p>a) Working Capital Rupee Loans from Banks 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.</p> <p>b) Buyers Credit and Packing Credit in Foreign Currency (Secured) are secured against lien on certain Units of Mutual Funds.</p> <p>c) Collateralised Borrowing and Lending Obligation is secured by deposit of Government Securities.</p>		
2.8 : TRADE PAYABLES		
For Goods and Services	11293.75	10255.66
	<u>11293.75</u>	<u>10255.66</u>
2.9 : OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (See Note 2.3)	1106.74	760.37
Interest accrued but not due on Borrowings	918.74	870.18
Unpaid and unclaimed dividends	101.95	90.31
Statutory Dues	2346.70	2562.37
Amount payable for Capital Goods	2199.44	3734.92
Trade and Security Deposits	12.57	—
Advances Received from Customers	5096.97	4815.08
Others*	<u>2202.99</u>	<u>1923.52</u>
	<u>13986.10</u>	<u>14756.75</u>
* Represents mainly liabilities towards rebates and discounts.		

(₹ in lacs)

NOTE 2.10 : FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION				NET BLOCK			
	Cost/Value as at	Additions during	Deductions		Cost/Value as at			Deductions/ Adjustments	Upto	As at	As at		
	31st March, 2011	the year	during year	Other Adjustment	31st March, 2012	Upto 31st March, 2011	Provided during the year	during the year	31st March, 2012	31st March, 2012	31st March, 2011		
Tangible Assets :													
Land													
Leasehold	1770.19	17.76	113.95	—	1674.00	1299.92	30.41	82.40	1247.93	426.07	470.27		
Freehold	2662.55	733.10	—	—	3395.65	—	—	—	—	3395.65	2662.55		
Sub Total :	4432.74	750.86	113.95	—	5069.65	(a)	1299.92	30.41	82.40	1247.93	3132.82		
Buildings	15006.63	1309.04	3.06	70.99	16383.60	(a&b)	7437.00	286.11	3.02	7720.09	(b)	8663.51	7569.63
Plant & Machinery	149509.37	40419.41	918.46	2745.06	191755.38	(c)	65419.18	7347.23	476.13	72290.28	(c)	119465.10	84090.19
Furniture & Fittings	1111.19	63.89	0.61	—	1174.47	741.21	47.91	0.61	788.51	385.96	369.98		
Vehicles	1562.26	191.90	119.91	—	1634.25	736.67	121.85	111.30	747.22	887.03	825.59		
Office Equipment	2334.04	248.60	45.41	—	2537.23	1356.77	155.48	41.44	1470.81	1066.42	977.27		
Livestock	11.74	3.81	2.76	—	12.79	—	—	—	—	12.79	11.74		
Railway Sidings	1113.29	—	—	—	1113.29	561.11	31.67	—	592.78	520.51	552.18		
Grand Total :	175081.26	42987.51	1204.16	2816.05	219680.66	77551.86	8020.66	714.90	84857.62	134823.04	97529.40		
Previous Year :	142950.77	34479.60	2535.82	186.71	175081.26	73094.90	6503.78	2046.82	77551.86	97529.40			

(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 lease hold land and ₹ 88.50 being amortisation thereof up to 31st March, 2012.

(c) Includes ₹ 590.63 being cost of flyash handling system on lease hold land and ₹ 590.63 being amortisation thereof up to 31st March, 2012.

(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 ₹ 7376.84 and ₹ 2006.35 respectively.

(e) The Company has mortgaged a portion of land at Birlapur and Chanderia as security for subsidies received under Subsidised Housing Scheme for Industrial Workers.

(f) Other adjustment includes adjustment on account of borrowing costs & exchange differences.

				(₹ in lacs)	
As at 31st March, 2012	As at 31st March, 2011			As at 31st March, 2012	As at 31st March, 2011
2.11 : NON-CURRENT INVESTMENTS					
Number of Shares / Securities / Bonds / Units					
		TRADE INVESTMENTS - LONG-TERM (Valued at cost unless otherwise stated)			
		FULLY PAID SHARES/SECURITIES/BONDS/UNITS (Face Value of ₹ 10/- each unless otherwise stated)			
		EQUITY SHARES IN SUBSIDIARY COMPANIES - UNQUOTED			
1,699	—	Birla Corporation Cement Mfg. PLC (Face Value of Ethiopian Birr 1,000/- each)	45.22	—	
6,000	6,000	Birla Jute Supply Co. Ltd.	3.00	3.00	
58,80,400	58,79,900	Talavadi Cements Ltd.	588.04	587.99	
			636.26	590.99	
		OTHER INVESTMENTS - LONG-TERM (Valued at cost unless otherwise stated)			
		INVESTMENT PROPERTY (At cost less accumulated depreciation)			
		Cost of Land & Building	51.06	51.06	
		Less : Accumulated depreciation	40.14	39.33	
		Net Block	10.92	11.73	
		FULLY PAID SHARES/SECURITIES/BONDS/UNITS (Face Value of ₹10/- each unless otherwise stated)			
		EQUITY SHARES IN SUBSIDIARY COMPANIES - UNQUOTED			
50,000	50,000	Birla Cement (Assam) Ltd.	5.00	5.00	
40,00,000	40,00,000	Budge Budge Floor Coverings Ltd.	200.02	200.02	
10,00,700	10,00,700	Lok Cements Ltd.	100.57	100.57	
20,000	20,000	MP Birla Group Service Pvt. Ltd	2.00	2.00	
			307.59	307.59	
		EQUITY SHARES IN ASSOCIATE COMPANIES - UNQUOTED			
4,910	4,910	Birla Odessa Industries Pvt. Ltd.	0.49	0.49	
5,000	5,000	Birla Readymix (P) Ltd.	0.50	0.50	
			0.99	0.99	
		EQUITY SHARES IN CO-OPERATIVE SOCIETIES - UNQUOTED			
250	250	Bally Jute Mills Employees Consumers' Co-operative Stores Ltd.	0.03	0.03	
15	15	Gangangiri Park Co-Operative Society Housing Society Ltd.	0.01	0.01	
10	10	Twin Star Venus Co-Operative Society Housing Society Ltd.	0.01	0.01	
			0.05	0.05	
		EQUITY SHARES IN OTHER COMPANIES			
		QUOTED			
9,38,515	9,38,515	Birla Ericsson Optical Ltd. [a]	469.18	469.18	
2,121	2,121	Birla Precision Technologies Ltd. (Face Value of ₹ 2/- each)	0.18	0.18	
18,07,660	18,07,660	Century Textiles & Industries Ltd.	940.94	940.94	
2,250	2,250	Elgin Mills Co. Ltd. (Net of provision of ₹ 0.12, Previous Year ₹ 0.12)	0.02	0.02	
600	600	Hindustan Media Ventures Ltd.	0.03	0.03	
19,133	19,133	Rameshwara Jute Mills Ltd.	1.20	1.20	
4,68,000	4,68,000	Universal Cables Ltd.	106.66	106.66	
100	100	Vindhya Telelinks Ltd.	0.06	0.06	
6,362	6,362	Zenith Birla (I) Ltd. (Net of provision of ₹ 0.68, Previous Year ₹ 0.68)	0.02	0.02	
			1518.29	1518.29	
		UNQUOTED			
24,000	24,000	Birla Buildings Ltd.	2.47	2.47	
50	50	Craig Jute Mills Ltd. (Face Value of ₹ 3/- each)	*	*	
400	400	Eastern Economist Ltd.	0.40	0.40	
52,000	52,000	Indian Smelting & Refining Co. Ltd.	1.19	1.19	
600	600	Industry House Ltd.	0.40	0.40	
1	1	Lotus Court Ltd.	0.46	0.46	
			4.92	4.92	

As at 31st March, 2012	As at 31st March, 2011		As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
2.11 : NON-CURRENT INVESTMENTS (Contd.)				
Number of Shares / Securities / Bonds / Units				
100	100	INVESTMENT IN PREFERENCE SHARES - UNQUOTED		
		Elgin Mills Co. Ltd. (Net of provision of ₹ 0.01, Previous Year ₹ 0.01)	*	*
		INVESTMENT IN GOVERNMENT SECURITIES - QUOTED		
		(Face Value of ₹100/- each)		
25,00,000	25,00,000	8.33% GOI 2036 [b]	2718.75	2718.75
5,00,000	5,00,000	7.35% GOI 2024 [b]	497.80	497.80
10,00,000	—	7.80% GOI 2021	933.40	—
10,00,000	10,00,000	7.94% GOI 2021 [b]	1047.50	1047.50
1,00,000	1,00,000	6.90% GOI 2019 [b]	99.83	99.83
40,00,000	40,00,000	6.05% GOI 2019 [b]	3791.15	3791.15
		9088.43		8155.03
		INVESTMENT IN GOVERNMENT SECURITIES - UNQUOTED		
		National Saving Certificates [c] (Face Value of ₹ 7,500/-)	0.08	0.08
		INVESTMENT IN DEBENTURES - UNQUOTED		
52	52	1/2% Debentures of ₹ 100/- each in Woodlands Medical Centre Ltd.	0.05	0.05
		INVESTMENT IN BONDS - QUOTED		
		(Face Value of ₹ 10,00,000/- each unless otherwise stated)		
63	72	9.70% IFCI Ltd. 2030	630.00	720.00
1,000	—	8.16% Power Finance Corporation Ltd. 2026 (Face Value of ₹ 1,00,000/- each)	1000.00	—
13	20	9.55% IFCI Ltd. 2025	130.00	200.00
21,751	—	8.00% Indian Railways Finance Corporation Ltd. 2022 (Face Value of ₹ 1,000/- each)	217.51	—
24,724	—	8.20% National Highways Authority of India 2022 (Face Value of ₹ 1,000/- each)	247.24	—
—	2	9.93% Sundaram Finance Ltd. 2020	—	20.00
52,120	52,120	0% NABARD Bhavishya Nirman Bond 2019 (Face Value of ₹ 20,000/- each)	5080.08	5080.08
50	50	11.00% IDBI Bank Ltd. 2018	552.10	552.10
50	50	11.00% Power Finance Corporation Ltd. 2018	569.70	569.70
50	50	8.85% Canara Bank 2016	505.50	505.50
50	50	8.90% Konkan Railway Corporation Ltd. 2016	505.25	505.25
500	500	8.70% Power Finance Corporation Ltd. 2015	5088.77	5088.77
180	180	8.15% IDFC Ltd. 2015	1797.09	1797.09
250	250	8.40% ONGC Videsh Ltd. 2014	2480.03	2480.03
5,500	5,000	6.85% India Infra Finance Co. Ltd. 2014 (Face Value of ₹ 1,00,000/- each)	5610.92	5114.92
50	50	11.35% IDBI Bank Ltd. 2013	544.65	544.65
200	200	9.50% Exim Bank of India 2013	2042.40	2042.40
—	250	7.60% Rural Electrification Corporation Ltd. 2013	—	2496.18
—	250	6.55% National Housing Bank 2012	—	2481.47
—	100	6.90% National Housing Bank 2012	—	998.74
—	200	7.90% Rural Electrification Corporation Ltd. 2012	—	2009.04
		27001.24		33205.92
		INVESTMENT IN MUTUAL FUNDS		
		QUOTED		
75,00,000	—	HDFC FMP 390D March 2012 (1) - Growth Series XXI	750.00	—
25,00,000	—	SBI Debt Fund Series 13 Months - 13 Growth	250.00	—
27,51,875	—	HDFC FMP 400D March 2012 (1) - Growth Series XXI	275.19	—

				(₹ in lacs)	
As at 31st March, 2012	As at 31st March, 2011		As at 31st March, 2012	As at 31st March, 2011	
2.11 : NON-CURRENT INVESTMENTS (Contd.)					
Number of Shares / Securities / Bonds / Units		INVESTMENT IN MUTUAL FUNDS - QUOTED (Face Value of ₹100/- each)			
27,60,663	—	HDFC FMP 392D March 2012 (2) - Growth Series XXI	276.07	—	
75,00,000	—	IDFC FMP Thirteen Months Series 7 - Growth [d]	750.00	—	
30,00,562	—	HDFC FMP 400D February 2012 (1) - Growth Series XXI	300.06	—	
52,09,418	—	Kotak FMP Series 84 - Growth	520.94	—	
20,00,000	—	DSP Blackrock FMP - Series 37 - 13M - Growth	200.00	—	
55,08,098	—	DSP Blackrock FMP - Series 38 - 12.5M - Growth	550.81	—	
40,00,841	—	DSP Blackrock FMP - Series 43 - 12M - Growth	400.08	—	
25,00,000	—	Kotak FMP Series 80 - Growth [d]	250.00	—	
55,07,250	—	Reliance Fixed Horizon Fund - XXI Series 18 - Growth [d]	550.73	—	
55,06,950	—	Reliance Fixed Horizon Fund - XXI Series 11 - Growth	550.70	—	
20,00,000	—	Religare FMP Series XIII Plan D 386 Days Growth	200.00	—	
50,00,926	—	Tata Fixed Maturity Plan Series 39 Scheme G Growth	500.09	—	
20,00,000	—	JM Fixed Maturity Fund Series XXII Plan A Growth	200.00	—	
50,03,361	—	ICICI Prudential FMP Series 63 - 1 Plan E Cumulative	500.34	—	
40,00,000	—	HSBC Fixed Term Series 86 Growth	400.00	—	
—	20,00,358	Canara Robeco FMP - Series 6-13 Months Plan (B) - Growth	—	200.04	
—	50,00,000	DSP BlackRock FMP - 12M Series 18 - Growth	—	500.00	
			7425.01	700.04	
		UNQUOTED			
7,200	7,200	UTI Master Share Unit Scheme-Dividend Plan-Payout	0.60	0.60	
—	19,23,965	UTI Dynamic Bond Fund - Growth Plan	—	200.00	
			0.60	200.60	
		TOTAL NON-CURRENT INVESTMENT			
			45994.43	44696.28	
		Aggregate Book Value of Quoted Non-Current Investments	45032.97	43579.28	
		Aggregate Book Value of Unquoted Non-Current Investments	961.46	1117.00	
			45994.43	44696.28	
		Aggregate Market Value of Quoted Non Current Investments	49345.48	47589.68	
		Aggregate provision made for diminution in value of Non-Current Investments	0.81	0.81	

* Amount is below the rounding off norm adopted by the company.

