



ANNUAL REPORT AND ACCOUNTS 2012-13



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, Shradddha, 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



Shri Harsh V. Lodha
Chairman



Shri Pracheta Majumdar
Wholesale Director designated
as Chief Management Advisor



Shri Vikram Swarup



Shri Anand Bordia



Shri B.B. Tandon



Shri D. N. Ghosh



Shri Deepak Nayyar



Shri B. R. Nahar
Managing Director

BOARD OF DIRECTORS

Shri Harsh V. Lodha
Chairman

Shri Pracheta Majumdar
Whole-time Director designated as
Chief Management Advisor (from 20. 05. 2013)

Shri Vikram Swarup

Shri Anand Bordia

Shri B. B. Tandon

Shri D. N. Ghosh

Shri Deepak Nayyar

Shri B. R. Nahar
Managing Director

CHIEF FINANCIAL OFFICER

Shri A. Saraogi

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 floors)
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-third 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 Wednesday, the 10th July, 2013 at 10.30 A.M. to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend on Ordinary Shares and to declare Final Dividend on Ordinary Shares for the year 2012-13.
3. To appoint a director in place of Shri D.N. Ghosh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Deepak Nayyar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED that in partial modification of the resolution passed at the Adjourned Annual General Meeting of the Company held on 27th October, 2009 and in accordance with the provision of Sections 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves elevation of Shri B.R. Nahar as Managing Director of the Company w.e.f. 28th July, 2012 and also approves revision in the maximum limit of the Performance Linked Bonus payable to Shri B.R. Nahar from ₹ 50,00,000 to ₹ 1,00,00,000 for each financial year w.e.f 1st April, 2012, for the remaining tenure of his office, as has been approved by the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include Remuneration Committee) of the Company at its meeting held on 28th July, 2012 and as set out in the agreement."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to all the approvals, permissions and sanctions as may be necessary, the appointment of Shri Pracheta Majumdar as the Whole-time Director designated as the Chief Management Advisor of the Company, not liable to retire by rotation, for a period of 5 years with effect from 20th May, 2013 be and is hereby approved on the terms and conditions including remuneration as set out in the draft agreement to be entered into by the Company with him and placed before the meeting for approval, with further authority to the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include Remuneration Committee) of the Company to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed between the Board and Shri Pracheta Majumdar provided that the total remuneration payable to Shri Pracheta Majumdar shall not exceed the limit specified under the Companies Act and Schedules appended thereto as amended from time to time."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road
Kolkata-700 001
Dated, the 30th May, 2013

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 received by the Company not less than 48 hours before the commencement of the Meeting.**

- (02) Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
- (03) The Register of Members and the Share Transfer Books of the Company will remain closed from 27th June, 2013 to 10th July, 2013 (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. 23rd November, 2012 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 paid to those members -
- (a) whose names appear as Beneficial Owners as at the end of business hours on 26th June, 2013, 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 26th June, 2013.
- (06) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item Nos. 6 & 7 as set out above is annexed hereto.
- (07) 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.
- (08) Shareholders who have not so far encashed their Dividend Warrants for the accounting years ended 31st March, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and Interim Dividend Warrants for accounting year ended 31st March, 2010, 2011, 2012 and 2013 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, 2006, will be transferred to the Fund in October, 2013.**
- (09) 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.
- (10) 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.
- (11) 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).
- (12) Disclosure pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, with respect to Directors seeking re-appointment/appointment in the forthcoming Annual General Meeting is given in the Annexure.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Items of Special Business :

Item No. 6

At the Adjourned Annual General Meeting of the Company held on 27th October, 2009, the Members had approved the re-appointment and terms of remuneration of Shri B.R. Nahar as Executive Director and Chief Executive Officer of the Company for a period of five years from 3rd August, 2009.

The Board of Directors of the Company at its Meeting held on 28th July, 2012 had approved elevation of Shri B.R. Nahar as Managing Director of the Company. Further, the Board of Directors, based on recommendation of the Remuneration Committee had also approved the revision in the maximum amount of Performance Linked Bonus payable to Shri B.R. Nahar from ₹ 50,00,000 to ₹ 1,00,00,000 for each financial year, w.e.f 1st April, 2012. The existing clause relating to Performance Linked bonus shall be substituted as follows :

"Performance Linked Bonus :

Such amount as may be determined by the Board, subject to a maximum limit of ₹ 1,00,00,000/- (Rupees one crore only) for each financial year."

The above variations are subject to the approval of the members at the General Meeting.

All other existing terms and conditions of remuneration, as approved by the Members, remain unchanged.

A copy of the Supplemental Agreement setting out the terms of variation with Shri B.R. Nahar and copy of the resolutions passed by the Board of Directors on 28th July, 2012 are available for inspection by any member of the Company at the Registered Office between 10 A.M. to 12 Noon on any working day excluding Saturday and Sunday prior to the date of the Meeting and will also be available for inspection during the Meeting.

None of the Directors of the Company except Shri B.R. Nahar is concerned or interested in the Resolution.

The Resolution for the variation in the terms of Shri B.R. Nahar is recommended for approval by the Members.

Item No. 7

Shri Pracheta Majumdar, is a Mechanical Engineer and a Management Advisor by profession. He possesses more than 45 years of experience in diverse fields. He joined Birla Corporation Limited (BCL) as an Independent Director in the year 2003 and the Company has been taking his assistance and advice on various matters, since then and has benefited immensely from it.

Prior to joining the BCL Board, Shri Majumdar held the position of Managing Director at Ceat Tyres Ltd. He was also on the Supervisory Board of the RPG Group. Shri Majumdar also worked for about 12 years in Hindustan Unilever Ltd. (HUL) where he joined in the Project & Manufacturing Department and was elevated as the head of the profit centre of the edible business in eastern India. When he left HUL, he was the head of manufacturing of the then largest plant of HUL.

Shri Majumdar has the experience of setting up of large greenfield projects and had spearheaded setting up of large projects both in India and abroad including an international joint venture project with a large US multinational. Shri Majumdar attended various international management courses organized by HUL and Executive Development Programmes and Advanced Management Programmes conducted by Stanford University and Harvard Business School. Since 1997, Shri Majumdar is functioning as a Management Consultant.

The Company is presently undertaking various expansions, modernization, infrastructural and technological upgradation projects and the rich experience Shri Majumdar holds in project execution would contribute to augmentation of project cycle management. He possesses highly effective organizing and managerial skills which would help the Company in achieving its goals. His rich hands on experience of the management of operations will be extremely useful in the overall management of the company particularly in the areas of manufacturing and marketing. His experience in setting up projects outside the country would also help the Company in setting up cement projects at various international locations.

In view of the rich, wide and varied experience Shri Majumdar holds in diverse fields and also with a view to avail his professional and advisory services in various strategic and operational matters of the Company, the Board of Directors at its meeting held on 20th May, 2013 appointed Shri Pracheta Majumdar as Whole-time Director designated as Chief Management Advisor (hereinafter called 'the Whole-time Director') for a period of 5 years subject to the approval of the shareholders of the Company at the General Meeting and other required approvals, if any, on the terms and conditions including remuneration (duly approved by the Remuneration Committee) as incorporated in the draft agreement to be entered into between the Company and Shri Majumdar.

The terms and conditions of the draft agreement are as set out hereinbelow :

1. **Period of Appointment** : 20th May, 2013 to 19th May, 2018.
2. **Remuneration** :
 - 2.1 Consolidated remuneration of ₹ 3.70 lacs per month, with an authority to the Board to review the same from time to time as it may deem fit. The increase in salary will take effect from 1st day of April every year.
No other allowances, benefits, perquisites, including P.F., Superannuation, Leave entitlement, Gratuity etc. would be applicable.
 - 2.2 Car : Free use of Company's Car for Company's work as well as for personal purposes along with driver.
 - 2.3 Telephone : Telephone at residence at Company's cost.
 - 2.4 Other Terms and Conditions :
 - i) The Whole-time Director so long as he functions as such shall not be paid any sitting fees for attending the meeting of Board or Committees thereof.
 - ii) The appointment may be terminated by the Company or by Shri Pracheta Majumdar by giving not less than three months' prior notice in writing.
 - iii) Shri Pracheta Majumdar shall not be subject to retirement by rotation during his tenure, as Whole-time Director.
 - 2.5 Minimum Remuneration : Notwithstanding the above, where in any financial year during the currency of tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary not exceeding the overall limit prescribed in Schedule XIII and other applicable provisions of the Companies Act, 1956, or any amendment thereof as minimum remuneration.
3. The Whole-time Director will also be entitled :
 - i) to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company;
 - ii) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively in the business of the Company in accordance with the Rules & Regulations of the Company in force from time to time or as approved by the Board of Directors.
4. The Whole-time Director shall devote such time and attention to the business and affairs of the Company and carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors from time to time.
A copy of the draft agreement to be entered into by the Company with Shri Pracheta Majumdar containing the terms and conditions of appointment and remuneration payable to him and copy of the resolutions passed by the Board of Directors on 20th May, 2013 is available for inspection by any member of the Company at the Registered Office between 10 A.M. to 12 Noon on any working day excluding Saturday and Sunday prior to the date of the Meeting and will also be available for inspection during the Meeting.
This may be regarded as an abstract of the terms of appointment of Shri Pracheta Majumdar and Memorandum of Interest under Section 302 of the Companies Act, 1956.
None of the Directors of the Company except Shri Pracheta Majumdar is concerned or interested in the Resolutions.
The Resolutions for the appointment of Shri Pracheta Majumdar as Whole-time Director designated as Chief Management Advisor is recommended for approval by the Members.