- 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.
- Deposited against Collateralized Borrowings and Lending Obligations except face value of ₹ 1.00 (Lacs) of 6.05% GOI 2019.
- Deposited with Government Departments as Security.
- Lien Marked in favour of Banks.
- Portion of Long-Term Investments, as defined by Accounting Standard - 13 'Accounting for Investments', which are expected to be realised within twelve months from the Balance Sheet date are disclosed under the head 'Current portion of Long-Term Investments' (See Note. 2.14).

(₹ in lacs)

2.12 : LOANS AND ADVANCES

Capital Advances

	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Secured, considered good	177.82	836.94	—	—
Unsecured, considered good	858.53	2322.85	—	—
	1036.35	3159.79	—	—

Security Deposits

Secured, considered good	—	—	—	—
Unsecured, considered good	2462.54	1861.61	51.67	52.27
	2462.54	1861.61	51.67	52.27

Loans and Advances to Related Parties (Unsecured, considered good)

To Subsidiary Companies	210.93	204.36	—	—
	210.93	204.36	—	—

Other Loans and Advances (Unsecured, considered good)

Advance Tax and TDS (Net of provisions)	—	—	2927.80	2042.21
Advance against supply of Goods and Services	—	—	3939.56	1952.59
Prepaid Expenses	572.81	588.69	359.84	213.42
Advance to Employees	23.09	22.47	182.21	155.18
Balances with Government & Statutory Authorities	55.02	64.37	3874.40	4588.81
Other Deposits and Advances	205.94	150.00	18.06	23.41
	856.86	825.53	11301.87	8975.62
Other Deposits and Advances (considered doubtful)	100.00	—	—	—
Less : Provision	(100.00)	—	—	—
	4566.68	6051.29	11353.54	9027.89

Loans and Advances to Related Parties include :

- ₹ 207.90 (Previous Year ₹ 204.36) 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 ₹ 207.90 (Previous Year ₹ 204.36).
- ₹ 3.03 (Previous Year ₹ Nil) to Birla Corporation Cement Manufacturing PLC, a subsidiary, being interest free. The maximum amount outstanding at any time during the year ₹ 3.03 (Previous Year ₹ Nil).
- ₹ Nil (Previous Year ₹ Nil) to Talavadi Cements Limited, a subsidiary, being interest free. The maximum amount outstanding at any time during the year ₹ 113.81 (Previous Year ₹ 94.36).
- ₹ Nil (Previous Year ₹ Nil) to Budge Budge Floorcoverings Limited, a subsidiary, being interest free. The maximum amount outstanding at any time during the year ₹ 0.05 (Previous Year ₹ 0.07).

2.13 : OTHER ASSETS

	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Long Term Trade Receivable (See Note 2.16)	—	—	—	—
Interest accrued on Deposits	98.43	2.20	1233.14	2773.34
Interest accrued on Investments	867.49	457.00	1506.88	2049.75
Incentive and Subsidy Receivable	44.86	—	6259.88	4833.21
Less : Provision	(44.86)	—	—	—
Others	70.26	70.24	27.33	18.46
Less : Provision	(11.11)	(11.09)	—	—
	1025.07	518.35	9027.23	9674.76

				(₹ in lacs)	
As at	As at	As at	As at	As at	As at
31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
2.14 : CURRENT INVESTMENTS					
Number of Shares / Securities / Bonds / Units					
		CURRENT INVESTMENTS			
		(Valued at cost unless otherwise stated)			
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS			
		(Face Value of ₹ 10/- each unless otherwise stated)			
		CURRENT PORTION OF LONG-TERM INVESTMENTS AS PER ACCOUNTING STANDARD (AS)-13 [a]			
		EQUITY SHARES IN SUBSIDIARY COMPANIES - UNQUOTED			
50,000	50,000	Birla North-East Cement Ltd. (Under Liquidation)	5.00	5.00	
—	50,000	New Age Cement Ltd. (Liquidated)	—	5.00	
—	50,000	Thiruvaiyaru Industries Ltd. (Liquidated)	—	5.00	
			5.00	15.00	
		INVESTMENT IN BONDS - QUOTED			
		(Face Value of ₹10,00,000/- each unless otherwise stated)			
250	—	7.60% Rural Electrification Corporation Ltd. 2013	2496.18	—	
250	—	6.55% National Housing Bank 2012	2481.47	—	
100	—	6.90% National Housing Bank 2012	998.74	—	
200	—	7.90% Rural Electrification Corporation Ltd. 2012	2009.04	—	
—	250	9.20% Housing Development Finance Corporation Ltd. 2012	—	2585.61	
—	100	7.00% Power Finance Corporation Ltd. 2011	—	999.30	
—	100	0% IDFC Ltd. 2011	—	886.37	
—	150	8.60% IDFC Ltd. 2011	—	1534.08	
—	50	8.55% Power Finance Corporation Ltd. 2011	—	471.65	
			7985.43	6477.01	
		INVESTMENTS IN MUTUAL FUNDS			
		QUOTED			
23,24,954	—	IDFC Fixed Maturity Plan - Yearly Series 66- Growth	232.49	—	
40,00,000	—	SBI Debt Fund Series - 367 Days - Series 19 - Growth	400.00	—	
33,22,500	—	Canara Robeco FMP - Series 7 Plan A Growth	332.25	—	
1,10,08,200	—	UTI Fixed Term Income Fund Series XI - VII (366 Days) - Growth Plan	1100.82	—	
40,00,000	—	DSP BlackRock FMP - Series 39 -12M - Growth	400.00	—	
20,00,000	—	Taurus Fixed Maturity Plan 369 days - Series P - Growth Plan	200.00	—	
25,00,000	—	SBI Debt Fund Series - 367 Days - Series 17 - Growth	250.00	—	
20,68,298	—	UTI Fixed Term Income Fund Series XI - VI (367 Days) - Growth Plan	206.83	—	
20,00,000	—	IDBI FMP 370 Days Series 11 (March 2012) D - Growth	200.00	—	
25,00,000	—	Kotak Fixed Maturity Plan Series 79 - Growth	250.00	—	
50,00,000	—	UTI Fixed Term Income Fund Series XI - III (368 Days) - Growth Plan	500.00	—	
25,00,000	—	IDFC Fixed Maturity Plan - Yearly Series 63- Growth	250.00	—	
20,00,000	—	L & T FMP - V (March 367D A) - Growth	200.00	—	
50,00,000	—	IDFC Fixed Maturity Plan - Yearly Series 62- Growth [b]	500.00	—	
30,00,000	—	Reliance Fixed Horizon Fund XXI - Series 9 - Growth Plan	300.00	—	
20,00,000	—	UTI Fixed Term Income Fund Series XI - IV (367 Days) - Growth Plan	200.00	—	
30,00,000	—	Kotak Fixed Maturity Plan Series 78 - Growth	300.00	—	
50,00,000	—	HDFC FMP 370D February 2012 (3) - Growth - Series XXI	500.00	—	
40,00,000	—	DSP BlackRock FMP - Series 36 -12M - Growth	400.00	—	
30,00,000	—	IDFC Fixed Maturity Plan - Yearly Series 51- Growth [b]	300.00	—	
20,00,000	—	UTI Fixed Term Income Fund Series X - X (367 Days) - Growth Plan	200.00	—	
60,00,000	—	DSP BlackRock FMP - Series 34 -12M - Growth	600.00	—	
50,00,000	—	ICICI Prudential FMP Series 62 - 1 Year Plan B Cumulative [b]	500.00	—	
50,00,000	—	Reliance Fixed Horizon Fund XXI - Series 8 - Growth Plan	500.00	—	
30,00,000	—	Taurus Fixed Maturity Plan 370 days - Series M - Growth Plan	300.00	—	
50,00,000	—	HSBC Fixed Term Series 82 - Growth	500.00	—	
20,00,000	—	Fidelity FMP Series 6 - Plan F - Growth	200.00	—	
50,00,000	—	HDFC FMP 370D January 2012 (3) - Growth - Series XIX	500.00	—	
50,00,000	—	Tata Fixed Maturity Plan Series 38 Scheme I - Growth [b]	500.00	—	
50,00,000	—	UTI Fixed Term Income Fund Series X - VI (368 Days) - Growth Plan [b]	500.00	—	
50,00,000	—	HDFC FMP 370D December 2011 (2) - Growth - Series XIX	500.00	—	
50,00,000	—	ICICI Prudential FMP Series 60 - 1 Year Plan F Cumulative [b]	500.00	—	

				(₹ in lacs)	
As at 31st March, 2012	As at 31st March, 2011		As at 31st March, 2012	As at 31st March, 2011	
2.14 : CURRENT INVESTMENTS (Contd.)					
29,99,550	—	UTI Fixed Income Interval Fund Annual Interval Plan IV - Inst.- Growth Plan	300.00	—	
50,10,865	—	ICICI Prudential FMP Series 59 - 1 Year Plan B Cumulative ^[b]	501.09	—	
75,00,000	—	HDFC FMP 370D May 2011 (1) - Growth Series XVIII ^[b]	750.00	—	
20,00,358	—	Canara Robeco FMP - Series 6-13 Months Plan (B) - Growth ^[b]	200.04	—	
50,00,000	—	DSP BlackRock FMP - 12M Series 18 - Growth ^[b]	500.00	—	
—	20,00,000	JM Fixed Maturity Fund Series XIX plan C - Growth Plan	—	200.00	
—	1,00,01,801	HSBC Fixed Term Series 79 - Growth	—	1000.18	
—	25,00,000	JPMorgan India Fixed Maturity Plan 400D Series 1 - Growth	—	250.00	
—	1,00,00,000	UTI Fixed Term Income Fund Series IX - I (367 Days) - Growth Plan	—	1000.00	
—	50,00,000	Reliance Fixed Horizon Fund XIX - Series 11 - Growth Plan	—	500.00	
—	21,10,391	IDFC Fixed Maturity Plan - Yearly Series 42 - Growth	—	211.04	
—	30,00,000	Canara Robeco FMP - Series 6 - 13 M (Plan A) Growth	—	300.00	
—	25,09,808	HDFC FMP 370D March 2011 (3) - Series XVI - Growth	—	250.98	
—	50,04,496	DSP BlackRock FMP - 12M Series 15 - Growth	—	500.45	
—	50,00,000	Reliance Fixed Horizon Fund XIX - Series 8 - Growth Plan	—	500.00	
—	25,00,000	HDFC FMP 370D March 2011 (2) - Series XVI - Growth	—	250.00	
—	50,00,000	IDFC Fixed Maturity Plan - Yearly Series 40 - Growth	—	500.00	
—	20,00,000	SBI Debt Fund Series - 370 Days - 10 - Growth	—	200.00	
—	50,00,000	JM Fixed Maturity Fund Series XIX Plan A - Growth Plan	—	500.00	
—	15,00,000	IDBI FMP - 367 Days Series - I (February 2011) - B - Growth	—	150.00	
—	20,00,000	Kotak Fixed Maturity Plan Series 34 - Growth	—	200.00	
—	47,70,000	DSP BlackRock FMP - 12M Series 14 - Growth	—	477.00	
—	50,00,000	IDFC Fixed Maturity Plan - Yearly Series 37 - Growth	—	500.00	
—	50,00,000	SBI Debt Fund Series - 370 Days - 9 - Growth	—	500.00	
—	50,00,000	ICICI Prudential FMP Series 55 - 1 Yr. Plan B Cumulative	—	500.00	
—	1,00,00,000	DSP BlackRock FMP - 12M Series 13 - Growth	—	1000.00	
—	20,00,000	BSL Fixed Term Plan Series CO - Growth	—	200.00	
—	25,00,422	IDFC Fixed Maturity Plan - Yearly Series 36 - Growth	—	250.04	
—	20,00,000	DSP BlackRock FMP - 12M Series 12 - Growth	—	200.00	
—	25,00,000	BSL Fixed Term Plan Series CM - Growth	—	250.00	
—	50,00,000	ICICI Prudential FMP Series 53 - 1 Yr. Plan F Cumulative	—	500.00	
—	20,00,000	Reliance Fixed Horizon Fund XVII - Series 2 - Growth Plan	—	200.00	
—	50,00,000	IDFC Fixed Maturity Plan - Yearly Series 35 - Growth	—	500.00	
—	50,00,000	Kotak Fixed Maturity Plan Series 30 - Growth	—	500.00	
—	20,00,000	BSL Fixed Term Plan Series CK - Growth	—	200.00	
—	50,00,000	Tata Fixed Maturity Plan Series 29 Scheme C - Growth	—	500.00	
—	50,00,000	DSP BlackRock FMP - 12M Series 11 - Growth	—	500.00	
—	30,00,000	Reliance Fixed Horizon Fund XVII - Series 1 - Growth Plan	—	300.00	
—	75,01,120	Tata Fixed Maturity Plan Series 29 Scheme B - Growth	—	750.11	
—	1,00,00,000	DSP BlackRock FMP - 12M Series 10 - Growth	—	1000.00	
—	75,02,077	Reliance Fixed Horizon Fund XVI - Series 5 - Growth Plan	—	750.21	
—	1,00,00,000	DSP BlackRock FMP - 12M Series 9 - Growth	—	1000.00	
—	2,00,00,000	Reliance Fixed Horizon Fund XVI - Series 2 - Growth Plan	—	2000.00	
—	50,00,000	Kotak Fixed Maturity Plan 370 Days Series 3 - Growth	—	500.00	
—	20,00,000	IDFC Fixed Maturity Plan - Yearly Series 33 - Growth	—	200.00	
—	50,00,000	SBI Debt Fund Series - 370 Days - 6 - Growth	—	500.00	
—	46,93,088	UTI Fixed Term Income Fund Series VIII (369 Days) - Growth Plan	—	469.31	
—	75,00,000	HDFC FMP 14M March 2010 - Series XII - Growth	—	750.00	
—	1,00,00,000	IDFC Fixed Maturity Plan - 13 Months Series 5 - Growth	—	1000.00	
—	50,00,000	Canara Robeco FMP - Series 5 - 13 M (Plan A) Growth	—	500.00	
—	50,00,000	ICICI Prudential FMP Series 52 - 1 Yr. Plan A Cumulative	—	500.00	
—	75,00,000	Kotak Fixed Maturity Plan 370 Days Series 10 - Growth	—	750.00	
			14573.52	24259.32	
		UNQUOTED			
19,23,965	—	UTI Dynamic Bond Fund - Growth Plan	200.00	—	
			22763.95	30751.33	
		Less : Provision for diminution in value of Current Investments	0.90	4.45	
		TOTAL CURRENT PORTION OF LONG-TERM INVESTMENT AS PER AS-13	22763.05	30746.88	