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road
Kolkata-700 001
Dated, the 30th May, 2013

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, 6 & 7 OF THE NOTICE

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

(As on 31st March, 2013)

Name of the Director	Shri D. N. Ghosh	Shri Deepak Nayyar	Shri B. R. Nahar	Shri Pracheta Majumdar
Date of Birth	06.08.1928	26.09.1946	14.06.1951	15.08.1944
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	31.10.2007	22.04.2010	03.08.2006	28.10.2003
Qualifications	M.A. - Economics	Phd.- Economics M.A. - Economics	Chartered Accountant	Mechanical Engineer
Expertise	Former Chairman of State Bank of India and various other reputed companies. Served various Central and State Government Departments in various capacities such as Financial Advisor, Additional Secretary and Secretary.	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.	An eminent Chartered Accountant, with wide experience in diverse fields at senior positions in large corporate houses.	Wide experience in the fields of design and project management of Chemicals, Petrochemical and Fertilizer Plants and other Management functions.
Number of shares held in the Company	500*	500*	500*	500*
List of directorships held in other companies	ICRA Management Consulting Services Ltd. Sundaram Asset Management Co. Ltd. Housing Development Finance Corpn. Ltd. Peerless Hospitex Hospital & Research Centre Ltd.	ICRA Limited Oil and Natural Gas Corporation Ltd.	Talavadi Cements Ltd. Budge Budge Floorcoverings Ltd. Lok Cements Ltd. Birla Cement (Assam) Ltd.	Vindhya Telelinks Ltd.

Name of the Director	Shri D. N. Ghosh	Shri Deepak Nayyar	Shri B. R. Nahar	Shri Pracheta Majumdar
Chairman/Member of the Committees of the Boards of companies in which he is Director	Chairman Remuneration Committee Sundaram Asset Management Co. Ltd. Member Audit Committee Housing Development Finance Corpn. Ltd.	Chairman Shareholders'/ Investors' Grievance Committee, Committee on Dispute Resolution Oil and Natural Gas Corporation Ltd. Member Audit Committee, Shareholders' Grievance Committee ICRA Ltd. Human Resource Management Committee, Remuneration Committee, HSE & Sustainability Development Committee, Financial Management Committee Oil and Natural Gas Corporation Ltd.		Chairman Remuneration Committee Vindhya Telelinks Ltd. Member Audit Committee, Share Transfer-cum Investors' Grievance Committee - Vindhya Telelinks Ltd.
Relationship between Directors inter-se	Nil	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)

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2001-02
OPERATING RESULTS								
Turnover	299434	259682	243681	238707	203884	199678	179451	112391
Surplus before								
Depreciation, Finance Cost & Tax Expenses (EBITDA)	51995	47856	55502	84342	50193	61367	51992	7065
Finance Cost	6486	5251	5263	2697	2205	2105	1853	3621
Surplus after Finance Cost but before Depreciation & Amortisation	45509	42605	50239	81645	47988	59262	50139	3444
Depreciation and Amortisation	10439	8000	6483	5564	4342	4144	3965	3516
Income/Deferred Tax	8088	10684	11768	20363	11295	15761	13551	4
Net Profit	26982	23921	31988	55718	32351	39357	32623	(76)
Dividend Pay out	6292	5370	5377	5395	4054	3604	3153	—
Dividend Percentage	70.00	60.00	60.00	60.00	45.00	40.00	35.00	—
Retained Earning	20690	18551	26611	50323	28297	35753	29470	(76)
ASSETS & LIABILITIES								
Fixed Assets :								
Gross Block	290887	271073	220945	175779	144302	130010	116151	86190
Net Block	196140	186216	143393	102645	74887	62746	52630	33819
Other Assets	256409	219745	216911	190390	121180	130393	85525	31266
Total Assets	452549	405961	360304	293035	196067	193139	138155	65085
Represented by :								
Share Capital	7701	7701	7701	7701	7701	7701	7701	7701
Reserves & Surplus	237305	216637	198091	171422	121070	92797	58880	15464
Net Worth	245006	224338	205792	179123	128771	100498	66581	23165
Borrowings	117527	112433	93769	70919	27645	27225	28265	26496
Other Liabilities & Provisions	90016	69190	60743	42993	39651	65416	43309	15424
Key Indicators								
Earning per Ordinary Share (₹)	35.04	31.06	41.54	72.36	42.01	51.11	42.36	(0.10)
Cash Earning per Ordinary Share (₹) (annualised)	59.10	41.45	49.96	79.58	47.65	56.49	47.51	4.47
Net Worth per Ordinary Share (₹)	318.17	291.33	267.24	232.61	167.22	130.51	86.46	30.08
Debt Equity Ratio (on long-term loans)	0.39:1	0.34:1	0.29:1	0.23:1	0.04:1	0.07:1	0.14:1	0.62:1
Current Ratio	2.21	2.51	2.64	1.96	1.86	1.13	1.18	1.38

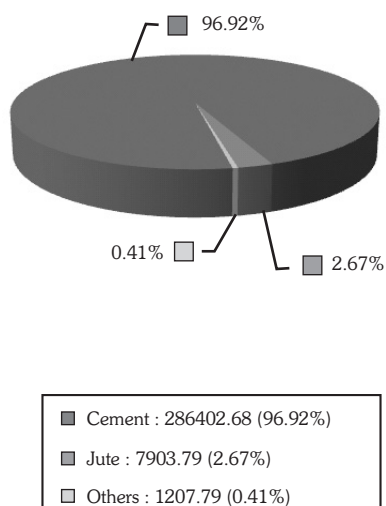
SOURCES AND APPLICATION OF FUNDS

(₹ in lacs)

SOURCES OF FUNDS	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
1. Generation from operations –						
Surplus/(Deficit) after taxes	26982	23921	31988	55718	32351	39357
Depreciation	10439	8000	6483	5564	4342	4144
Deferred Tax	5844	4073	3301	228	1053	116
	<u>43265</u>	<u>35994</u>	<u>41772</u>	<u>61510</u>	<u>37746</u>	<u>43617</u>
2. Borrowings (Net)	5094	18664	30661	43274	419	(1039)
3. Reduction in Working Capital	910	–	–	–	–	–
4. Increase in Capital Reserve Others (Net)	<u>–</u>	<u>17</u>	<u>80</u>	<u>50</u>	<u>(1)</u>	<u>(4)</u>
	<u>49269</u>	<u>54675</u>	<u>72513</u>	<u>104834</u>	<u>38164</u>	<u>42574</u>
APPLICATION OF FUNDS						
1. Fixed Assets	20385	50844	50296	28040	16505	14289
2. Investments	22592	(12452)	2756	58936	(8171)	21393
3. Increase in Working Capital	–	10913	14084	12463	25776	3288
4. Dividend	<u>6292</u>	<u>5370</u>	<u>5377</u>	<u>5395</u>	<u>4054</u>	<u>3604</u>
	<u>49269</u>	<u>54675</u>	<u>72513</u>	<u>104834</u>	<u>38164</u>	<u>42574</u>

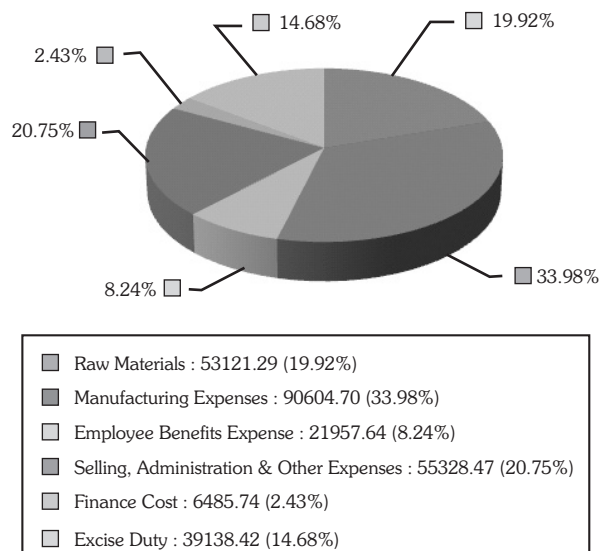
Statement of Sales by Activities 2012-13

(₹ in lacs)



Revenue Distribution 2012-2013

(₹ 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, 2013.

(₹ in Crores)

	31st March, 2013	31st March, 2012
FINANCIAL RESULTS		
Revenue from Operations (Gross)	2994.34	2596.82
Total Revenue	2730.08	2413.06
Profit before Finance Costs, Tax, Depreciation and Amortization	519.95	478.56
Finance Costs	64.86	52.51
Profit before Tax, Depreciation and Amortization	455.09	426.05
Depreciation and Amortization Expense	104.39	80.00
Tax Expense	80.88	106.84
Profit for the year	269.82	239.21
Surplus as per last Financial Statements	109.51	190.50
	379.33	429.71
Appropriations :		
Debenture Redemption Reserve	16.50	16.50
Interim Dividend	19.25	19.25
Corporate Div. Tax on Interim Dividend	3.12	3.12
Proposed Final Dividend	34.66	26.95
Corporate Div. Tax on proposed Final Div.	5.89	4.37
General Reserve	150.00	250.00
Net Surplus	149.91	109.52

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 propose an increase in the final dividend of ₹ 4.50 per share (45%) on ordinary shares for the year ended 31st March, 2013. Thus the aggregate dividend for the year ended 31st March, 2013 works out to ₹ 7.00 per share (70%) aggregating to ₹ 62.92 crores including Corporate Dividend Tax of ₹ 9.01 crores as compared to ₹ 53.69 crores (including Corporate Dividend Tax of ₹ 7.49 crores) in the previous year.

HIGHLIGHTS OF PERFORMANCE/EVENTS

- Achieved its highest ever cement production and despatches at 6.44 million tonnes and 6.47 million tonnes respectively.

- Achieved its highest ever revenue from operations of ₹ 2994 crores.
- Highest ever rate of Dividend of 70% declared by the Company including Interim Dividend of 25% involving aggregate Dividend Payout of ₹ 62.92 crores (including Corporate Dividend Tax).
- The Grinding Capacity Expansion Project of 0.7 Million Tonnes at Durgapur has been commissioned, during the year, taking the annual capacity of cement division of the Company to 9.3 million tonnes.
- Environmental Clearance received for expansion of cement capacity by 1.5 million tonnes along with 50 MW Captive Power Plant at Chanderia.
- The production of blended Cement vis-à-vis total Cement production was highest ever at 92.69% (5.97 million tons).
- The Company has successfully implemented the ERP system in all its cement units.

- A premium Portland Slag Cement brand, Birla Samrat Unique, introduced last year, with improved quality and fineness, has been well received in the market. After the introduction of Brand in West Bengal, it is being launched in other parts of the Eastern Region.

1.1 CEMENT DIVISION

(a) Industry Structure and Developments :

India is a long term growth story, with cement consumption expected to grow at a compounded annual rate of 8% over the long term. India's per capita consumption is quite low at 150 kg. as against the world's average of 350 kg. This leaves ample room for growth in future.

The Indian cement industry witnessed a continuation of the trend that prevailed in the last two years. Demand for cement has not grown at the same pace as expected due to slow down in the economy. The cement sector has witnessed its lowest growth in a decade in the F.Y. 2012-13. On the other hand cement capacities kept on increasing, putting pressure on utilisation levels consequently hurting the realisation.

With the economy widely expected to have bottomed out in 2012-13, the Indian cement sector is set for recovery in the F.Y. 2013-14 on the back of likely strong growth in rural housing and a pick-up in roads and railways sectors. It is estimated that 60% of the cement demand comes from housing, 25% from infrastructure and the remaining 15% from institutional and commercial. While housing constitutes around 2/3rd of cement demand, the rural housing accounts for 40% of the total demand. India has the largest homeless population in the world and the rural housing offers a huge opportunity. The surge in the rural housing demand is expected mainly on account of strong wage growth. The recent assurance by the Prime Minister that the Government will take corrective action to revive the industrial climate in the country has raised hopes amongst cement manufacturers of an uptrend in the sector's fortunes.

On the cost front, challenges for the cement sector continued unabated with most indigenous inputs becoming costlier and imports dearer due to depreciation of the Rupee. The cost of energy, fuel and freight which had been rising consistently for the last few years, continued to rise this year as well despite expectations of stabilization at elevated levels.

(b) Review of performance :

The Company has achieved its highest ever cement production and despatches at 64.44 lac tons and 64.67 lac tons, respectively, during the year under review. Even the Chanderia unit could achieve the highest ever cement production and sales during the year despite suspension of its mining operations.

The overall performance of the Company has been satisfactory considering the fact that the profitability of the Company continued to be affected substantially because of suspension of

captive mining operations at the Chanderia Plant of the Company. Purchase of limestone and clinker to run the operation of the Plant severely dented the margins. The unit procured about 23 lac tons of limestone and about 3.5 lac tons of clinker and continued operations.

The increase in the cost of production was partially mitigated by way of substantial increase in sale of blended cement which constituted about 93% of the total cement production during the year.

Though the cement division of the Company has relatively old plants and higher manpower, it has over the last few years taken various innovative steps, including expansions and modernization at competitive costs, logistic planning and re-structuring market zones which has resulted in the improved performance.

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

	2012-13 (Lac Ts.)	2011-12 (Lac Ts.)	Change %
Clinker production	42.63	37.43	13.89
Cement production	64.44	59.06	9.11
Blended Cement	59.72	52.61	13.51
% of total cement production	92.69	89.08	3.61
Cement despatches	64.67	59.53	8.63

The Satna unit of the Company has recorded highest ever Clinker production of 26.13 lac tons. The unit has also recorded all time high Cement despatches of 18.90 lac tons. During the year, Waste Heat Recovery System generated 675 lac units of power which is the highest till date.

The mining operations of the Chanderia Unit of the Company remained suspended during the year owing to an order of the Hon'ble Rajasthan High Court. It may be noted that mining activity had been carried out at such Unit since 1967. The Company's Special Leave Petition (SLP) was admitted by the Hon'ble Supreme Court and hearing was held from time to time in the matter of prayer for an interim order to allow mining operations without blasting. On 8 March 2013, the Hon'ble Supreme Court permitted mining activity with mechanical means, without blasting, for four weeks, from 18 March to 14 April 2013, beyond one km of the Chittorgarh Fort wall to enable the Central Building Research Institute (CBRI), Roorkee, to study the cumulative impact of the entire mining activity in the area on the Fort and submit a report to the apex court within 29 April 2013. The matter came up for hearing in the first week of May 2013 during which it was noted that CBRI has sought further time to submit its report.

The Unit is geared up to carry out mining operations by mechanical means and utilize its capacity at Chanderia as may be permitted by the Hon'ble Supreme Court.

Despite the suspension of mining operations, the Company's units in Chanderia are producing cement and running their plants by procuring limestone and clinker from the local market though at substantially higher costs. Cement production has been 25.48 lac tonnes during the year, which is highest ever so far and the production of clinker at Chanderia has also gone up during the year to 16.49 lac tons. The Waste Heat Recovery System generated 277 lacs units of power which is the highest till date. The production at Chanderia would have been much higher had the company been able to effectively utilize the recent 1.2 million ton brownfield expansion.

The production at Durgapur plant has improved during the year. The unit has registered its highest cement despatches of 13.95 lac tons.

The profitability of the Company during the year was impacted due to increase in cost of raw material and power, as well as transportation charges owing to the increase in diesel prices and railway freight.

The premium Portland Slag Cement brand, Birla Samrat UNIQUE, manufactured at Durgapur, with improved quality and fineness, has been well received in the market. After the introduction of the brand in West Bengal it is being launched in other parts of the eastern region.

(c) Opportunities:

Cement is one of the core industries, which plays a vital role in the growth and development of the nation. With immense scope for the growth in the fields of industries, real estate, construction and infrastructure, there is huge potential for growth in demand for cement. The Government has proposed US\$ 1 trillion package for infrastructure in the 12th 5-year plan (2012 - 17).

The announcement of the Finance Minister for implementing of 3000 km. of new road projects in various States will boost the performance of the cement sector. The introduction of the provision relating to availability of investment allowances for investment in plant & machinery is expected to enhance the pace of project implementation and execution. The announcements relating to the increase in deduction for home loans up to ₹ 25 lacs and interest subvention of 1% are set to make home loans more attractive for the common man and these measures augur well for the industry. Reserve Bank of India has started reducing interest rates on softening of inflation to address growth risk. This augurs well for the cement sector as it will give a boost to the housing sector as well as encourage investments in infrastructure and industrial segment.

Revival in the general investment climate and reduction in interest rates will positively impact demand from housing, infrastructure and industry segments. It is further believed that the Government spending will increase prior to the upcoming elections in May 2014 which will also boost demand for cement.

Historically, cement demand/GDP has been relatively high during election years due to increased spending on development works. The allocations in the F.Y. 2013-14 for rural housing (Indira Awaas Yojna) has been increased by 70% year-on-year and for the rural roads scheme by 120% year-on-year. However, the improvement in rural demand would be the key factor for any meaningful revival.

With supply pressure easing and demand improving, it is expected that the demand-supply gap would narrow down in the course of next two years and accretive price increase during this period should lead to margin expansion. High proportion of blended cement continues to help the cement industry to partially offset pressure on profitability due to rising input costs besides maintaining ecological balance to a certain extent.

(d) Threats, Risks and Concerns :

The industry saw significant capacity additions during the past 4-5 years. Overall, cement demand has not been able to keep pace with the additional supply in the market. Although the pace of capacity additions has slowed down considerably, the demand-supply mismatch that has already been created in certain regions may continue for few more quarters thereby affecting cement prices and realizations.

Coal India has significantly increased the prices of coal during the years 2011 and in early 2012. Despite the sharp increase in coal price that has already taken place, the possibility of further price increases cannot be ruled out. Some respite came in the form of reduced imported coal prices in the later part of the year. However, the benefit was restricted by a volatile rupee.

The cement industry significantly depends upon Railways for movement of raw materials and finished goods. Restricted availability of wagons may retard inward and outward movement. Increase in railway and road freight on incoming raw materials and outgoing cement despatches and increase in the cost of power and fuel will impact the margins. Frequent increase in diesel prices will add to the freight cost, both by road and railways.

Cement is one of the core building materials, which has a major share in the country's GDP and plays a vital role in the economic growth. Unlike other industries, cement is subjected to higher rate of taxes and duties. The representation of the industry to levy custom duty on cement imports into India did not bear result. At present, import of cement into India is freely allowed without having to pay basic customs duty. However, all major inputs for manufacturing cement such as Limestone, gypsum, pet coke, packing bags etc. attract customs duty.

1.2 JUTE DIVISION

(a) Industry Structure and Developments :

The jute industry occupies an important place in the national

economy. It is one of the major industries in the eastern region, particularly in West Bengal. 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 Jute industry continues to be highly labour intensive which remains one of the major challenges being faced by the industry.