				(₹ in lacs)	
As at	As at		As at	As at	
31st March, 2012	31st March, 2011		31st March, 2012	31st March, 2011	
2.14 : CURRENT INVESTMENTS (Contd.)					
OTHER CURRENT INVESTMENTS					
INVESTMENTS IN MUTUAL FUNDS					
QUOTED					
48,99,320	—	Tata Fixed Income Portfolio Fund Scheme B3 Reg Quarterly Dividend	500.12	—	
25,00,584	—	IDFC Fixed Maturity Plan - Quarterly Series 74 - Dividend	250.06	—	
49,06,650	—	Reliance Fixed Horizon Fund XXII - Series 1 - Growth Plan	490.66	—	
30,00,000	—	Taurus Fixed Maturity Plan 91 days Series R - Dividend Plan	300.00	—	
50,11,968	—	IDFC Fixed Maturity Plan - Quarterly Series 72 - Dividend	501.20	—	
19,98,202	—	Kotak Quarterly Interval Plan Series 2 - Dividend	200.00	—	
49,98,600	—	Kotak Quarterly Interval Plan Series 4 - Dividend	500.00	—	
74,92,433	—	Reliance Quarterly Interval Fund - Sr III Institutional Dividend Plan	750.00	—	
—	20,00,000	SBI Debt Fund Series - 90 Days - 38 - Dividend	—	—	200.00
			3492.04	200.00	
UNQUOTED					
1,03,21,979	1,03,21,979	Canara Robeco Income Fund - Growth	2000.08	2000.08	
99,01,362	99,01,362	Canara Robeco Short Term Institutional Growth Fund	1000.43	1000.43	
—	86,95,280	Canara Robeco Short Term Institutional Monthly Dividend Fund	—	874.13	
1,79,73,571	45,77,608	DWS Short Maturity Fund - Institutional - Growth	2211.46	500.06	
—	1,53,29,614	DWS Short Maturity Fund - Institutional - Weekly Dividend	—	1597.21	
50,00,713	50,00,713	Fidelity Short Term income Fund - Growth	500.07	500.07	
—	3,29,93,822	HDFC Short Term Plan - Dividend Reinvestment	—	3430.32	
1,77,08,057	—	HDFC Short Term Plan - Growth	3626.29	—	
1,04,36,975	—	HSBC Income Fund Short Term Institutional Plus Growth	1043.70	—	
—	50,48,531	HSBC Income Fund Short Term Institutional Plus Monthly Dividend	—	504.85	
1,43,72,468	—	ICICI Prudential Institutional Short Term Plan - Cumulative	3103.79	—	
—	2,45,25,030	ICICI Prudential Institutional Short Term Plan-Dividend Reinvestment Fortnightly	—	2978.03	
1,47,80,729	—	Reliance Short Term Fund - Growth	2909.86	—	
—	2,58,15,719	Reliance Short Term Fund - Retail Plan - Dividend Plan	—	2771.27	
8,48,563	—	UTI Short Term Income Fund Institutional Plan Growth	102.42	—	
—	84,85,147	Birla Sun Life Cash Plus - Inst. Prem. - Daily Dividend Reinvestment	—	850.17	
—	49,37,829	Birla Sun Life Ultra Short Term Fund - Inst. - Fortnightly Dividends	—	508.04	
—	1	Canara Robeco Liquid Super Inst. - Daily Dividend Reinvestment	—	*	
9,99,830	9,99,830	DWS Money Plus Fund - Institutional Plan - Growth	100.00	100.00	
49,92,662	—	HSBC Floating Rate Fund Long Term Plan Institutional Monthly Dividend	533.61	—	
43,97,118	—	ICICI Prudential Medium Term Premium Plus - Growth	501.28	—	
99,72,351	—	IDFC Money Manager Fund - Investment Plan - Inst Plan B Growth	1645.38	—	
—	50,35,518	IDFC Money Manager Fund - Investment Plan - Inst Plan B Monthly Dividend	—	508.01	
51,78,999	—	IDFC Ultra Short Term Fund - Growth	767.12	—	
—	29,95,692	JM High Liquidity Fund Super Inst. Plan - Daily Dividend	—	300.06	
35,87,426	—	JM Money Manager Fund Regular Plan Growth	531.90	—	
47,47,166	—	JM Short Term Fund Institutional Plan - Dividend	500.00	—	
69,66,966	—	JM Short Term Fund Institutional Plan - Growth	1028.18	—	
4,015	4,015	Reliance Money Manager Fund - Retail - Growth	—	—	
—	—	(Face Value of ₹ 1,000/- each)	50.00	50.00	
19,15,335	—	Reliance Treasury Plan Institutional Option Growth	500.00	—	
—	59,81,779	SBI Premier Liquid Fund - Super Institutional - Daily Dividend	—	600.12	
71,404	—	SBI SHF-Ultra Short Term Fund Inst.Plan Growth	—	—	
—	—	(Face Value of ₹ 1,000/- each)	1000.00	—	
—	29,99,550	UTI Fixed Income Interval Fund Annual Interval Plan IV - Inst.- Growth Plan	—	300.00	
1,03,738	—	UTI Treasury Advantage Fund - Inst.Plan Growth	—	—	
—	—	(Face Value of ₹ 1,000/- each)	1500.00	—	
—	4,61,167	UTI Liquid Cash Plan Institutional - Daily Dividend Reinvestment	—	4701.35	
			25155.57	24074.20	

As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
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2.14 : CURRENT INVESTMENTS (Contd.)

CERTIFICATE OF DEPOSITS WITH SCHEDULED BANKS - UNQUOTED

(Face Value of ₹ 1,00,000/- each)

2,500	—	IDBI Bank, Sep 2012	2391.89	—
2,500	—	UCO Bank, Jun 2012	2437.15	—
2,500	—	Central Bank of India, May 2012	2274.48	—
—	2,500	Punjab National Bank, Nov 2011	—	2296.41
—	2,500	Corporation Bank, Aug 2011	—	2320.42
—	2,500	State Bank of Patiala, Aug 2011	—	2326.36
—	2,500	IDBI Bank, Jun 2011	—	2343.78
—	2,500	Bank of Baroda, Jun 2011	—	2344.37
—	2,500	Bank of India, Jun 2011	—	2345.66
—	2,500	Oriental Bank of Commerce, Jun 2011	—	2346.61
—	1,000	State Bank of Hyderabad, May 2011	—	948.87
			7103.52	17272.48
			35751.13	41546.68
Less : Provision for diminution in value of Current Investments			27.61	57.20
TOTAL OTHER CURRENT INVESTMENTS			35723.52	41489.48
TOTAL CURRENT INVESTMENTS			58486.57	72236.36
Aggregate Book Value of Quoted Current Investments			26050.99	30936.33
Aggregate Book Value of Unquoted Current Investments			32435.58	41300.03
			58486.57	72236.36
Aggregate Market Value of Quoted Current Investments			26227.55	31457.95
Aggregate provision made for diminution in value of Current Investments			28.51	61.65
Aggregate Book Value of Total (Non-Current and Current) Quoted Investments			71083.96	74515.61
Aggregate Book Value of Total (Non-Current and Current) Unquoted Investments			33397.04	42417.03
			104481.00	116932.64
Aggregate Market Value of Total (Non-Current and Current) Quoted Investments			75573.03	79047.63

* Amount is below the rounding off norm adopted by the company.

- Portion of Long-Term Investments, as defined by Accounting Standard - 13 'Accounting for Investments', which are expected to be realised within twelve months from the Balance Sheet date are disclosed as 'Current portion of Long-Term Investments'.
- Lien Marked in favour of Banks.

	As at 31st March, 2012	As at 31st March, 2011
(₹ in lacs)		
2.15 : INVENTORIES		
(As valued and certified by the Management)		
Raw Materials (including Goods-in-transit ₹ 298.76, Previous Year ₹ 59.45,)	4111.75	2289.09
Work in Progress	3475.90	5672.86
Finished Goods (including Goods-in-transit ₹ 663.17, Previous Year ₹ 542.31)	5533.17	7388.11
Traded Goods	14.87	—
Stores and Spares etc. (including Goods-in-transit ₹ 523.97, Previous Year ₹ 135.06)	28574.02	20610.41
	41709.71	35960.47

Stores and Spares etc. include ₹ 128.42 (Previous Year ₹ 128.58) on account of Fixed Assets held for disposal. The same has been valued at Cost or Net Realisable value, whichever is lower.

Details of Inventories :

	Finished Goods		Work-in-Progress	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Cement	3004.41	4843.98	3161.79	5088.93
Jute	2356.35	2337.36	187.81	347.76
Others	172.41	206.77	126.30	236.17
	5,533.17	7,388.11	3475.90	5672.86

2.16 : TRADE RECEIVABLES

	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Outstanding for a period exceeding six months				
Secured, considered good	—	—	139.55	120.77
Unsecured, considered good	—	—	286.60	131.65
Doubtful	499.07	518.11	—	—
	499.07	518.11	426.15	252.42
Provision for doubtful receivables	499.07	518.11	—	—
	—	—	426.15	252.42
Other Receivables				
Secured, considered good	—	—	660.51	341.18
Unsecured, considered good	—	—	2637.86	3813.60
	—	—	3298.37	4154.78
Amount disclosed under the head "Other Assets" (See Note 2.13)	—	—	—	—
	—	—	3724.52	4407.20

	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
2.17 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	101.70	454.45
In Unpaid Dividend Account	101.95	90.31
In Fixed Deposit Accounts with original maturity of less than three months	1256.91	—
Cheques/Drafts on hand and Remittances in transit	1915.06	2176.28
Cash on hand	23.89	17.71
	<u>3399.51</u>	<u>2738.75</u>
Other Bank Balances		
Earmarked balances with Banks	100.00	132.00
Balances with Bank held as margin money/ security	1452.31	184.10
Fixed Deposit with Banks with maturity period of more than 12 months	1160.00	4050.00
Other Fixed Deposit with Banks	37745.00	27233.38
	<u>40457.31</u>	<u>31599.48</u>
	<u>43856.82</u>	<u>34338.23</u>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
2.18 : REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (including Export Sales of ₹ 7192.21, Previous Yr. ₹ 10293.20)	254192.72	239170.02
Own Consumption	1486.40	1502.60
	<u>255679.12</u>	<u>240672.62</u>
Other Operating Revenues		
Incentives & Subsidies	2299.85	1999.07
Export Benefits	339.12	293.23
Miscellaneous Sale	1301.40	573.92
Insurance and Other Claims (Net)	62.69	142.07
	<u>4003.06</u>	<u>3008.29</u>
	<u>259682.18</u>	<u>243680.91</u>
Details of Sale of Products		
Cement	233904.71	218246.71
Jute	19826.52	20552.07
Others	461.49	371.24
	<u>254192.72</u>	<u>239170.02</u>

	(₹ in lacs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
2.19 : OTHER INCOME		
Interest Income		
On Investments		
Long-term	3719.14	3160.10
Current	720.26	1455.33
On Banks Deposits (Net of Capitalisation of ₹ 141.78, Previous Yr. ₹ NIL)	3042.54	2886.83
On Other Deposits, etc	101.94	134.01
Dividend Income		
On Long-term investments	114.95	117.21
On Current investments	1583.62	1167.13
Net gain/ (loss) on sale of Investments		
On Long-term investments	2213.61	460.19
On Current investments	81.25	745.12
Other Non Operating Income		
Excess Liabilities and Unclaimed Balances written back	620.68	427.00
Excess Depreciation written back	113.44	22.26
Insurance and Other Claims (Net)	141.58	41.45
Adjustments to the carrying amount of Investments (Net of provision of ₹ 27.61, Previous Yr. ₹ 70.41)	33.14	25.80
Miscellaneous Income	129.61	64.72
	12615.76	10707.15
2.20 : COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Inventories	2289.09	3616.67
Add : Purchase	38475.57	37968.56
	40764.66	41585.23
Less : Closing Inventories	4111.75	2289.09
	36652.91	39296.14
Details of Raw Material Consumed		
Limestone	12928.14	11640.34
Clinker	6279.37	9240.91
Gypsum	6873.10	5757.28
Slag	2415.82	2637.69
Fly Ash	6066.43	5291.78
Jute	9928.90	12878.14
Others	1008.32	1300.31
	45500.08	48746.45
Less : Lime Stone (Own raising)	8847.17	9450.31
	36652.91	39296.14
2.21 : PURCHASE OF TRADED GOODS		
Traded Goods - Jute Goods	117.75	6.07
	117.75	6.07