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

(b) Performance :

Birla Jute Mills was under suspension of work from 31st March, 2012. After protracted bipartite and tripartite negotiation and conciliations by the Labour Commissioner, the mill reopened on 18th October, 2013.

Production during the year was 15,380 MT as compared to 35,521 MT in the preceding year as the mill worked for only 150 days during the year due to suspension of the work as stated above.

A fire broke out at the Mill on 3rd December, 2012 resulting in loss of stock and damage to certain machineries. The stock and machineries were covered under insurance.

Soorah Jute Mills continues to be under Suspension of Work.

(c) Opportunities and Threats; Risks and Concerns :

Jute industry in India is finding it increasingly difficult to compete in the international market with Bangladesh jute industry due to lower wage structure prevalent in that country as well as cash subsidy of 10% for export of jute goods by the Bangladesh Government. Moreover, Jute industry in India is seriously affected due to continuing large scale duty free import of Jute goods from Bangladesh.

Jute industry is highly labour intensive. Labour cost forms almost 30% of total cost of production. Presently, jute industry is faced with shortage of skilled manpower which is leading to lower capacity utilization.

(d) Outlook :

The expansion and modernization initiatives under implementation coupled with recently concluded tripartite settlement with Trade Unions will make jute division competitive vis-à-vis other mills and subject to the risk associated to the industry, result in long term viability and sustainability of the operations of the division.

1.3 OTHER DIVISIONS

The Vindhyachal Steel Foundry produces Iron and Steel Castings primarily for internal consumption. The total production of castings during the year has been 1316 tonnes as against 1393 tonnes in the previous year.

The performance of Auto Trim Division has been adversely affected on account of lack of orders from the original equipment manufacturers and a "Lay-Off" has been declared with effect from 28th August, 2012 at the said unit. The division produced 4479 pcs. of door trims as compared to 8952 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 maintained its focus on building organizational capabilities. It took several initiatives to enhance costs competitiveness and improve productivity with a view to combat competition in the market place. As part of strategic growth initiative and to maintain the growth momentum, the Company has embarked upon several projects to maintain its market position in the industry.

At Chanderia, the first phase of the brownfield expansion of the production capacity by 1.2 million tons was commissioned in March, 2012. However, this new capacity could not be gainfully utilised because of the shortage of limestone at Chanderia. The Company has received the environmental clearance to expand capacity by another 1.5 million tons along with the setting up of a 50 MW captive power plant. Once the Hon'ble Supreme Court permits mining operations steps will be taken to expand the capacity.

During the year, the grinding capacity at the Company's plants at Durgapur has been increased by 0.7 million tons per annum, taking its annual capacity to 2.3 million tons with the addition of a new roller press. With this, the annual capacity of the Cement Division has gone up to 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 MTPA to 2.7 MTPA.

Installation of Coal Washery at Satna, for enhancing the supply of sustained quality of processed coal was completed in December, 2012 and installation of New Coal Mill VRM at Satna Cement Works, Satna was also completed during the year. The Company is planning to install 35 MW Thermal Power Plant at Satna for which necessary steps are being taken for obtaining approval for pollution and other clearances from the concerned authorities. With a view to increasing cement grinding capacity, improving cement quality and reducing power consumption, the Company has installed Roller Presses at Satna, Chanderia and Durgapur, all of which have got commissioned during the year.

The installation of a 1.5 MW Solar Power project at Satna is under progress, which will enable the Company to fulfill the Renewable Power Obligation (RPO).

The Company was allotted the Bikram Coal Block in Shahdol district, Madhya Pradesh, for captive use. The mining plan has been approved and administrative approval of mining lease has been granted by the Union Ministry of Coal. Forest and environment clearance is at various stages of approval.

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 (TCL), a subsidiary of Birla Corporation Limited (BCL). 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. In January, 2013 the State Government has communicated its decision regarding the precise area to be granted under Mining Lease and has also directed the Company to submit Mining Plan within a period of six months duly approved by the Central Government for taking further necessary action for grant of Mining Lease. Draft mining plan has already been submitted and necessary action is being taken for submission of final mining plan with the State Government.

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) with an investment of ₹ 450 crores. The activities to set up the plant will be initiated after the JV agreement is signed with the AMDC for which necessary follow-up measures are being taken.

The Company has successfully implemented the ERP system in all its cement units. This will introduce best practices and improve the overall efficiency of the Company by augmenting its information technology capabilities, and providing integrated platform across units, Regional Offices, Depots and other locations.

CREDIT RATING

CRISIL has re-affirmed "A1+" 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.

Further, Credit Analysis and Research Limited (CARE) has also re-affirmed "CARE AA+" rating for the Company's Long Term Bank facilities of ₹ 499.35 crores and A1+ rating for Short Term Bank facilities of ₹ 775 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 A1+ rating for the Short Term Debt for ₹ 125 crores.

FINANCE

During the year, the Company has raised long term foreign currency loans of USD 35 mn (equivalent to ₹ 193.75 crores) to part finance the current capital expenditure plan of the Company.

CORPORATE GOVERNANCE

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

AWARDS & RECOGNITION

The Company's unit at Satna had received the following awards during the year :

- "Greentech Environment Excellence Award 2012"
- "Greentech - CSR Silver Award-2012"
- "Greentech - HR Gold Award - 2012".

Further, Quality Circle team, "Anusandhan", of our Satna Unit has been selected for participation in International Convention Quality Circle to be organized at Taiwan in September, 2013. Amongst others, the Quality Circle team, "Anusandhan", participated in the National Convention Quality Circle (NCQC) held at Kanpur and Regional Convention Quality Circle held at Varanasi and had won "Par Excellence" and "Gold" Awards, respectively.

Chandaria unit of the Company had received certificate of Excellence by the Employer's Association of Rajasthan, Jaipur.

At Durgapur, the Quality Control Group, "Nakshatra" & "Saptarshi" were awarded "Distinguished Trophy" at NCQC-2012, held at Kanpur.

OCCUPATIONAL HEALTH & SAFETY

Employees of the Company play an important role in the industrial operation and company's growth, and are considered as the most valuable assets and their personal and professional development along with their robust health and safety is one of the top priorities of the organization.

To get good results in the accident prevention we have included safety programmes like investigation & analysis of all serious and fatal accidents, recommendations / remedial measures to prevent similar accidents. Near-miss situation / incident with no injury is accorded serious consideration as preventive measures. As a part of safety measures, we are ensuring almost cent percent use of Personal Protective Equipment by developing voluntary safety culture. Various periodical health check up programmes are conducted from time to time so as to monitor health hazards if any.

The Company is complying with all the Statutory Provisions as required under the Factories Act. Competent persons carry out compulsory testing / examination of lifting tools, pressure vessels, cranes, safety belts etc. as per statutory requirement. Safety posters, slogans are widely displayed in the conspicuous places at the factory including work places, canteen and plant gates to continuously remind everyone about safe working practices and environment so as to inculcate a culture of safety amongst the workers. Safety day / week celebration is being organized every year with a view to arouse and motivate safety consciousness amongst the employees.

CORPORATE SOCIAL RESPONSIBILITY

The Company is actively associated with various social and philanthropic activities undertaken on its own as well as by different Trusts and Societies. As a constructive partner in the communities in which it operates, the Company has been taking concrete action to realize its social responsibility objective. The Company has been playing a pro-active role in the socio-economic growth and has contributed to all spheres ranging from health, education, rural infrastructure development, environment conservation

etc. In the past nine decades, the Company has supported innumerable social initiatives in India, touching the lives of thousands of people positively by supporting environmental and health-care projects and social, cultural and educational programs.

The Corporate Social Responsibility (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. As per the said policy, the Company continues the strategy of discharging part of its CSR responsibilities related to social service through various trusts/societies in addition to its own initiatives and donations made to other non-government organizations.

The CSR activities are being undertaken by the Company on its own or through various associated charitable institutions which currently run several 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 independent 'not for profit' organizations with social service being their basic objective. The philosophy of the M.P. Birla Group is to set up institutions which will be self sustaining in the long term and it is proposed to continue this philosophy in future also. 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 these health care institutions offer highly subsidized all-inclusive treatment for the needy. The 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 such trusts and societies.

Amongst the recent major initiatives being supported by the Company is the establishment of a Hospital at Chittorgarh near the cement plants of the Company. The Company is financially and otherwise contributing to the establishment of the Hospital by Madhav Prasad Priyamvada Birla Apex Charitable Trust. The foundation of the Hospital had been laid by Syt. Ashok Gehlot, the Chief Minister of Rajasthan, on 31st May, 2011. The approval from the Rajasthan Pollution Control Board has been received and construction of the Hospital has already been commenced from 24th October, 2012 and the estimated time for completion of the same is about 2 years.

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

i) **Health:**

Some of the social development undertaken with the support of the Company in the areas of healthcare are free medical treatment for the needy people, "State-of-Art" treatment facility for various critical diseases in remote areas, running voluntary centres and dispensaries providing much-needed medical services to the local population at

a highly subsidized rate, providing tele medicine facilities in small towns free eye Camps including eye screening and surgery Camps, free Orthopedics camps, Organizing health awareness camps and programs, AIDS awareness and Pulse Polio Camps, Blood donation Camps, Wellness Clinics and Mobile Medical Vans, National Family welfare and Family Planning programmes etc.

The Company has assisted financially and otherwise in the setting up of M.P. Birla Hospital and Priyamvada Birla Cancer Research Institute near the Satna Plants. These facilities provide quality healthcare services to the local population as well as to the population of the area surrounding the Company's cement plants.