	(₹ in lacs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
2.22 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	7388.11	5659.82
Work-in-Progress	5672.86	3797.59
Traded Goods	—	—
	13060.97	9457.41
Inventories at the end of the year		
Finished Goods	5533.17	7388.11
Work-in-Progress	3475.90	5672.86
Traded Goods	14.87	—
	9023.94	13060.97
	4037.03	(3603.56)
2.23 : EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	17748.38	16214.93
Contribution to Provident and Other Funds	1699.49	1662.33
Contribution to Gratuity Fund	793.03	305.74
Contribution to Superannuation Fund	335.01	311.69
Staff Welfare Expenses	803.99	750.82
	21379.90	19245.50
Less: Amount Capitalised	42.86	36.53
	21337.04	19208.97
2.24 : FINANCE COSTS		
Interest Expenses		
To Debenture Holders	4466.68	3833.96
“ Banks on Term Loans, etc.	1023.36	456.21
“ Banks on Working Capital Loans	1213.81	870.46
On Deposits & Others	1625.05	713.57
	8328.90	5874.20
Other Borrowing Costs		
Other Financial Charges	102.66	179.86
Applicable net (gain)/loss on foreign currency transactions and translations	2377.20	141.08
	10808.76	6195.14
Less : Amount Capitalised	5558.01	932.48
	5250.75	5262.66

	(₹ in lacs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
2.25 : OTHER EXPENSES		
MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	18934.21	18244.15
Power & Fuel (net of capitalisation ₹ 55.12, Previous Yr ₹ 24.43)	53256.78	45923.91
Royalty & Cess	3740.75	3756.30
Repairs to Buildings	830.47	889.67
Repairs to Machinery	1572.52	1511.90
Repairs to Other Assets	186.20	232.21
Freight & Material Handling on Inter Unit Transfer	8411.38	5922.14
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	(255.87)	603.01
Other Manufacturing Expenses	2458.15	1707.80
	89134.59	78791.09
SELLING AND ADMINISTRATION EXPENSES		
Brokerage & Commission on Sales	1144.46	1039.32
Transport & Forwarding Expenses	32627.46	30089.20
Insurance	303.38	237.22
Rent	555.67	391.51
Rates & Taxes	722.11	729.20
Development Cess on Cement	44.58	44.09
Advertisement	1231.35	885.79
Prior Period Items	5.78	31.23
Charity & Donation	52.40	450.55
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	21.00	17.50
Tax Audit Fees	5.00	4.30
Travelling Expenses	2.33	3.03
Issue of Certificates	17.94	15.92
Cost Auditors -		
Audit Fees	2.25	2.25
Travelling Expenses	0.18	0.04
Loss on sale/discard of Fixed Assets (Net)	1.69	4.20
Net (Gain)/Loss on Foreign currency transaction and translation (Net of capitalisation of ₹ 270.63, Previous Yr. ₹ NIL)	1037.92	(644.96)
Provision for Doubtful Debts/Advances (Net of Prov. for Doubtful Debts Written Back ₹ 52.21, Previous Yr. ₹ NIL)	125.84	7.77
Directors' Fees	10.80	10.30
Other Expenses	4258.40	3571.91
	42170.54	36890.37
	131305.13	115681.46
2.26 : DEPRECIATION AND AMORTISATION EXPENSES		
On Tangible Assets	8020.66	6503.78
Less : Transferred from Reserve on Revaluation	21.18	21.27
	7999.48	6482.51
On Investment Property	0.81	0.81
	8000.29	6483.32
2.27 : TAX EXPENSE		
Current Tax for the year	6616.79	8467.53
Less : Income Tax refund related to earlier years	5.81	—
Current Tax	6610.98	8467.53
Deferred Tax	4073.21	3300.63
	10684.19	11768.16

2.28 Contingent Liabilities not provided for –

(a) Claims/Disputes/Demands not acknowledged as debts –		2011-12	2010-11
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.	264.84	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.	319.86	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	1726.67
x)	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
xi)	Demand for differential Property Tax and Penalty raised by Municipal Corporation, Satna as per their re-assessment. Appeal filed and pending before Mayor-in-Council, Satna.	1177.51	NIL
xii)	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	1160.00
xiii)	Demand under Income Tax Act, 1961 for Assessment Year 2008 - 09, the matter is pending before CIT (Appeals).	1986.18	4102.73
xiv)	Demand under Income Tax Act, 1961 for Assessment Year 2009 - 10, the matter is pending before CIT (Appeals).	2851.05	NIL
xv)	Demand for Interest on Entry Tax under U.P. VAT Act. Case is pending before Hon'ble Supreme Court.	636.38	NIL
xvi)	Demand for Interest on U.P. Entry tax on Clinker and Cement. The matter is pending before Hon'ble Supreme Court.	947.10	NIL
xvii)	Demand of House Tax under Rajasthan Municipalities (Land and Building Tax) Rules, 1961 raised by Municipal Board, Chittorgarh. The matter is pending before Hon'ble High Court, Rajasthan.	251.73	NIL
xviii)	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, Export Tax and Other Claims - ₹ 145.50, ₹ 543.04, ₹ 188.60, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96, ₹ 295.48 (Previous Year ₹ 188.91, ₹ 278.28, ₹ 119.58, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ NIL and ₹ 312.28) respectively.		
(b)	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, ₹ 463.52 [Paid under protest ₹ 75.00] (Previous Year ₹ 461.31 [Paid under protest ₹ 75.00]) in respect of demand of Water Supply Charges, ₹ 355.19 [Paid under protest ₹ 137.39] (Previous Year ₹ 355.19 [Paid under protest ₹ 69.70]) in respect of Surcharge on Electricity, ₹ 4695.10 [Paid under protest ₹ 3912.68] (Previous Year ₹ 3464.25 [Paid under protest ₹ 2309.50]) in respect of demand of Royalty on Limestone including interest thereon, ₹ 1194.63 [Paid under protest ₹ 9.48] (Previous Year ₹ 992.98 [Paid under protest ₹ 9.48]) in respect of MODVAT/CENVAT claims, ₹ 2092.50 [Paid under protest ₹ 261.49] (Previous Year ₹ 1913.34 [Paid under protest ₹ 98.66]) in respect of Sales Tax/VAT, ₹ 24.56 [Paid		

(₹ in lacs)

under protest ₹ 12.28] (previous year ₹ 26.35)[paid under protest ₹ Nil] in respect of interest on delayed payment of Entry Tax and ₹ 659.02 [Paid under protest ₹ 152.50] in respect of Excise Duty have not been provided for as the matters are subjudice.

- (c) Bills discounted with Banks remaining outstanding - ₹ 594.38 (Previous Year ₹ 1394.87).
- (d) Amount of Customs Duty including interest thereon, which may have to be paid on account of non-fulfillment of Export Obligation under EPCG Scheme and Duty Exemption (Advance Authorisation) Scheme is ₹ 1009.30 and ₹ 1116.91 (Previous Year ₹ 685.15 and ₹ 1142.09) respectively.
- (e) The Company is liable to contribute upto 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.

2.29 Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 3617.25 (Previous Year ₹ 14173.19).

2.30 Derivative Instruments and Unhedged Foreign Currency Instruments

- (a) Outstanding Forward Exchange Contracts booked for the purpose of hedging receivables/firm commitments are USD 2.38 and EURO NIL (Previous Year USD NIL and EURO 0.88) and payables/firm commitments are USD 195.00 and EURO 5.00 (Previous Year USD 170.00 and EURO 20.00). Outstanding Cross Currency Swap Contracts booked for the purpose of hedging payables are CHF/USD NIL and CHF/EURO NIL (Previous Year CHF/USD 78.65 and CHF/EURO 4.55)
- (b) Unhedged foreign currency receivables are USD 10.57, GBP 0.24 and EURO 0.23 (Previous Year USD 14.80, GBP 0.30 and EURO 0.75) and payables are USD 653.45, EURO 0.71 and CHF NIL (Previous Year USD 323.77, EURO 1.10 and CHF 0.17).
- (c) The marked to market gain amounting to ₹ NIL (Previous Year ₹ 10.08) on Forward Exchange Contracts for firm commitments and highly probable forecast transactions has not been accounted for.

2.31 During the year, Company has exercised the option under paragraph 46A(1) of Accounting Standard-11 relating to "The Effects of Changes in Foreign Exchange Rates" as notified by the Ministry of Corporate Affairs on 29th December, 2011. Consequently, the Foreign Exchange loss arising on reporting of long-term foreign currency monetary items amounting to ₹ 270.63 for the year ended 31st March, 2012 is added to the cost of depreciable fixed assets & CWIP and out of which ₹ 269.57 remains unamortised as at 31.03.2012.

2.32 Dues to Micro, Small and Medium Enterprises

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 of with interest at the Balance Sheet date, hence no additional disclosures have been made. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.33. Employee Benefits Expense

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, 2012	For the year ended 31st March, 2011
(i) Provident Fund	51.08	42.95
(ii) Superannuation Fund	335.01	311.69
(iii) Pension Fund	533.33	515.47

- (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.

(₹ in lacs)

2.33 Employee Benefits Expense (Contd.)

	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
(ii) The amounts recognised in the Balance Sheet are as follow :				
Present value of funded obligations	8021.97	7390.64	—	—
Fair value of plan assets	7502.19	7311.85	—	—
Liabilities in respect of funded obligation	519.78	78.79	—	—
Present value of unfunded obligations	—	—	53.12	42.08
Liabilities in respect of unfunded obligation	—	—	53.12	42.08
Total Liabilities	519.78	78.79	53.12	42.08
(iii) The amounts recognised in the Profit & Loss Account are as follow :				
Current service cost	317.78	306.78	—	—
Interest on obligation	593.95	569.07	3.37	4.29
Expected return on plan assets	(602.23)	(538.59)	—	—
Net actuarial losses/(gains) recognised during the year	483.53	117.85	25.43	2.96
Losses/(Gains) on curtailments and settlements	—	(149.37)	—	—
Total, included in 'Payments to and Provision for Employees'	793.03	305.74	28.80	7.25
Actual return on plan assets	645.84	621.04	—	—
(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	7390.64	7113.39	42.08	53.59
Service cost	317.78	306.78	—	—
Interest cost	593.95	569.07	3.37	4.29
Actuarial losses/(gains)	527.14	200.30	25.43	2.96
Benefits paid	(807.54)	(798.90)	(17.76)	(18.76)
Closing defined benefit obligation	8021.97	7390.64	53.12	42.08

(₹ in lacs)

2.33 Employee Benefits Expense (Contd.)

	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances are as follows :				
Opening fair value of plan assets	7311.85	6773.92	—	—
Expected return	602.23	538.59	—	—
Actuarial gains/(losses)	43.61	82.45	—	—
Contribution by employer	352.04	715.79	—	—
Benefits paid	(807.54)	(798.90)	—	—
Closing fair value of plan assets	7502.19	7311.85	—	—
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	8.50% p.a.	8.00% p.a.	8.50% p.a.	8.00% p.a.
Expected return on plan assets at 31st March	8.50% p.a.	8.00% p.a.	—	—
Mortality Rate	IAL (1994-96) Modified ultimate	IAL (1994-96) Modified ultimate	—	—
Salary Escalation	7%	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 ₹ 500 (Previous Year ₹ 300) to its gratuity fund in 2012-13.				
(xi) In respect of provident funds in the nature of defined benefit plans contribution amounting to ₹ 584.95 (Previous Year ₹ 476.07) and the accrued past service liability of ₹ 31.79 (Previous Year ₹ 143.17) as valued by the actuary is recognised as expense and included in 'Payments to and Provision for Employees'.				

2.34 The closing stock of Certified Emission Reductions (CERs) as on 31st March, 2012 is NIL (Previous Year 87157 units).

2.35 There being uncertainties in realisation from Insurance Claims, the same are accounted for on settlement/realisation.

2.36 Certain Sundry Debtors, Loans and Advances and Creditors are subject to confirmation.

2.37 a) The Company's Units: Soorah Jute Mills and Birla Jute Mills are under Suspension of Operations since 29th March, 2004 and 31st March, 2012 respectively.

b) The working of the Chanderia Unit has been severely hampered at the mining and blasting operation for limestone at the Chanderia Plant remained suspended since 20th August, 2011 in view of the Order of the Hon'ble Jodhpur High Court.

2.38 Liability in respect of compensation/penalty, if any, for non-compliance of Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 upto 30th June, 1997 being unascertainable shall be accounted for as and when settled.