(ii) **Education :**

The Company has been supporting schools in nearby villages both financially and by providing free education to girls, distribution of books, stationery, sports material, etc. free computer training for villages, free bus facility for going to school, vocational training to management and engineering students and dependents of workers, tailoring training to women, training to Women self help groups on income generating activities such as Agarbatti manufacturing and stitching to make them self-reliant.

(iii) **Other Social Initiatives :**

The Company undertakes rural development projects including distributing water in villages near its Plants, repairing hand pumps & submersible pumps, construction of toilets, school buildings, infrastructure, etc., making contributions for 'sarve shiksha abhiyaan' assistance to schools, organizing sports and other games activities, construction of canal for water supply, providing mid-day meal to the poor, development, maintenance and renovation of temples and funding of mass marriages etc.

CONSERVATION OF ENVIRONMENT

The Company believes in sustainable development by promoting clean and pollution free environment and making the environment eco-friendly. Accordingly, various initiatives have been taken for Clean Development Mechanism (CDM) and pollution prevention. The environmental dimension forms an integral part of the business decisions.

At Satna, various measures have been taken during the year for further improving the environmental performance, such as installation of Bag Dust collector for controlling fugitive dust emission, Kiln and cooler ESP for efficiency improvement. Clinker Silos are being constructed for improvement in clinker storage in order to retain clinker quality and reduction in pollution.

The Chanderia unit has taken various steps for harvesting and conservation of water. Plantation of species has been undertaken in and around the mining areas. To restrict evaporation of water, Ceto Sterile Emulsion Chemical spray was done on water holding pits, thereby resulted in reducing evaporation.

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 Gas (GHG) emissions into the atmosphere. Further, to protect the environment, the Company has consumed 1.24 million tons of Fly ash during the year 2012-13 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.

Further, with a view to reduce the consumption of fossil fuels, the cement division of the Company have taken initiative to burn Municipal Solid Waste as a co-fuel in its kilns. The co-processing of Municipal Solid Waste is one of the best alternatives for its disposal and leads to saving of energy resource, ecological balance and friendly environment.

SUBSIDIARY COMPANIES

The two subsidiary companies namely, Thiruvaiyaru Industries Limited and Birla North East Cement Limited were under the process of voluntary winding up. In view of the aforesaid, these two subsidiaries have not been considered in preparing the consolidated Balance Sheet.

Birla Cement Manufacturing Limited PLC (BCML), a wholly owned subsidiary at Ethiopia, incorporated last year, has got licenses for exploration of limestone and coal to set up a cement plant there and is in the process of conducting geological exploration and topographical survey of the licensed areas. Final decision on setting up the plant will be taken based on the techno-commercial feasibility of the project.

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 –

- in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- the accounting policies adopted in the preparation of the annual accounts have been applied consistently 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 2012-13 and of the profit for the year ended 31st March, 2013;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the year ended 31st March, 2013, 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 efficiency 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

As always the company has attached maximum importance in 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 9763 employees on its rolls at the close of business hours on 31st March 2013. Industrial relations continued to remain cordial throughout the year at all the units barring Suspension of Operation since 29th March 2004 at Soorah Jute Mills, and Suspension of Work at Birla Jute Mill, Birlapur which commenced on 31st March, 2012 continued till 17th October, 2012. The Mill restarted operation on 18th October, 2012 following a tripartite settlement signed on 16th October, 2012.

DIRECTORS

Shri D.N. Ghosh and Shri Deepak Nayyar retire from the Board by rotation and being eligible, offer themselves for re-appointment.

The Board of Directors at its meeting held on 20th May, 2013 has appointed Shri Pracheta Majumdar, a Non-Executive Director, as Whole-time Director designated as Chief Management Advisor of the Company.

AUDITORS & AUDITORS' REPORT

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

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

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 The Companies (Cost Audit Report) Rules, 2011 the Cost Audit Reports and the Compliance Report for the financial year 2011-2012 were filed by the Cost Auditor for Cement and Jute Goods on 28th December, 2012 on the Ministry of Corporate Affairs website. The due date for filing the Cost Audit Reports for the financial year 2012-2013 is 30th September, 2013.

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
VIKRAM SWARUP	} Directors
ANAND BORDIA	
B. B. TANDON	
D. N. GHOSH	
D. NAYYAR	
B. R. NAHAR	Managing Director

Kolkata,
Dated, the 20th day of May, 2013

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, 2013

	Auto Trim	Cement
A. Conservation of Energy		
a) Energy Conservation measures taken	Energy Conservation constantly monitored through improvising maintenance system and reducing distribution losses.	<p>Energy Conservation cell is continuously monitoring energy consumption and taking necessary action for optimisation of power consumption.</p> <p>Installation of energy efficient Roller Press for cement grinding at Satna Unit completed.</p> <p>Installation of LED lighting replacing CFL lights</p> <p>Erection of AQC boiler for CCW II WHRS completed. It will enhance the generation of power from WHRS</p> <p>Installation of Roto Feeder for controlled Flyash feeding</p>
b) Additional investment, proposals, if any	—	<p>Installation of Coal Mill VRM for pet coke at Satna</p> <p>Installation of LED lighting replacing CFL lights</p> <p>Installation of 10 KWp rooftop Solar PV plant for office area lighting load.</p> <p>Installation of solar water heating system in canteens and in Residential Colony</p> <p>Replacement of existing fluxo pump for Chanderia old cement mills is proposed with energy efficient PD pumps</p> <p>Replacement of existing swirlax kiln burner by new generation Duoflex burner</p> <p>One additional WHR Boiler at clinker cooler of CCW II</p> <p>Modernisation of old Clinkerisation Units at Chanderia</p> <p>Installation of Solar Power Project and Biomass based power plants</p>
c) Impact	—	<p>Capacity optimization and reduction of fuel, power, GHG Emission, energy consumption, Fossil Fuel and consequently reduction in the cost of production of Cement.</p> <p>By installing VRM for pet coke grinding will help reducing fuel cost.</p> <p>Reduction in power consumption in cement grinding</p> <p>Less fossil fuel conservation through use of solar energy, biomass etc.</p> <p>Saving in power consumption in water heating and lighting</p> <p>Improving efficiency of combustion process</p> <p>Utilization of flyash and slag increased in cement manufacturing</p>
d) Power & Fuel Consumption	Form 'A' annexed	Form 'A' annexed
B. Technology Absorption		
e) Research & Development		
1) Specification of Technology absorption and/or R&D	—	<p>Mill automisation package for cement mill for higher productivity</p> <p>Actively collaborated with National Council for Cement & Building Materials (NCCBM), Institute of Mineral & Materials Technology (formerly RRL), Bhubaneshwar for research & development activity</p> <p>Participation in International and National conference/ seminars.</p> <p>More utilization of cooler, preheater waste gases for productive purpose through Waste Heat Recovery System</p> <p>New concept of blending unit will be installed to produce better quality cement</p> <p>Utilization of grinding aid in cement manufacturing to improve quality, productivity and enhanced absorption of blending materials</p> <p>Conservation of resources through use of low grade limestone for cement manufacturing.</p> <p>Utilization of grinding aid in raw mill is under trial for higher productivity and reduce energy consumption</p>
2) Benefit	—	<p>Production of clinker and cement capacity enhanced to meet the future demand</p> <p>Optimize the utilization of Lime Stone and Coal and conservation of water</p> <p>Reduction in production cost due to better utilization of various resources and raw materials</p>
3) Future Plan of Action	—	<p>Utilisation of Solar Energy, Bio-mass and other waste material.</p> <p>Classification of Fly Ash and blending for cement manufacturing.</p> <p>Utilization of Low grade limestone, Fine Flyash, alternative Fuels.</p>

Jute	Steel Foundry	Vinoleum
Conversion of Group Drive on Carding Machine to individual drive	Continuously monitoring energy consumption and taking necessary action for optimisation of power consumption.	—
Modification in water supply network		
Modification in the combustion chamber of Process Steam Boiler	—	—
Replacement of incandescent lights with CFL Lights	—	—
	—	—
Optimization of motor rating on beaming machines, S4A Looms, Calendering Machines, etc	—	—
	—	—
Rationalisation of loads on transformer		—
Installation of LED lights.		—
Installation of domestic meters in workers/staff colony		—
		—
Reduction in power consumption.	Power Consumption has been optimised and product quality improved	—
Modification in water supply network resulting in reduced running of water pumps		—
Modification in the combustion chamber of Process Steam Boiler - resulting in saving of fuel consumption		—
		—
Form 'A' annexed	Form 'A' annexed	Form 'A' annexed
Installed of High Speed fully automatic Weaving Machine (S4A Looms) for Sacking Cloth	—	—
—	—	—
—	—	—
—	—	—
Conservation of Energy	—	—
—	—	—
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 (2012-13)	Previous Year (2011-12)	Current Year (2012-13)	Previous Year (2011-12)		
A. POWER & FUEL CONSUMPTION							
1. Electricity							
a) Purchase							
Unit in lacs (KWH)		1.50	1.86	2068.98	1776.35		
Total Amount - ₹ in lacs		13.46	11.09	12086.73	9685.74		
Cost / Unit in ₹		8.95	5.95	5.84	5.45		
b) Own Generation							
i) Through Diesel Generator							
Unit in lacs (KWH)		—	—	8.33	7.79		
KWH per Ltr. of Diesel Oil		—	—	3.31	2.30		
Cost / KWH in ₹		—	—	11.72	9.92		
ii) Through Steam							
Turbine/Generator							
Unit in lacs (KWH)		—	—	3376.71	3250.51		
KWH per Tonne of Coal		—	—	1023.82	1031.12		
Cost / Unit in ₹		—	—	2.42	2.30		
iii) Through Waste Heal Recovery							
System							
Unit in lacs (KWH)		—	—	951.90	667.91		
2. Coal : Grades - B, C, D & E							
Quantity in Tonnes							
a) Power Generation		—	—	329815	315240		
b) Process Steam		—	—	—	—		
c) Locos		—	—	—	—		
d) Kilns		—	—	660896	575049		
e) Others		—	—	7168	5162		
Total Cost - ₹ in lacs		—	—	46654.31	41277.69		
Average Rate in ₹ / Tn.		—	—	4675	4610		
3. Furnace Oil / Light Diesel Oil							
Quantity (K. Ltrs.)		—	—	0.60	92.76		
Total Amount - ₹ in lacs		—	—	0.21	24.73		
Average Rate in ₹ / K. Ltrs.		—	—	35572	26657		
		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		—	8.72	13.80	105-110	92 (for naked cement)	90
Diesel Oil in Ltrs.		—	—	—	—	0.075	0.085
Furnace Oil in Ltrs.		—	—	—	—	0.185*	—
Coal : Grades - B, C, D & E							
Consumption in Tn.							
Kilns		—	—	—	0.20-0.21	0.112	0.117
Coal Quality -							
Kilns (UHV)		—	—	—	—	5173	5245