2.39 Segment Reporting

A) Primary Segment Information

	2011-12						2010-11					
	Cement	Jute	Power	Others	Inter Segment Elimination	Total	Cement	Jute	Power	Others	Inter Segment Elimination	Total
BUSINESS SEGMENT												
Segment Revenue												
(a) External Sales	203563	19617	247	1260		224687	190850	20353	43	1130		212376
(b) Inter Segment Revenue	—	—	20789	—	(20789)	—	—	—	17323	—	(17323)	—
Total Segment Revenue	203563	19617	21036	1260	(20789)	224687	190850	20353	17366	1130	(17323)	212376
Segment Result (Profit before Interest & Tax)	20852	55	10513	(305)	31115	33073	722	7855	(272)		41378	
Less : (i) Interest						5251						5263
(ii) Other un-allocable expenditure net off un-allocable income						(8741)						(7641)
Profit before Tax						34605						43756
Provision for :												
Current Tax						6611						8467
Deferred Tax						4073						3301
Profit after Tax						23921						31988
OTHER INFORMATION												
Segment Assets	203700	11058	32102	2779		249639	157602	8680	32011	3095		201388
Common Assets						156321						158916
Total						405960						360304
Segment Liabilities	34813	2204	354	231		37602	33426	1254	1008	261		35949
Common Liabilities						31587						24795
Total						69189						60744
Capital Expenditure	47604	1718	1385	28		50735	32010	461	12152	156		44779
Common Capital Expenditure						453						534
Total						51188						45313
Depreciation	5597	291	1834	181		7903	4832	212	1178	205		6427
Common Depreciation						97						56
Total						8000						6483

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 2.83% (Previous Year 4.31%) 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, P.V.C. Goods, Auto Trims and Steel Castings. Accordingly, these business segments comprise the primary basis of segmental information set out in these financial statements. Inter-segment transfers are based on prevailing market prices except for Iron & Steel Castings and PVC Goods which are based on cost plus profit. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

(₹ in lacs)

2.40 Related Party Disclosure

- 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.(under liquidation)

M.P. Birla Group Services Pvt. Ltd.

Birla Corporation Cement Manufacturing PLC

- 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 :

	2011-2012		2010-2011	
	Subsidiaries	Key Mgmt. Personnel	Subsidiaries	Key Mgmt. Personnel
Purchases of goods/services	119.29	—	136.38	—
Receipt of rent	.03	—	.03	—
Advances given	120.45	—	97.75	—
Advances recovered	113.88	—	94.50	—
Advances received	.08	—	.34	—
Advances repaid	.08	—	.34	—
Remuneration, Perquisites & Others	—	166.66	—	119.82
Balance outstanding at year end :				
Creditors	—	—	.07	—
Advances given	210.93	—	204.36	—

(₹ in lacs)

2.41 Value of Imported and Indigenous Raw Materials and Spare Parts consumed –

	2011 - 2012				2010 - 2011			
	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	3105.81	8.47	87.35	1.70	6223.41	15.84	172.17	4.29
Indigenous	33547.10	91.53	5049.76	98.30	33072.73	84.16	3838.47	95.71
	<u>36652.91</u>	<u>100.00</u>	<u>5137.11</u>	<u>100.00</u>	<u>39296.14</u>	<u>100.00</u>	<u>4010.64</u>	<u>100.00</u>

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

	2011-2012	2010-2011
(a) C.I.F. Value of Imports during the year –		
Raw Materials	3419.84	3458.14
Spare Parts	1266.51	1961.06
Capital Goods	6822.19	10424.71
Others	—	1315.80
(b) Expenditure in Foreign Currency –		
Interest	1168.04	402.81
Travelling	81.32	33.77
Professional Service	36.43	3.39
Others	33.61	29.81
(c) Earnings in Foreign Currency –		
Export of goods on F.O.B. basis (Including exports in Indian Currency - ₹ 1210.14, Previous Year ₹ 2285.69)	6953.03	9905.56
Sale of Certified Emission Reductions	739.78	48.07

2.43 Figures for the previous year have been regrouped wherever necessary.

Signature to Notes 1 to 2.43

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.
Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

PRACHETA MAJUMDAR
VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
M. K. SHARMA

Chairman

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer

Statement Regarding Subsidiary Companies

ATTACHED TO THE BALANCE SHEET AS AT 31ST MARCH, 2012
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, 2012 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.	58,80,400 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) Birla Corporation Cement Manufacturing PLC	1699 Equity Shares of Ethiopian Birr 1000 each out of the issued Capital of 1700 Equity Shares of Ethiopian Birr 1000/- 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) 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, 2012</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 ₹ 2.37	Profit ₹ 63.65
(b) Talavadi Cements Ltd.	Profit ₹ 43.65	Profit ₹ 110.30
(c) Lok Cements Ltd.	₹ NIL	₹ NIL
(d) Budge Budge Floorcoverings Ltd.	Loss ₹ 19.72	Loss ₹ 168.26
(e) Birla Corporation Cement Manufacturing PLC	Loss ₹ 2.80	₹ NIL
(f) Birla Cement (Assam) Ltd.	Loss ₹ 0.08	Loss ₹ 0.79
(g) M P Birla Group Services Pvt Ltd.	Loss ₹ 0.10	Loss ₹ 0.38

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) Birla Corporation Cement Manufacturing PLC	₹ NIL	₹ NIL
(f) Birla Cement (Assam) Ltd.	₹ NIL	₹ NIL
(g) M P Birla Group Services Pvt. Ltd.	₹ NIL	₹ NIL

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road
Kolkata-700 001
Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

PRACHETA MAJUMDAR
VIKRAM SWARUP
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B. B. TANDON
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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	Reporting Currency	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
							Non-Current	Current	Total					
1.	Budge Budge Floorcoverings Limited	INR	400.00	(179.60)	253.84	253.84	—	13.49	13.49	—	(25.09)	(5.36)	(19.72)	—
2.	Birla Jute Supply Company Limited	INR	6.00	68.55	75.34	75.34	—	—	—	—	3.47	1.10	2.37	—
3.	Talvadi Cements Limited	INR	600.00	138.65	794.80	794.80	0.10	187.14	187.24	—	62.79	19.14	43.65	—
4.	Lok Cements Limited	INR	100.07	(11.43)	297.39	297.39	—	—	—	—	—	—	—	—
5.	Birla Corporation Cement Manufacturing PLC	Ethiopian Birr	45.25	1.63	51.52	51.52	—	—	—	—	(2.80)	—	(2.80)	—
6.	Birla Cement (Assam) Limited	INR	5.00	(0.87)	4.19	4.19	—	—	—	—	(0.08)	—	(0.08)	—
7.	M.P Birla Group Services Pvt. Ltd.	INR	2.00	(0.48)	1.59	1.59	0.03	—	0.03	—	(0.10)	—	(0.10)	—

Exchange Rate as on 31st March, 2012 : 1 Ethiopian Birr = ₹ 2.9258

AUDITORS' REPORT

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

1. We have examined the attached Consolidated Balance Sheet of **BIRLA CORPORATION LIMITED**, its Subsidiaries and Associates as at 31st March, 2012, the Consolidated Statement of Profit & Loss 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.
2. 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.
3. 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 ₹ 1427.15 lacs as at 31st March, 2012, total revenue of ₹ 130.41 lacs and cash flow amounting to ₹ 17.33 lacs for the year then ended and two associates namely M/s. Birla Readymix Pvt. Ltd. and M/s Birla Odessa Industries Pvt. Ltd. having total assets of ₹ 30.19 lacs as at 31st March, 2012 and total revenue of ₹ 0.10 lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of the subsidiaries and associates are based solely on the report of the other auditors.
4. The Financial Statement of a Foreign Subsidiary, namely M/s. Birla Corporation Cement Manufacturing PLC for the period then ended, have been prepared by the management of the Company in accordance with generally accepted accounting principles in India and other recognized accounting practices and policies (Indian GAAP) followed by the Company. We have reviewed the conversion of above Management certified financial statement into Indian GAAP. These consolidated financial statements reflect total assets of ₹ 51.52 lacs as at 31st March 2012, total revenue of ₹ 1.05 lacs and cash flow amounting to ₹ 51.52 lacs for the year then ended of such foreign subsidiary.
5. 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.
6. 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 para 4 above together with other notes and in particular note no. 2.27 (b) and 2.37, 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, 2012;
 - (b) the Consolidated Statement of Profit & Loss 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
Firm Registration No. 302050E

1B, Old Post Office Street,
Kolkata- 700 001
Date : the 2nd day of May, 2012

Rajiv Singhi
Partner
Membership No. 053518

BALANCE SHEET as at 31st March, 2012

	Note No.	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	2.1	7700.89	7700.89
Reserves and Surplus	2.2	216882.44	198308.35
		224583.33	206009.24
MINORITY INTEREST			
Equity	2.3	11.96	12.01
Non Equity		(11.96)	(12.01)
		—	—
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.4	75223.81	60414.85
Deferred Tax Liabilities (Net)	2.5	15412.71	11329.27
Other Long-Term Liabilities	2.6	22163.84	18637.67
Long-Term Provisions	2.7	1790.16	1577.53
		114590.52	91959.32
CURRENT LIABILITIES			
Short-Term Borrowings	2.8	37209.52	33354.05
Trade Payables	2.9	11296.67	10256.75
Other Current Liabilities	2.10	13986.37	14757.01
Short-Term Provisions	2.7	4632.12	4266.14
		67124.68	62633.95
TOTAL		406298.53	360602.51
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.11	135420.33	98124.66
Capital Work-in-Progress		50962.39	45620.16
Intangible Assets	2.11	15.28	15.23
Intangible Assets under Development		430.22	285.69
		186828.22	144045.74
Non-Current Investments		45049.79	43596.96
Long-Term Loans and Advances	2.12	4387.86	5878.56
Other Non-Current Assets	2.13	1339.88	829.53
		237605.75	194350.79
CURRENT ASSETS			
Current Investments		58687.20	72640.67
Inventories	2.14	41771.46	36022.21
Trade Receivables	2.15	3724.53	4407.20
Cash and Bank Balances	2.16	44062.30	34422.45
Short-Term Loans and Advances	2.12	11418.74	9084.45
Other Current Assets	2.13	9028.55	9674.74
		168692.78	166251.72
TOTAL		406298.53	360602.51
Significant Accounting Policies	1		
The Notes are an integral part of the Financial Statements			

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.
Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

Chairman

PRACHETA MAJUMDAR
VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
M. K. SHARMA

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2012

			(₹ in lacs)
	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME			
Revenue from Operations (Gross)	2.17	259682.18	243682.24
Less : Excise Duty		30992.32	28297.35
Revenue from Operations (Net)		228689.86	215384.89
Other Income	2.18	12626.40	10721.20
Total Revenue		241316.26	226106.09
EXPENSES			
Cost of Materials Consumed	2.19	36533.57	39166.04
Purchases of Traded Goods	2.20	117.75	6.07
(Increase)/ Decrease in Inventories of Finished Goods,			
Work-in-Progress and Traded Goods	2.21	4037.02	(3603.39)
Employee Benefits Expense	2.22	21337.20	19204.19
Finance Costs	2.23	5264.17	5262.67
Other Expenses	2.24	131325.60	115728.24
		198615.31	175763.82
Profit before Tax, Depreciation and Amortisation		42700.95	50342.27
Depreciation and Amortisation Expenses	2.25	8058.01	6541.25
Profit before Tax		34642.94	43801.02
Tax Expense :	2.26		
Current Tax		6615.64	8468.80
Deferred Tax		4083.43	3311.60
Profit for the year before share of results of associates and minority interest		23943.87	32020.62
Less : Minority Interest		—	—
Less : Share of Loss in Associates		0.04	0.04
Profit for the year		23943.83	32020.58
Earnings Per Share [nominal value ₹ 10/- each (in Rupees)]			
Weighted Average Number of Ordinary Shares outstanding during the year		77005347	77005347
Basic and Diluted earnings per share (in Rupees)		31.09	41.58
Significant Accounting Policies	1		
The Notes are an integral part of the Financial Statements			

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.
Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
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Chairman

Directors

Executive Director &
Chief Executive Officer

CASH FLOW STATEMENT for the year ended 31st March, 2012

(₹ in lacs)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Cash Flow from Operating Activities :		
Profit before Tax	34642.94	43801.02
Adjustments for :		
Depreciation and Amortisation	8058.01	6541.25
Investing Activities (Net)	(11733.29)	(10180.68)
Provision for Doubtful Debts/written back (Net)	125.83	7.77
Excess Liabilities and Unclaimed Balances written back (Net)	(620.74)	(427.19)
Unrealised Loss/(Gain) on Foreign Exchange	1611.86	(375.64)
Finance Costs	5264.17	5262.67
Operating Profit before Working Capital Changes	37348.78	44629.20
Adjustments for :		
(Inc)/ Dec in Trade Receivables	662.47	(2204.82)
(Inc)/ Dec in Inventories	(5749.22)	(7584.93)
(Inc)/ Dec in Long-Term Loans and Advances & Other Non-Current Assets	(691.43)	1347.39
(Inc)/ Dec in Short-Term Loans and Advances & Other Current Assets	(11831.73)	(538.99)
Inc/ (Dec) in Trade Payables & Other Current Liabilities	465.23	(4230.30)
Inc/ (Dec) in Other Long-Term Liabilities	3526.16	4627.76
Inc/ (Dec) in Long-Term Provisions	212.63	(278.74)
Inc/ (Dec) in Short-Term Provisions	365.78	186.67
Cash generated from Operations	24308.67	35953.24
Direct Taxes Paid	(7508.74)	(11085.65)
Net Cash from Operating Activities	16799.93	24867.59
Cash Flow from Investing Activities :		
Purchase of Tangible & Intangible Assets including CWIP & Intangible Assets under development	(43668.82)	(50025.85)
Sale of Fixed Assets	601.46	503.81
(Purchase)/Sale of Non-Current Investments (Net)	765.36	(2292.64)
(Purchase)/Sale of Current Investments (Net)	14068.69	668.86
Government Grant Received	16.87	80.32
Interest Received from Non-Current Investments	3212.49	2704.40
Interest Received from Current Investments	5952.34	3658.86
Dividend Received from Non-Current Investments	114.95	117.21
Dividend Received from Current Investments	1586.57	1171.10
Net Cash used in Investing Activities	(17350.09)	(43413.93)
Cash Flow from Financing Activities :		
Proceeds from Long-Term Borrowings	16026.04	20447.22
Repayments of Long-Term Borrowings	(870.71)	(373.06)
(Repayments)/Proceeds from Short-Term Borrowings	2256.19	9775.65
Interest Paid	(10773.62)	(5656.69)
Dividend Paid	(4608.68)	(4599.21)
Corporate Dividend Tax	(749.53)	(767.38)
Net Cash from /used in Financing Activities	1279.69	18826.53
Net Increase in Cash and Cash Equivalents	729.53	280.19
Cash and Cash Equivalents (Opening Balance)	2822.96	2542.77
Cash and Cash Equivalents (Closing Balance)	3552.49	2822.96

Notes :

- a) Above statement has been prepared in indirect method.
b) Figures for the previous year have been re-grouped wherever considered necessary.