* 1189540 Ltr. HFO used by DCW in Dryer & Roller Press amounting to Rs. 513 Lacs.

** The mill was under Suspension of Work from 01.04.2012-17.10.2012 as such the consumption of electricity per MT of production is higher. If we exclude consumption for the period of suspension, electricity consumption per MT works out to 606 units.

JUTE			STEEL FOUNDRY			VINOLEUM		
	Current Year (2012-13)	Previous Year (2011-12)		Current Year (2012-13)	Previous Year (2011-12)		Current Year (2012-13)	Previous Year (2011-12)
	124.64	225.49		29.10	28.19		0.11	0.12
	991.32	1342.81		207.26	186.15		1.00	0.72
	7.95	5.96		7.12	6.60		8.00	5.95
	0.02	0.09		—	—		—	—
	1.91	2.30		—	—		—	—
	23.07	19.02		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	517	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	22		—	—
	16.53	—		—	0.83		—	—
	3200	—		—	3773		—	—
	—	—		288.00	299.55		—	—
	—	—		123.79	108.71		—	—
	—	—		42983	36290		—	—
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		
—	806**	633	—	2272	2221	—	—	—
—	—	—	—	224.80	236.00	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—

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, 2013 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
01.	Nahar B. R*	Managing Director	2,37,10,424	B.Com, FCA	39	12.12.2002	61	Essar Investment Ltd. Mumbai. Executive Director 3 yrs.
02.	Hamirwasia V. K	President Birla Cement Works Chandaria Cement Works Chandaria.	65,28,044	B.E. (Mech.)	38	07.12.1983	59	Mysore Cement Ltd. Bangalore Sr. Engineer (Projects) 8 yrs.

Notes :

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

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

2. BOARD OF DIRECTORS :

Board Composition :

The strength of the Board of Directors as on 31st March, 2013 is Eight (8) out of which Five (5) 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, Chairman of the Company, 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, he 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 Unilever Limited for about 12 years. Shri Majumdar attended various international management courses organized by Unilever and Executive Development Programmes and Advanced Management Programmes conducted by Stanford University and Harvard Business School.

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 also on the Board of ICRA and ONGC.

Shri B.R. Nahar, Managing Director, 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 at its issue dated 29th November, 2010.

Meetings, attendance and agenda of the Board Meetings :

During the year 4 Meetings of the Board of Directors of the Company were held i.e. on 2nd May, 2012, 28th July, 2012, 9th November, 2012 and 8th February, 2013. 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 Chairman and Managing Director make presentation on the quarterly and annual operating & financial performance and on annual operating and capex budget. Presentations relating to major projects for which Board's approval are sought are also made. Post meetings, important decisions taken by the Board 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, 2013 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	4	Yes	1260*	13	2	1
Shri Pracheta Majumdar §	Non-Independent Non-Executive	4	Yes	500*	1	2	-
Shri Vikram Swarup	Independent Non-Executive	4	Yes	500*	7	-	-
Shri Anand Bordia	Independent Non-Executive	4	No	500*	4	1	1
Shri B.B. Tandon	Independent Non-Executive	3	No	500*	13	9	1
Shri D.N. Ghosh	Independent Non-Executive	2	No	500*	4	1	-
Shri Deepak Nayyar	Independent Non-Executive	-	No	500*	2	2	1
Shri M. K. Sharma @	Independent Non-Executive	1	-	-	-	-	-
Shri B.R. Nahar ** Managing Director	Executive	4	Yes	500*	4	-	-

* Shares held jointly with other shareholders.

@ Ceased to be a Director w.e.f. 15th May, 2012

** Elevated as Managing Director w.e.f. 28th July, 2012

§ Appointed as Whole-time Director designated as Chief Management Advisor by the Board of Directors at its Meeting held on 20th May, 2013.

\$ 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 Managing Director is attached and forms part of the Annual Report of the Company.

3. AUDIT COMMITTEE :

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

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

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, re-appointment and, if

required, the replacement or removal of the statutory auditor, fixation of audit fee and also approval for payment for any other services.

- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 - changes, if any, in accounting policies and practices and reasons for the same
 - major accounting entries involving estimates based on the exercise of judgment by management
 - significant adjustments made in the financial statements arising out of audit findings
 - compliance with listing and other legal requirements relating to financial statements
 - disclosure of any related party transactions
 - qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors on any significant findings and follow up thereon.
- 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.
- 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.
- Reviewing the financial and risk management policies.
- 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.
- to review Statement of significant Related Party Transactions submitted by management.
- to carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- 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 1st May, 2012, 28th July, 2012, 9th November, 2012 and 7th February, 2013. The composition and the attendance of Directors at these meetings are as under :

Name of Member	Status	No. of meetings attended
Shri Vikram Swarup	Chairman	4
Shri Pracheta Majumdar @	Member	4
Shri Anand Bordia	Member	4
Shri B.B. Tandon	Member	3
Shri Deepak Nayyar \$	Member	-

@ Ceased to be a member w.e.f. 20th May, 2013.

\$ Inducted as a member w.e.f. 20th May, 2013.

The Managing Director, Chief Financial Officer, Head of Management Audit Department and representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. Internal Auditors are also invited on rotational basis. 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 1st May, 2012 and 28th July, 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	2
Shri Pracheta Majumdar @	Member	2
Shri Anand Bordia	Member	2
Shri B.B. Tandon	Member	1
Shri Deepak Nayyar \$	Member	–

@ Ceased to be a member w.e.f. 20th May, 2013.

\$ Inducted as a member w.e.f. 20th May, 2013.

4.3 Details of remuneration paid/payable to the Directors during the financial year ended 31st March, 2013 :

(a) Managing Director :

(₹ in Lacs)

Name	Salary	Perquisites & Allowances*	Sitting Fees	Performance Linked Bonus	Total amount paid/ payable in 2012-13	Period of Service Contract
Shri B.R. Nahar	60.00	119.10	–	58.00	237.10	5 years w.e.f. 03.08.2009

* Including Retirement benefits.

(b) Non-Executive Directors :

(In ₹)

Name	Sitting Fees
Shri Harsh V. Lodha	120000
Shri Pracheta Majumdar	240000
Shri Vikram Swarup	240000
Shri Anand Bordia	180000
Shri B.B. Tandon	130000
Shri D.N. Ghosh	40000
Shri Deepak Nayyar	–
Shri M. K. Sharma	20000

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 2nd May, 2012, 28th July, 2012, 9th November, 2012 and 8th February, 2013. 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	4
Shri B.R. Nahar	Member	4

- 5.3 In addition, the Share Transfer and Shareholders'/Investors' Grievance Committee approved 24 Resolutions by Circulation for affecting registration of transfer of shares and other issues concerning investor services during the year.

The Company has received 10 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, 2013 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 15 days as on March 31, 2013.

Shri Girish Sharma, was appointed as Compliance Officer of the Company w.e.f. 28th July, 2012.

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 conduct the affairs of the Company smoothly.
- 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, 2013 and the meeting 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
2011-2012	Kalpitaru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	28.06.2012	10.30 A.M.

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

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

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 28th June, 2012.

No Special Resolution was passed during the Financial Year ended 31st March, 2013 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. 1 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 Assessment and Minimization Procedures which was presented to the Audit Committee and reviewed by the Board. 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 Managing Director 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 : 10th July, 2013, 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, 2014	: Within 60 days of the end of the Financial Year

12.3 **Date of Book closure** : 27th June, 2013 to 10th July, 2013
(both days inclusive)

12.4 **Dividend Payment date** : Credit/dispatch of dividend warrants between 11th July, 2013 and 17th July, 2013

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

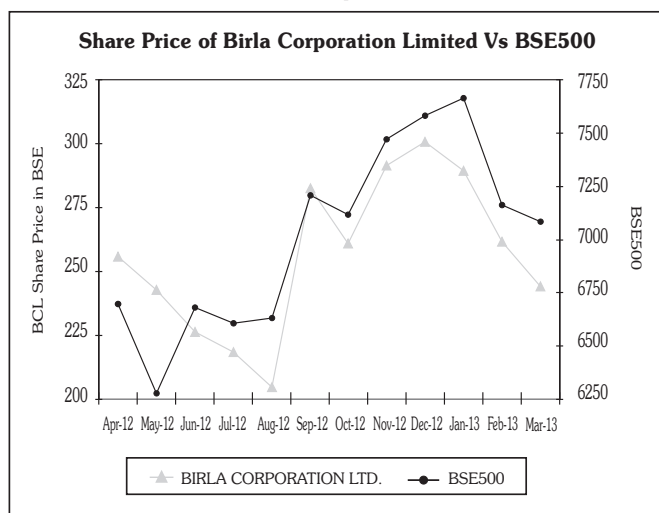
Annual Listing fees as prescribed, has been paid by the Company to the above Stock Exchanges for the financial year 2013-14.