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner

Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.

Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

Chairman

PRACHETA MAJUMDAR
VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
M. K. SHARMA

Directors

B. R. NAHAR

Executive Director &
Chief Executive Officer

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

1. Significant Accounting Policies

1.1 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.

1.2 Companies included in Consolidation

a) Companies Incorporated in India

<u>Name of the Company</u>	<u>Extent of Shareholding</u>	<u>Relationship</u>
i) Birla Jute Supply Company Limited	100.00%	Subsidiary
ii) Talavadi Cements Limited	98.00%	Subsidiary
iii) Lok Cements Limited	100.00%	Subsidiary
iv) Budge Budge Floorcoverings Limited	100.00%	Subsidiary
v) Birla Cement (Assam) Limited	100.00%	Subsidiary
vi) M.P. Birla Group Services Private Limited	100.00%	Subsidiary
vii) Birla Odessa Industries Private Limited	48.61%	Associate
viii) Birla Readymix Private Limited	46.73%	Associate

b) Companies Incorporated Outside India

<u>Name of the Company</u>	<u>Extent of Shareholding</u>	<u>Relationship</u>
i) Birla Corporation Cement Manufacturing PLC	100.00%	Subsidiary

1.3 Companies not included in Consolidation as they are under voluntarily winding up

<u>Name of the Company</u> (Company Incorporated in India)	<u>Extent of Shareholding</u>	<u>Relationship</u>
i) Birla North-East Cement Limited	100.00%	Subsidiary

1.4 In respect of foreign subsidiary being non-integral operation, Assets and Liabilities are translated at the closing rate. Income & Expenses are translated at average rate. Any exchange difference arising on such translation is recognised in the "Foreign Currency Translation Reserve."

1.5 Other Significant Accounting Policies

These are set out in Note 1 under Significant Accounting Policies of financial statements of Birla Corporation Limited.

2. Notes to Financial Statements for the year ended 31st March, 2012

		(₹ in lacs)	
		As at 31st March, 2012	As at 31st March, 2011
2.1 : 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	<u>7701.34</u>	<u>7701.34</u>
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>

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) The Company has only one class of issued shares i.e. Ordinary Shares having par value of ₹ 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) The Company does not have any Holding Company/ultimate Holding Company.
- d) Details of shareholders holding more than 5% shares in the Company:

Ordinary Shares of ₹ 10/- each fully paid

	<u>No. of Shares</u>	
Hindustan Medical Institution	71,59,460	71,59,460
Vindhya Telelinks Limited	63,80,243	63,80,243
August Agents Limited	60,15,912	60,15,912
Insilco Agents Limited	60,04,080	60,04,080
Laneseda Agents Limited	59,94,680	59,94,680
The Punjab Produce & Trading Co. (P) Limited	45,20,572	45,20,572
Life Insurance Corporation of India	39,48,117	39,48,117

- e) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No shares have been allotted or bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No securities convertible into Equity/Preference shares issued by the Company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.

	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
2.2 : RESERVES & SURPLUS		
Capital Reserves		
Surplus on amalgamation -		
As per last Financial Statements	105.08	105.08
	<u>105.08</u>	<u>105.08</u>
On Consolidation	<u>213.32</u>	<u>213.32</u>
Others		
As per last Financial Statements	182.44	102.12
Add : Project Capital Subsidy received during the year	<u>16.87</u>	<u>80.32</u>
	<u>199.31</u>	<u>182.44</u>
Debenture Redemption Reserve		
As per last Financial Statements	2975.00	1325.00
Add : Transferred from Surplus	<u>1650.00</u>	<u>1650.00</u>
	<u>4625.00</u>	<u>2975.00</u>
Revaluation Reserve		
As per last Financial Statements	778.68	800.28
Less : Adjustments in respect of sales/discard of Fixed Assets	—	0.33
Less : Transfer to the Statement of Profit & Loss being difference of depreciation on revalued cost of assets and on the original cost	<u>21.18</u>	<u>21.27</u>
	<u>757.50</u>	<u>778.68</u>
Foreign Currency Translation Reserve		
As per last Financial Statements	—	—
Add : Addition during the year	<u>4.42</u>	<u>—</u>
	<u>4.42</u>	<u>—</u>
General Reserve		
As per last Financial Statements	175035.84	150035.84
Add : Addition during the year	<u>25000.00</u>	<u>25000.00</u>
	<u>200035.84</u>	<u>175035.84</u>
Surplus		
As per last Financial Statements	19017.99	19024.70
Add : Profit for the year	<u>23943.83</u>	<u>32020.58</u>
	<u>42961.82</u>	<u>51045.28</u>
Less : Appropriations		
Debenture Redemption Reserve	1650.00	1650.00
Interim Dividend	1925.13	1925.13
Corporate Dividend Tax on Interim Dividend	312.30	319.74
Proposed Final Dividend	2695.19	2695.19
Corporate Dividend Tax on Proposed Final Dividend	437.23	437.23
General Reserve	<u>25000.00</u>	<u>25000.00</u>
	<u>32019.85</u>	<u>32027.29</u>
Net Surplus	<u>10941.97</u>	<u>19017.99</u>
	<u>216882.44</u>	<u>198308.35</u>

(₹ in lacs)

2.3 : MINORITY INTEREST

IN EQUITY

Talavadi Cements Limited

120100 Equity Shares

(2010-11 : 120100) held by minority having 2.00% (2010-11 : 2.00%) interest

As at 31st March, 2012

As at 31st March, 2011

11.96

12.01

IN NON EQUITY

Talavadi Cements Limited

Balance brought forward

(11.96)

(12.01)

2.4 : LONG-TERM BORROWINGS

	Non-current portion		Current Maturities	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Non-Convertible Debentures (NCD) (Secured)				
(Face Value of ₹10,00,000/- each)				
1300 (Previous Yr: 1300) 9.05% NCD 2020	13000.00	13000.00	—	—
1500 (Previous Yr: 1500) 9.10% NCD 2020	15000.00	15000.00	—	—
1200 (Previous Yr: 1200) 8.80% NCD 2017	12000.00	12000.00	—	—
1000 (Previous Yr: 1000) 8.65% NCD 2015	10000.00	10000.00	—	—
Term Loans (Secured)				
Rupee Loans from Bank	4756.38	3975.00	73.75	—
Foreign Currency Loans from Banks	20467.43	6329.51	1032.99	744.65
	25223.81	10304.51	1106.74	744.65
Total Secured Borrowings	75223.81	60304.51	1106.74	744.65
Deferred payment of Sales Tax (Unsecured)	—	110.34	—	15.72
Total Unsecured Borrowings	—	110.34	—	15.72
Amount disclosed under the head "Other Current Liability"			(1106.74)	(760.37)
(See Note No. 2.10)	75223.81	60414.85	—	—

a) Non-Convertible Debentures are redeemable fully at par as under :

- 9.05% NCD 2020 on 13th October, 2020;
- 9.10% NCD 2020 on 29th March, 2020;
- 8.80% NCD 2017 on 6th February, 2017;
- 8.65% NCD 2015 on 4th March, 2015.

The 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.

b) Rupee Term Loans from Bank of ₹ 3975.00 is repayable on 30th September, 2013 and is secured by first charge on the movable and immovable fixed assets of the Company's Cement Units at Satna (Madhya Pradesh) and Chanderia (Rajasthan), ranking pari-passu with Debentures and other term lenders. Rupee Term Loan from Bank of ₹ 855.13 is repayable in quarterly instalments of ₹ 73.75 starting from 31st March, 2013 and is secured by specific charge on certain Plant & Machineries of the Company's Unit Birla Jute Mills (West Bengal).

c) Foreign Currency Loans from Banks of ₹ 8780.42 is repayable in remaining seventeen semi-annual instalments and is secured by first charge on the movable and immovable fixed assets of the Company's Cement Units at Chanderia (Rajasthan), ranking pari-passu with Debenture holders and other term lenders.

Foreign Currency Loans from Banks of ₹ 3816.00 is repayable in July/August, 2016 and ₹ 8904.00 is repayable in December, 2016/January, 2017. These Foreign Currency Loans are secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking pari-passu with Debenture holders and other term lenders.

(₹ in lacs)

	As at 31st March, 2012	As at 31st March, 2011
2.5 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	20068.77	15019.33
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-Tax Act	4168.79	3271.14
Others	487.27	418.92
	4656.06	3690.06
Deferred Tax Liabilities (Net)	15412.71	11329.27

2.6 : OTHER LONG-TERM LIABILITIES

Trade Payables

For Goods and Services	0.27	0.27
	0.27	0.27

Other Liabilities

Liabilities under Litigation	25488.53	20415.54
Less : Paid under protest	13043.46	9419.18
	12445.07	10996.36
Liability for Capital Goods	16.23	—
Trade Deposits	9212.54	7152.31
Other Liabilities	489.73	488.73
	22163.57	18637.40
	22163.84	18637.67

2.7 : PROVISIONS

	Long-term		Short-term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for Employee Benefits	1790.16	1577.53	747.61	381.83
Other Provisions				
Provisions for Taxation (Net of Payments)	—	—	752.09	751.89
Proposed Dividend			2,695.19	2695.19
Corporate Dividend Tax			437.23	437.23
	—	—	3884.51	3884.31
	1790.16	1577.53	4632.12	4266.14

Provision for current tax has been made u/s 115JB of the Income Tax Act, 1961. The Holding Company has not accounted for MAT credit u/s 115JAA of ₹ 3763 (Previous Year ₹ 925) 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.

	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
2.8 : SHORT-TERM BORROWINGS		
Working Capital Borrowings		
From Banks		
Rupee Loans (Secured)	8372.87	9214.74
Buyers Credit and Packing Credit in Foreign Currency (Secured)	—	1698.54
Buyers Credit and Packing Credit in Foreign Currency (Unsecured)	8165.21	5603.68
From Others		
Collateralised Borrowing and Lending Obligation (Secured)	6500.00	6800.00
	<u>23038.08</u>	<u>23316.96</u>
Deposits		
Staff and Other Deposits (Unsecured)	<u>1182.00</u>	<u>1536.58</u>
Other Loans and Advances		
Buyers Credit in Foreign Currency (Secured)	2165.34	1642.64
Buyers Credit in Foreign Currency (Unsecured)	10824.10	6857.87
	<u>12989.44</u>	<u>8500.51</u>
	<u>37209.52</u>	<u>33354.05</u>
The above amount includes		
Secured Borrowings	17038.21	19355.92
Unsecured Borrowings	20171.31	13998.13
	<u>37209.52</u>	<u>33354.05</u>

- a) Working Capital Rupee Loans from Banks are secured by hypothecation of Current Assets, viz., Raw Materials, Stock-in-Trade, Consumable Stores and Book Debts, both present & future, and further by way of second charge on movable and immovable fixed assets of the Company's Cement Division.
- b) Buyers Credit in Foreign Currency (Secured) are secured against lien on certain Units of Mutual Funds.
- c) Collateralised Borrowing and Lending Obligation is secured by deposit of Government Securities.

2.9 : TRADE PAYABLES

For Goods and Services	11296.67	10256.75
	<u>11296.67</u>	<u>10256.75</u>

2.10 : OTHER CURRENT LIABILITIES

Current maturities of Long-Term Debt (See Note 2.4)	1106.74	760.37
Interest accrued but not due on Borrowings	918.74	870.18
Unpaid and unclaimed dividends	101.95	90.31
Statutory Dues	2346.74	2562.39
Amount payable for Capital Goods	2199.44	3734.92
Trade and Security Deposits	12.57	—
Advances Received from Customers	5096.97	4815.08
Others*	2203.22	1923.76
	<u>13986.37</u>	<u>14757.01</u>

* Represents mainly liabilities towards rebates and discounts.