12.8 Corporate Identity Number (CIN) : L01132WB1919PLC003334

12.9 Market Price Data during financial year 2012-2013 :

Month	Bombay Stock Exchange (in ₹)		National Stock Exchange (in ₹)	
	High	Low	High	Low
April, 2012	299.00	252.65	298.00	252.10
May, 2012	265.00	238.00	290.00	236.00
June, 2012	253.00	225.00	248.50	225.00
July, 2012	236.00	211.00	236.50	201.50
August, 2012	260.00	203.60	230.00	202.05
September, 2012	283.20	202.05	283.20	201.00
October, 2012	312.00	260.15	312.00	258.05
November, 2012	307.00	260.00	307.00	260.00
December, 2012	304.00	270.00	304.00	269.05
January, 2013	341.80	284.25	341.65	278.60
February, 2013	297.85	253.50	298.85	252.00
March, 2013	294.45	242.00	293.40	241.00

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 (₹)
2012 - 2013 (Final)	10.07.2013*	4.50
2012 - 2013 (Interim)	09.11.2012	2.50
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

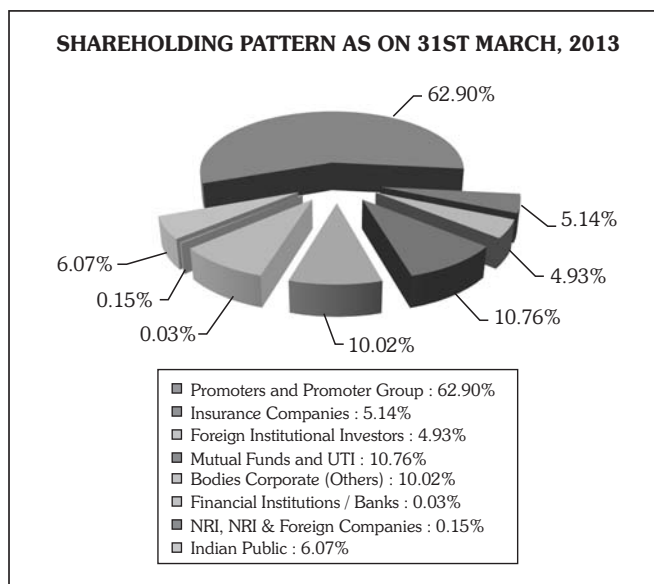
* Subject to approval of shareholders.

12.14 Distribution of shareholding as on 31st March, 2013 :

No. of ordinary shares held	No. of shareholders	% of shareholders	No. of Ordinary shares	% of shareholding
Upto 500	20086	94.67	1554785	2.02
501 to 1000	538	2.54	411273	0.53
1001 to 2000	271	1.28	393326	0.51
2001 to 3000	86	0.40	219640	0.29
3001 to 4000	50	0.24	179824	0.23
4001 to 5000	32	0.15	148596	0.19
5001 to 10000	43	0.20	298380	0.39
10001 & above	111	0.52	73799523	95.84
TOTAL	21217	100.00	77005347	100.00

12.15 Shareholding Pattern :

The shareholding of different categories of the shareholders as on 31st March, 2013 is given below :



12.16 Dematerialisation of Shares and liquidity :

As on 31st March, 2013, 75.60% of the Company's total ordinary shares representing 58216633 shares were held in dematerialised form and 18788714 shares representing 24.40% 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) 66166726, 66166738, 66166737
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 e-mail 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, 2013 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For **BIRLA CORPORATION LIMITED**

Dated, the 20th May, 2013

(B.R. NAHAR)
Managing Director

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

20th May, 2013

Certification by Chief Executive Officer (CEO) & Chief Financial Officer (CFO)

We, B.R. Nahar, Managing Director and A. Saraogi, 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, 2013 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

(B. R. NAHAR)
Managing Director

For BIRLA CORPORATION LIMITED

(A. SARAOGI)
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 '13 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 to compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned listing agreement.

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

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

1B, Old Post Office Street
Kolkata - 700 001
Dated, the 20th day of May, 2013

RAJIV SINGHI
Partner
Membership No. 053518

FINANCIAL STATEMENTS & NOTES

INDEPENDENT AUDITORS' REPORT

To the Members of BIRLA CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BIRLA CORPORATION LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with other notes, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a) 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;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st,

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
Date : the 20th day of May, 2013

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Birla Corporation Limited on the financial statements of the company for the year ended 31st March, 2013.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified wherever practicable on a phased manner by the management / internal auditors and the reconciliation of the quantities with the book records has been done on continuous basis *except in case of Soorah Jute Mills unit where verification could not be done due to suspension of work*. Further the differences, if any, arising out of such reconciliation so far have been adjusted and no serious discrepancies between book records and physical inventory have been noticed.
- (c) Substantial part of fixed assets has not been disposed off during the year so as to affect the going concern.
2. (a) The inventory has been physically verified at reasonable intervals during the year by the Management/Internal Auditors *except in case of Soorah Jute Mills unit where verification could not be done due to suspension of work*.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the books stocks, wherever ascertained were not significant and have been properly dealt with in the books of accounts.
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 31.03.2013 were ₹ 215.37 lacs and ₹ 215.37 lacs respectively. The advances made to three other subsidiaries amounting to ₹ 16.71 lacs have been fully repaid during the year. Advance amounting to ₹ 215.35 lacs to two subsidiaries will be realised 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 the 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 and no undisputed dues as above were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income tax, sales tax wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2013 which have not been desposited on account of any dispute and the forum where the disputes are pending are as under :

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	3134.91	1994-2013	Department/1st Appellate Authority
		345.40	1989-2010	Tribunals
		367.40	1985-2013	High Court & above
Central Excise Act, 1944	Excise Duty	3271.12	1988-2011	Department/1st Appellate Authority
		231.25	1976-2011	Tribunals
Finance Act, 1994	Service Tax	671.47	2005-2012	Department/1st Appellate Authority
		461.13	2004-2011	Tribunals
Income Tax Act, 1961	Income Tax	6591.66	2009-2011	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. Based on information and explanations given to us and records of the Company examined by us, in our opinion, the term loans have been apploied for the purpose for which they were obtained. Proceeds from long term loans raised during the year and remained unutilized as not required for immediate use for capital expenditure have been temporarily parked in bank fixed deposit.
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 20th day of May, 2013

RAJIV SINGHI
Partner
Membership No. 053518

BALANCE SHEET as at 31st March, 2013

(₹ in lacs)

	<u>Note No.</u>	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	7700.89	7700.89
Reserves and Surplus	2.2	237305.08	216637.08
		245005.97	224337.97
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.3	89738.46	75223.82
Deferred Tax Liabilities (Net)	2.4	21169.24	15324.87
Other Long-Term Liabilities	2.5	25048.41	22163.21
Long-Term Provisions	2.6	3622.36	3385.75
		139578.47	116097.65
CURRENT LIABILITIES			
Short-Term Borrowings	2.7	27788.96	37209.52
Trade Payables	2.8	12670.58	10121.84
Other Current Liabilities	2.9	21623.05	15158.00
Short-Term Provisions	2.6	5882.16	4202.12
		67964.75	66691.48
TOTAL		452549.19	407127.10
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.10	172823.31	134823.04
Intangible Assets		459.33	-
Capital Work-In-Progress		22857.31	50962.39
Intangible Assets under Development		-	430.22
		196139.95	186215.65
Non-Current Investments	2.11	89793.14	45994.43
Long-Term Loans and Advances	2.12	13503.93	8515.70
Other Non-Current Assets	2.13	2942.00	2880.19
		302379.02	243605.97
CURRENT ASSETS			
Current Investments	2.14	37279.98	58486.57
Inventories	2.15	57014.06	41581.29
Trade Receivables	2.16	7496.29	3724.52
Cash and Bank Balances	2.17	27863.02	42641.26
Short-Term Loans and Advances	2.12	9695.44	7848.95
Other Current Assets	2.13	10821.38	9238.54
		150170.17	163521.13
TOTAL		452549.19	407127.10
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.
The 20th day of May, 2013

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

HARSH V. LODHA

Chairman

VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Directors

B. R. NAHAR

Managing Director

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2013

(₹ in lacs)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
INCOME			
Revenue from Operations (Gross)	2.18	299434.35	259682.18
Less : Excise Duty		39138.42	30992.32
Revenue from Operations (Net)		260295.93	228689.86
Other Income	2.19	12711.64	12615.76
Total Revenue		273007.57	241305.62
EXPENSES			
Cost of Materials Consumed	2.20	52634.21	36324.95
Purchases of Traded Goods	2.21	487.08	117.75
(Increase)/ Decrease in Inventories of Finished Goods,			
Work-In-Progress and Traded Goods	2.22	(13190.64)	4056.52
Employee Benefits Expense	2.23	21957.64	21396.06
Finance Costs	2.24	6485.74	5250.76
Other Expenses	2.25	159123.81	131554.57
		227497.84	198700.61
Profit before Tax, Depreciation and Amortisation		45509.73	42605.01
Depreciation and Amortisation Expense	2.26	10439.17	8000.29
Profit before Tax		35070.56	34604.72
Tax Expense :	2.27		
Current Tax		2244.60	6610.98
Deferred Tax		5844.37	4073.21
Profit for the year		26981.59	23920.53
Earnings Per Share [Nominal value ₹ 10 /- (in Rupees)]			
Weighted Average Number of Ordinary Shares outstanding during the year		77005347	77005347
Basic and Diluted earnings per share (in Rupees)		35.04	31.06