(₹ in lacs)

NOTE 2.11 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Cost/Value as at 31st March, 2011	Additions during the year	Deductions/ during year	Other Adjustment	Cost/Value as at 31st March, 2012	Upto 31st March, 2011	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Tangible Assets :											
Land											
Leasehold	1770.19	17.76	113.95	—	1674.00	1299.92	30.41	82.40	1247.93	426.07	470.27
Freehold	2662.96	733.10	—	—	3396.06	—	—	—	—	3396.06	2662.96
Sub Total :	4433.15	750.86	113.95	—	5070.06 (a)	1299.92	30.41	82.40	1247.93	3822.13	3133.23
Buildings	15227.34	1309.04	3.06	70.99	16604.31 (a&b)	7545.67	293.44	3.02	7836.09 (b)	8768.22	7681.67
Plant & Machinery	150476.46	40479.16	918.46	2745.06	192782.22 (c)	65904.90	7397.52	476.13	72826.29 (c)	119955.93	84571.56
Furniture & Fittings	1118.10	63.89	0.61	—	1181.38	747.69	47.94	0.61	795.02	386.36	370.41
Vehicles	1564.85	191.90	122.49	—	1634.26	739.25	121.85	113.88	747.22	887.04	825.60
Office Equipment	2341.96	248.60	45.41	—	2545.15	1363.69	155.55	41.44	1477.80	1067.35	978.27
Livestock	11.74	3.81	2.76	—	12.79	—	—	—	—	12.79	11.74
Railway Sidings	1113.29	—	—	—	1113.29	561.11	31.67	—	592.78	520.51	552.18
Total :	176286.89	43047.26	1206.74	2816.05	220943.46	78162.23	8078.38	717.48	85523.13	135420.33	98124.66
Intangible Assets :											
Goodwill	15.23	0.05	—	—	15.28	—	—	—	—	15.28	15.23
Total :	15.23	0.05	—	—	15.28	—	—	—	—	15.28	15.23
Grand Total :	176302.12	43047.31	1206.74	2816.05	220958.74	78162.23	8078.38	717.48	85523.13	135435.61	98139.89
Previous Year :	144157.53	34493.70	2535.82	186.71	176302.12	73647.34	6561.71	2046.82	78162.23	98139.89	

(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 lease hold land and ₹ 88.50 being amortisation thereof upto 31st March, 2012.

(c) Includes ₹ 590.63 being cost of flyash handling system on lease hold land and ₹ 590.63 being amortisation thereof upto 31st March, 2012.

(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 ₹ 7376.84 and ₹ 2006.35 respectively.

(e) The Company has mortgaged a portion of land at Birlapur and Chanderia as security for subsidies received under Subsidised Housing Scheme for Industrial Workers.

(f) Other adjustment includes adjustment on account of borrowing costs & exchange differences.

				(₹ in lacs)	
		Long-term		Short-term	
		As at	As at	As at	As at
		31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
2.12 : LOANS AND ADVANCES					
Capital Advances					
Secured, considered good		177.82	836.94	—	—
Unsecured, considered good		858.65	2322.85	—	—
		<u>1036.47</u>	<u>3159.79</u>	<u>—</u>	<u>—</u>
Security Deposits					
Secured, considered good		0.18	0.18	—	—
Unsecured, considered good		2462.64	1861.71	51.67	52.27
		<u>2462.82</u>	<u>1861.89</u>	<u>51.67</u>	<u>52.27</u>
Other Loans and Advances (Unsecured, Considered good)					
Advance Tax (including TDS) (Net of provisions)		—	—	2973.68	2080.39
Advance against supply of Goods and Services		—	—	3939.91	1954.42
Prepaid Expenses		572.81	588.69	359.96	213.54
Advance to Employees		23.13	22.54	182.22	155.18
Balances with Government & Statutory Authorities		86.30	95.65	3874.50	4588.87
Other Deposits and Advances		206.33	150.00	36.80	39.78
		<u>888.57</u>	<u>856.88</u>	<u>11367.07</u>	<u>9032.18</u>
Other Deposits and Advances (Considered doubtful)		100.00	—	—	—
Less : Provision		(100.00)	—	—	—
		<u>4387.86</u>	<u>5878.56</u>	<u>11418.74</u>	<u>9084.45</u>

		Non-Current		Current	
		As at	As at	As at	As at
		31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
2.13 : OTHER ASSETS					
Long Term Trade Receivable (See Note 2.15)					
Interest accrued on Deposits		98.43	2.21	1233.14	2773.34
Interest accrued on Investments		867.49	457.06	1508.20	2049.75
Incentive and Subsidy Receivable		44.86	—	6259.88	4833.21
Less : Provision		(44.86)	—	—	—
Others		385.07	381.35	27.33	18.44
Less : Provision		(11.11)	(11.09)	—	—
		<u>1339.88</u>	<u>829.53</u>	<u>9028.55</u>	<u>9674.74</u>

	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
2.14 : INVENTORIES		
(As valued and certified by the Management)		
Raw Materials (including Goods-in-transit ₹ 298.76, Previous Year ₹ 59.45)	4170.93	2348.27
Work-in-Progress	3475.90	5672.86
Finished Goods (including Goods-in-transit ₹ 663.17, Previous Year ₹ 542.31)	5533.17	7388.11
Traded Goods	14.88	—
Stores and Spares, etc. (including Goods-in-transit ₹ 523.97, Previous Year ₹ 135.07)	28576.58	20612.97
	41771.46	36022.21

Stores and Spares, etc. include ₹ 128.42 (Previous Year ₹ 128.58) on account of Fixed Assets held for disposal. The same has been valued at Cost or Net Realisable value, whichever is lower.

Details of Inventories :

	Finished Goods		Work-in-Progress	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Cement	3004.41	4843.98	3161.79	5088.93
Jute	2356.35	2337.36	187.81	347.76
Others	172.41	206.77	126.30	236.17
	5,533.17	7,388.11	3475.90	5672.86

2.15 : TRADE RECEIVABLES

	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Outstanding for a period exceeding six months				
Secured, considered good	—	—	139.55	120.77
Unsecured, considered good	—	—	286.60	131.65
Doubtful	499.07	518.11	—	—
	499.07	518.11	426.15	252.42
Provision for doubtful receivables	499.07	518.11	—	—
	—	—	426.15	252.42
Other Receivables				
Secured, considered good	—	—	660.51	341.18
Unsecured, considered good	—	—	2637.87	3813.60
Provision for doubtful receivables	—	—	—	—
	—	—	3298.38	4154.78
Amount disclosed under the head "Other Assets"				
(See Note 2.13)	—	—	—	—
	—	—	3724.53	4407.20

	As at 31st March, 2012	(₹ in lacs) As at 31st March, 2011
2.16 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
In Current Account	184.83	468.33
In Unpaid Dividend Account	101.95	90.31
In Fixed Deposit Accounts with original maturity of less than three months	1256.91	—
Cheques/drafts in hand and Remittances in transit	1984.84	2246.49
Cash in hand	23.96	17.83
	<u>3552.49</u>	<u>2822.96</u>
Other Bank Balances		
Earmarked balances with Banks	100.00	132.00
Balances with Bank held as margin money/ security	1452.31	184.10
Fixed Deposit with Banks with maturity period for more than 12 months	1160.00	4050.00
Other Fixed Deposit with Banks	37797.50	27233.39
	<u>40509.81</u>	<u>31599.49</u>
	<u>44062.30</u>	<u>34422.45</u>
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
2.17 : REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (including Export Sales ₹ 7192.21, Previous. Year ₹ 10293.20)	254192.72	239171.35
Own Consumption	1486.40	1502.60
	<u>255679.12</u>	<u>240673.95</u>
Other Operating Revenues		
Incentives & Subsidies	2299.85	1999.07
Export Benefits	339.12	293.23
Miscellaneous Sale	1301.40	573.92
Insurance and Other Claims (Net)	62.69	142.07
	<u>4003.06</u>	<u>3008.29</u>
	<u>259682.18</u>	<u>243682.24</u>
Details of Sale of Products		
Cement	233904.71	218246.71
Jute	19826.52	20552.07
Others	461.49	372.57
	<u>254192.72</u>	<u>239171.35</u>

	For the year ended 31st March, 2012	(₹ in lacs) For the year ended 31st March, 2011
2.18 : OTHER INCOME		
Interest Income		
On Investments		
Long-Term	3719.14	3160.10
Current	720.26	1455.33
On Banks Deposits (Net of Capitalisation of ₹ 141.78, Previous Year ₹ NIL)	3048.39	2891.15
On Other Deposits, etc	101.94	134.01
Dividend Income		
On Long-term investments	114.95	117.21
On Current investments	1586.57	1171.10
Net gain/ (loss) on sale of Investments		
On Long-term investments	2214.58	460.19
On Current investments	82.08	750.61
Other Non Operating Income		
Excess Liabilities and Unclaimed Balances written back	620.74	427.19
Excess Depreciation written back	113.44	22.26
Insurance and Other Claims (Net)	141.58	41.45
Adjustments to the carrying amount of Investments (Net of provision of ₹ 27.61, Previous Year ₹ 70.41)	33.14	25.80
Miscellaneous Income	129.59	64.80
	12626.40	10721.20
2.19 : COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Inventories	2348.27	3675.84
Add : Purchase	38356.23	37838.47
	40704.50	41514.31
Less : Closing Inventories	4170.93	2348.27
	36533.57	39166.04
Details of Raw Material Consumed		
Limestone	12928.14	11640.34
Clinker	6279.37	9240.91
Gypsum	6873.10	5757.28
Slag	2415.82	2637.69
Fly Ash	6066.43	5291.78
Jute	9928.90	12878.14
Others	888.98	1170.21
	45380.74	48616.35
Less : Limestone (Own raising)	8847.17	9450.31
	36533.57	39166.04
2.20 : PURCHASE OF TRADED GOODS		
Traded Goods - Jute Goods	117.75	6.07
	117.75	6.07

	(₹ in lacs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
2.21 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	7388.11	5659.82
Work-in-Progress	5672.86	3797.76
Traded Goods	—	—
	13060.97	9457.58
Inventories at the end of the year		
Finished Goods	5533.17	7388.11
Work-in-Progress	3475.90	5672.86
Traded Goods	14.88	—
	9023.95	13060.97
	4037.02	(3603.39)
2.22 : EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	17749.46	16214.93
Contribution to Provident and Other Funds	1699.49	1662.32
Contribution to Gratuity Fund	792.11	300.97
Contribution to Superannuation Fund	335.01	311.69
Staff Welfare Expenses	803.99	750.81
	21380.06	19240.72
Less : Amount Capitalised	42.86	36.53
	21337.20	19204.19
2.23 : FINANCE COSTS		
Interest Expenses		
To Debenture Holders	4466.68	3833.96
“ Banks on Term Loans, etc.	1023.36	456.21
“ Banks on Working Capital Loans	1213.81	870.46
On Deposits & Others	1638.47	713.57
	8342.32	5874.20
Other Borrowing Costs		
Other Financial Charges	102.66	179.87
Applicable net (gain)/loss on foreign currency transactions and translations	2377.20	141.08
	10822.18	6195.15
Less : Amount Capitalised	5558.01	932.48
	5264.17	5262.67

(₹ in lacs)

2.24 : OTHER EXPENSES

MANUFACTURING EXPENSES

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Stores, Spare Parts & Packing Materials Consumed	18934.21	18244.15
Power & Fuel (net of capitalisation ₹ 55.12, Previous Year ₹ 24.43)	53256.78	45923.92
Royalty & Cess	3740.75	3756.30
Repairs to Buildings	830.47	889.67
Repairs to Machinery	1572.52	1511.90
Repairs to Other Assets	186.20	232.21
Freight & Material Handling on Inter-Unit Transfer	8411.38	5922.14
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	(255.87)	603.01
Other Manufacturing Expenses	2458.15	1707.80
	89134.59	78791.09

SELLING AND ADMINISTRATION EXPENSES

Brokerage & Commission on Sales	1144.46	1039.32
Transport & Forwarding Expenses	32627.46	30089.20
Insurance	303.93	237.86
Rent	556.87	391.51
Rates & Taxes	722.33	729.43
Development Cess on Cement	44.58	44.09
Advertisement	1231.43	885.79
Prior Period Items	5.78	31.23
Charity & Donation	52.40	450.55
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	21.90	18.13
Tax Audit Fees	5.06	4.41
Travelling Expenses	2.33	3.03
Issue of Certificates	17.95	15.92
Cost Auditors -		
Audit Fees	2.25	2.25
Travelling Expenses	0.18	0.04
Loss on sale/discard of Fixed Assets (Net)	1.24	7.13
Net (Gain)/Loss on Foreign currency transaction and translation (Net of capitalisation of ₹ 270.63, Previous Year ₹ NIL)	1036.87	(644.96)
Provision for Doubtful Debts/Advances (Net of Prov. for Doubtful Debts Written Back ₹ 52.21, Previous Year ₹ NIL)	125.85	7.77
Directors' Fees	10.80	10.30
Other Expenses	4277.34	3614.15
	42191.01	36937.15
	131325.60	115728.24

2.25 : DEPRECIATION AND AMORTISATION EXPENSES

On Tangible Assets	8078.38	6561.71
Less : Transferred from Reserve on Revaluation	21.18	21.27
	8057.20	6540.44
On Investment Property	0.81	0.81
	8058.01	6541.25

2.26 : TAX EXPENSE

Current Tax for the year	6629.31	8480.41
Less : MAT Credit Entitlement	7.86	11.79
Less : Income Tax refund related to earlier years	5.81	(0.18)
Current Tax	6615.64	8468.80
Deferred Tax	4083.43	3311.60
	10699.07	11780.40

(₹ in lacs)

2.27 Contingent Liabilities not provided for –

(a) Claims/Disputes/Demands not acknowledged as debts –		2011-12	2010-11
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.	264.84	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.	319.86	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	1726.67
x)	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
xi)	Demand for differential Property Tax and Penalty raised by Municipal Corporation, Satna as per their re-assessment. Appeal filed and pending before Mayor-in-Council, Satna.	1177.51	NIL
xii)	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	1160.00
xiii)	Demand under Income Tax Act, 1961 for Assessment Year 2008 - 09, the matter is pending before CIT (Appeals).	1986.18	4102.73
xiv)	Demand under Income Tax Act, 1961 for Assessment Year 2009 - 10, the matter is pending before CIT (Appeals).	2851.05	NIL
xv)	Demand for Interest on Entry Tax under U.P. VAT Act. Case is pending before Hon'ble Supreme Court.	636.38	NIL
xvi)	Demand for Interest on U.P. Entry tax on Clinker and Cement. The matter is pending before Hon'ble Supreme Court.	947.10	NIL
xvii)	Demand of House Tax under Rajasthan Municipalities (Land and Building Tax) Rules 1961 raised by Municipal Board, Chittorgarh. The matter is pending before Hon'ble High Court, Rajasthan.	251.73	NIL
xviii)	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, Export Tax and Other Claims - ₹ 145.50, ₹ 547.18, ₹ 188.60, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96, ₹ 295.48 (Previous Year ₹ 188.91, ₹ 282.42, ₹ 119.58, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ NIL and ₹ 312.28) respectively.		
(b)	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, ₹ 463.52 [Paid under protest ₹ 75.00] (Previous Year ₹ 461.31 [Paid under protest ₹ 75.00]) in respect of demand of Water Supply Charges, ₹ 355.19 [Paid under protest ₹ 137.39] (Previous Year ₹ 355.19 [Paid under protest ₹ 69.70]) in respect of Surcharge on Electricity, ₹ 4695.10 [Paid under protest ₹ 3912.68] (Previous Year ₹ 3464.25 [Paid under protest ₹ 2309.50]) in respect of demand of Royalty on Limestone including interest thereon, ₹ 1194.63 [Paid under protest ₹ 9.48] (Previous Year ₹ 992.98 [Paid under protest ₹ 9.48]) in respect of MODVAT/CENVAT claims, ₹ 2092.50 [Paid under protest ₹ 261.49] (Previous Year ₹ 1913.34 [Paid under protest ₹ 98.66]) in respect of Sales Tax/VAT, ₹ 24.56 [Paid		

(₹ in lacs)

under protest ₹ 12.28] (Previous Year ₹ 26.35) [paid under protest ₹ NIL] in respect of interest on delayed payment of Entry Tax and ₹ 659.02 [Paid under protest ₹ 152.50] (Previous Year ₹ 659.02) [Paid under protest ₹ 152.50] in respect of Excise Duty have not been provided for as the matters are subjudice.

- (c) Bills discounted with Banks remaining outstanding - ₹ 594.38 (Previous Year ₹ 1394.87).
- (d) Amount of Customs Duty including interest thereon, which may have to be paid on account of non-fulfillment of Export Obligation under EPCG Scheme and Duty Exemption (Advance Authorisation) Scheme is ₹ 1009.30 and ₹ 1116.91 (Previous Year ₹ 685.15 and ₹ 1142.09) respectively.
- (e) The Company is liable to contribute upto 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.

2.28 Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 3617.25 (Previous Year ₹ 14173.19).

2.29 Derivative Instruments and Unhedged Foreign Currency Instruments

- (a) Outstanding Forward Exchange Contracts booked for the purpose of hedging receivables/firm commitments are USD 2.38 and EURO NIL (Previous Year USD NIL and EURO 0.88) and payables/firm commitments are USD 195.00 and EURO 5.00 (Previous Year USD 170.00 and EURO 20.00). Outstanding Cross Currency Swap Contracts booked for the purpose of hedging payables are CHF/USD NIL and CHF/EURO NIL (Previous Year CHF/USD 78.65 and CHF/EURO 4.55)
- (b) Unhedged foreign currency receivables are USD 10.57, GBP 0.24 and EURO 0.23 (Previous Year USD 14.80, GBP 0.30 and EURO 0.75) and payables are USD 653.45, EURO 0.71 and CHF NIL (Previous Year USD 323.77, EURO 1.10 and CHF 0.17).
- (c) The marked to market gain amounting to ₹ NIL (Previous Year ₹ 10.08) on Forward Exchange Contracts for firm commitments and highly probable forecast transactions has not been accounted for.

2.30 During the year, Company has exercised the option under paragraph 46A(1) of Accounting Standard 11 relating to "The Effects of Changes in Foreign Exchange Rates" as notified by the Ministry of Corporate Affairs on 29th December, 2011. Consequently, the Foreign Exchange loss arising on reporting of long term foreign currency monetary items amounting to ₹ 270.63 for the year ended 31st March, 2012 is added to the cost of depreciable fixed assets & CWIP and out of which ₹ 269.57 remains unamortised as at 31.03.2012.

2.31 Dues to Micro, Small and Medium Enterprises

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 of with interest at the Balance Sheet date, hence no additional disclosures have been made. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.32 Employee Benefits Expense

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, 2012	For the year ended 31st March, 2011
(i) Provident Fund	51.08	42.95
(ii) Superannuation Fund	335.01	311.69
(iii) Pension Fund	533.33	515.47

- (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.

(₹ in lacs)

2.32 Employee Benefits Expense (Contd.)

	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
(ii) The amounts recognised in the Balance Sheet are as follows :				
Present value of funded obligations	8054.12	7420.90	—	—
Fair value of plan assets	7552.52	7359.37	—	—
Liabilities in respect of funded obligation	501.60	61.53	—	—
Present value of unfunded obligations	—	—	53.12	42.08
Liabilities in respect of unfunded obligation	—	—	53.12	42.08
Total Liabilities	501.60	61.53	53.12	42.08
(iii) The amounts recognised in the Profit & Loss Account are as follows :				
Current service cost	319.22	308.16	—	—
Interest on obligation	596.45	571.35	3.37	4.29
Expected return on plan assets	(605.18)	(543.60)	—	—
Net actuarial losses/(gains) recognised during the year	481.62	116.94	25.43	2.96
Losses/(Gains) on curtailments and settlements	—	(151.89)	—	—
Total, included in 'Payments to and Provision for Employees'	792.11	300.96	28.80	7.25
Actual return on plan assets	648.79	626.45	—	—
(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	7420.90	7141.88	42.08	53.59
Service cost	319.22	308.16	—	—
Interest cost	596.45	571.35	3.37	4.29
Actuarial losses/(gains)	525.98	199.80	25.43	2.96
Benefits paid	(808.43)	(800.29)	(17.76)	(18.76)
Closing defined benefit obligation	8054.12	7420.90	53.12	42.08

(₹ in lacs)

2.32 Employee Benefits Expense (Contd.)

	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
(v) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances are as follows :				
Opening fair value of plan assets	7359.37	6817.40	—	—
Expected return	605.18	543.60	—	—
Actuarial gains/(losses)	44.36	82.85	—	—
Contribution by employer	352.03	715.81	—	—
Benefits paid	(808.43)	(800.29)	—	—
Closing fair value of plan assets	7552.51	7359.37	—	—
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 ₹ 21.06 (Previous year ₹ 20.26);				
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 :				
	2011-12		2010-11	
	Holding Co.	Subsidiary (Budge Budge Floorcoverings Limited)	Holding Co.	Subsidiary (Budge Budge Floorcoverings Limited)
a) Gratuity				
Discount rate at 31st March	8.50% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Expected return on plan assets at 31st March	8.50% p.a.	8.00% 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	7%	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	8.50% 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.				
(x) The Company expects to contribute ₹ 500 (Previous Year ₹ 300) to its gratuity fund in 2012-13.				
(xi) In respect of provident funds in the nature of defined benefit plans contribution amounting to ₹ 584.95 (Previous Year ₹ 476.07) and the accrued past service liability of ₹ 31.79 (Previous Year ₹ 143.17) as valued by the actuary is recognised as expense and included in 'Payments to and Provision for Employees'.				

(₹ in lacs)

- 2.33** The closing stock of Certified Emission Reductions (CERs) as on 31st March, 2012 is NIL (Previous Year 87157 units).
- 2.34** There being uncertainties in realisation from Insurance Claims, the same are accounted for on settlement/realisation.
- 2.35** Certain Sundry Debtors, Loans and Advances and Creditors are subject to confirmation.
- 2.36** (a) The Company's Units: Soorah Jute Mills and Birla Jute Mills are under Suspension of Operations since 29th March, 2004 and 31st March, 2012 respectively.
- (b) The working of the Chanderia Unit has been severely hampered as the mining and blasting operation for the limestone at the Chanderia Plant remained suspended since 20th August, 2011 in view of the Order of the Hon'ble Jodhpur High Court.
- (c) Company's wholly owned subsidiary Budge Budge Floorcoverings Limited is under Suspension of Operations since 29th March, 2003.
- 2.37** Liability in respect of compensation/penalty, if any, for non-compliance of Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 upto 30th June, 1997 being unascertainable shall be accounted for as and when settled.
- 2.38** 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 (%)	Original Cost (a)	Goodwill (Included in cost)	Loss (b)	Carrying Amount of Investments (a-b)
Birla Odessa Industries Pvt. Limited	48.61	0.50	0.43	(0.50)	—
Birla Readymix Pvt. Limited	46.73	0.50	0.49	(0.39)	0.11
Total		1.00	0.92	(0.89)	0.11

2.39 Segment Reporting

A) Primary Segment Information

	2011-12						2010-11					
	Cement	Jute	Power	Others	Inter Segment Elimination	Total	Cement	Jute	Power	Others	Inter Segment Elimination	Total
BUSINESS SEGMENT												
Segment Revenue												
(a) External Sales	203563	19617	247	1260	—	224687	190850	20353	43	1131	—	212377
(b) Inter Segment Revenue	-	-	20789	—	(20789)	—	—	—	17323	—	(17323)	—
Total Segment Revenue	203563	19617	21036	1260	(20789)	224687	190850	20353	17366	1131	(17323)	212377
Segment Result (Profit before Interest & Tax)	20799	54	10512	(330)	—	31035	33130	722	7855	(298)	—	41409
Less : (i) Interest						5264						5263
(ii) Other un-allocable expenditure net off un-allocable income						(8872)						(7655)
Profit before Tax						34643						43801
Provision for Taxation												
Current Tax						6615						8468
Deferred Tax						4084						3312
Profit after Tax						23944						32021
OTHER INFORMATION												
Segment Assets	204565	11131	32103	3019		250818	158410	8753	32011	3358		202532
Common Assets						155480						158071
Total						406298						360603
Segment Liabilities	34815	2204	354	233		37606	33427	1254	1008	262		35951
Common Liabilities						31676						24873
Total						69282						60824
Capital Expenditure	47622	1718	1385	28		50753	32026	461	12152	156		44795
Common Capital Expenditure						453						534
Total						51206						45329
Depreciation	5630	291	1834	206		7961	4863	212	1178	232		6485
Common Depreciation						97						56
Total						8058						6541

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 2.83% (Previous Year 4.31%) 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, P.V.C. Goods, Auto Trims and Steel Castings. Accordingly, these business segments comprise the primary basis of segmental information set out in these Financial Statements. Inter-segment transfers are based on prevailing market prices except for Iron & Steel Castings and PVC Goods which are based on cost plus profit. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

(₹ in lacs)

2.40 Related Party relationship as defined in Accounting Standard - 18 :

Key Management Personnel

Shri Bachh Raj Nahar

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

Particulars	Key Managment Personnel	
	2011-12	2010-11
Remuneration, Perquisites & Others	166.66	119.82

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

Signatures to Notes 1 to 2.41

As per our Report annexed.

For H. P. KHANDELWAL & CO.
Chartered Accountants
Firm Registration No. 302050E

RAJIV SINGHI
Partner
Membership No. 053518
1B, Old Post Office Street,
Kolkata-700 001.
Dated the 2nd day of May, 2012

GIRISH SHARMA
Sr. Vice President (Indirect Taxes)
& Company Secretary

HARSH V. LODHA

PRACHETA MAJUMDAR
VIKRAM SWARUP
ANAND BORDIA
B. B . TANDON
D. N. GHOSH
M. K. SHARMA

B. R. NAHAR

Chairman

Directors

Executive Director &
Chief Executive Officer

BIRLA CORPORATION LIMITED

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

ATTENDANCE SLIP



DP Id **
Client Id **
Folio No.

Full Name of the member/
proxy attending the meeting

I hereby record my presence at the NINETY-SECOND ANNUAL GENERAL MEETING of the Company being held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata - 700 026 on Thursday, the 28th June, 2012 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-Second Annual General Meeting of the Company, to be held on Thursday the 28th June, 2012 and at any adjournment thereof * in favour of/against the resolution (s).

Signed this day of 2012.

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.



New Chanderia Cement Works (NCCW) starts production: The kiln being lit up by Shri V K Hamirwasia; (inset) the NCCW kiln



The Quality Circle team, "Pratigya", of Satna Cement Works, receiving the International Convention of Quality Circle (ICQC) 2nd Distinguished Award at Yokohama (Japan)



The modern shuttleless flexible Rapier Victor loom at Birla Jute Mills, Birlapur, West Bengal; (inset) the Flexographic printing machine



The TFO (Two-For-One) Twisting Machine at Birla Jute Mills, Birlapur, West Bengal



Syt Ashok Gehlot, Chief Minister of Rajasthan, delivering his speech at the foundation stone laying ceremony of the M P Birla Hospital & Research Centre at Chittorgarh, Rajasthan



The Roller Press Building at Durgapur Cement Works, Durgapur, West Bengal; (inset) the newly commissioned Roller Press





MAZBOOT HAR PAL