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.
The 20th day of May, 2013

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

HARSH V. LODHA

VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Chairman

Directors

B. R. NAHAR

Managing Director

CASH FLOW STATEMENT for the year ended 31st March, 2013

(₹ in lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Cash Flow from Operating Activities:		
Profit before Tax	35070.56	34604.72
Adjustments for :		
Depreciation & Amortisation	10439.17	8000.29
Investing Activities (Net)	(11818.18)	(11608.76)
Provision for Doubtful Debts	106.00	125.84
Excess Liabilities and Unclaimed Balances written back (Net)	(505.55)	(620.68)
Excess Depreciation written back	(40.97)	(113.44)
Unrealised Loss/ (Gain) on Foreign Exchange	1370.04	1611.86
Finance Costs	6485.74	5250.76
Operating Profit before Working Capital changes	41106.81	37250.59
Adjustments for :		
(Inc)/ Dec in Trade Receivables	(3877.77)	562.48
(Inc)/ Dec in Inventories	(15432.77)	(5620.82)
(Inc)/ Dec in Loans and Advances & Other Assets	(4281.55)	(4851.35)
Inc/ (Dec) in Trade Payables & Other Liability	8038.18	3989.13
Inc/ (Dec) in Provisions	1224.14	578.43
Cash generated from operations	26777.04	31908.46
Direct Taxes Paid	(7187.80)	(7496.58)
Net Cash from Operating Activities	19589.24	24411.88
Cash Flow from Investing Activities:		
Purchase of Tangible & Intangible Assets including CWIP/ Capital Advances	(18468.46)	(43592.30)
Sale of Tangible Assets	468.20	601.01
(Purchase)/Sale of Investments (Net)	(18523.33)	14778.85
(Inc)/ Dec in Other Bank Balances	17132.86	(7744.22)
(Inc)/ Dec in Advances to Subsidiary Companies	(4.69)	(6.57)
Government Grant Received	—	16.87
Interest Received	7878.50	9160.23
Dividend Received	463.83	1698.57
Net Cash used in Investing Activities	(11053.09)	(25087.56)
Cash Flow from Financing Activities :		
Proceeds from Long-Term Borrowings	19376.00	16026.05
Repayments of Long-Term Borrowings	(1888.12)	(870.71)
(Repayments)/Proceeds from Short-Term Borrowings	(9414.88)	2256.19
Interest Paid	(8903.16)	(10818.84)
Dividend Paid	(4601.85)	(4608.68)
Corporate Dividend Tax paid	(749.52)	(749.52)
Net Cash (from/used in) from Financing Activities	(6181.53)	1234.49
Net Increase in Cash and Cash Equivalents	2354.62	558.81
Cash and Cash Equivalents (Opening Balance)	3297.56	2738.75
Cash and Cash Equivalents (Closing Balance)	5652.18	3297.56

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.

The 20th day of May, 2013

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

HARSH V. LODHA

Chairman

VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Directors

B. R. NAHAR

Managing Director

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2013

(₹ 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 have been prepared and presented as per the requirement of revised Schedule VI as notified under Companies Act, 1956.

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 recognized in the period in which the results are known/materialised.

1.3 Fixed Assets

Tangible Fixed 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 cost 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 and depreciates the same over the remaining life 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 Fixed 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) The 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 over a period of three years. The amortisation period and the amortisation method are reviewed atleast 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 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

Inventories are valued at Cost or Net Realisable Value, whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is 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. 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 recognized as expense as and when it accrues.
- b) Employee benefits of long-term nature are recognized as expense based on actuarial valuation using projected unit credit method.
- c) Post employment benefits in the nature of Defined Contribution Plans are recognized as expense as and when it accrues and that in the nature of Defined Benefit Plans are recognized as expense based on actuarial valuation using projected unit credit method.
- d) Actuarial gains and losses are recognized immediately in the Statement of Profit & Loss Account as income or expense.
- e) Expenditure incurred on Voluntary Retirement Scheme is charged to Statement of 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 period end 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, are added to/ deducted from the cost of the asset and depreciated over the balance useful life of the asset.

- c) All other exchange differences are recognised as income or expense in the period in which they arise.
- d) In respect of transactions covered by Forward/Future Contracts (except against firm commitments and highly probable forecast transactions), the premium or discount arising at the inception of Forward/Future Contracts entered into to hedge an existing asset/liability, is amortised over the life of the contract. Exchange differences on such contracts 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/Future contracts against 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 Statement of 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 difference between book and tax profits. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax credit for Minimum Alternate Tax (MAT) is recognised when there is convincing evidence of payment of normal income tax during the specified period.

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 Operative Revenue 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 Statement of 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 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, 2013

		(₹ in lacs)	
		As at 31st March, 2013	As at 31st March, 2012
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	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% Holding	No. of Shares	% Holding
Hindustan Medical Institution	71,59,460	9.30	71,59,460	9.30
Vindhya Telelinks Limited	63,80,243	8.29	63,80,243	8.29
August Agents Limited	60,15,912	7.81	60,15,912	7.81
Insilco Agents Limited	60,04,080	7.80	60,04,080	7.80
Laneseda Agents Limited	59,94,680	7.79	59,94,680	7.79
The Punjab Produce & Trading Co. (P) Limited	45,20,572	5.87	45,20,572	5.87
Life Insurance Corporation of India	39,48,117	5.13	39,48,117	5.13

- 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 have been issued by the Company during the year.
- h) No calls are unpaid by any Director or Officer of the Company during the year.

(₹ in lacs)

As at 31st March, 2013

As at 31st March, 2012

2.2 : RESERVES AND SURPLUS

Capital Reserve

Surplus on Amalgamation

As per last Financial Statements

105.08

105.08

Others

As per last Financial Statements

198.74

181.87

Add: Project Capital Subsidy received during the year

-

16.87

198.74

198.74

Debenture Redemption Reserve

As per last Financial Statements

4625.00

2975.00

Add: Transferred from Surplus

1650.00

1650.00

6275.00

4625.00

Revaluation Reserve

As per last Financial Statements

757.50

778.68

Less: Adjustments in respect of sales/discard of Fixed Assets

0.82

-

756.68

778.68

Less: Transfer to the Statement of Profit and Loss being difference of depreciation on revalued cost of assets and on the original cost

21.18

21.18

735.50

757.50

General Reserve

As per last Financial Statements

200000.00

175000.00

Add: Transferred from Surplus

15000.00

25000.00

215000.00

200000.00

Surplus

As per last Financial Statements

10950.76

19050.08

Add: Profit for the year

26981.59

23920.53

37932.35

42970.61

Less: Appropriations

Debenture Redemption Reserve

1650.00

1650.00

Interim Dividend

1925.13

1925.13

Corporate Dividend Tax on Interim Dividend

312.30

312.30

Proposed Final Dividend

3465.24

2695.19

Corporate Dividend Tax on Proposed Final Dividend

588.92

437.23

General Reserve

15000.00

25000.00

22941.59

32019.85

Net Surplus

14990.76

10950.76

237305.08

216637.08

2.3 : LONG-TERM BORROWINGS	(₹ in lacs)			
	Non-current portion		Current Maturities	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Non-Convertible Debentures (NCD)				
(Face Value of ₹10,00,000/- each) (Secured)				
1300 (Previous Year 1300) 9.05% NCD 2020	13000.00	13000.00	-	-
1500 (Previous Year 1500) 9.10% NCD 2020	15000.00	15000.00	-	-
1200 (Previous Year 1200) 8.80% NCD 2017	12000.00	12000.00	-	-
1000 (Previous Year 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	39738.46	20467.44	1102.22	1032.99
	<u>39738.46</u>	<u>25223.82</u>	<u>5077.22</u>	<u>1106.74</u>
Total Secured Borrowings	<u>89738.46</u>	<u>75223.82</u>	<u>5077.22</u>	<u>1106.74</u>
Amount disclosed under the head "Other Current Liability" (Note No. 2.9)			(5077.22)	(1106.74)
	<u>89738.46</u>	<u>75223.82</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.

- 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 Debenture holders and other term lenders.
- Foreign Currency Loans from Banks of ₹ 8266.68 is repayable in remaining fifteen 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 ₹ 4071.75 is repayable in July/August, 2016 and ₹ 9500.75 is repayable in December, 2016/January, 2017 and is 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.
- Foreign Currency Loans from Banks of ₹ 19001.50 is repayable in five annual installment of ₹ 2035.87 in September, 2015, ₹ 2035.87 in September, 2016, ₹ 3393.13 in September, 2017, ₹ 4750.38 in September, 2018, ₹ 6786.25 in September, 2019 and is 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, 2013</u>		<u>As at 31st March, 2012</u>	
2.4 : DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities				
Arising on account of :				
Depreciation		26518.80		19980.93
Less : Deferred Tax Assets				
Arising on account of :				
Section 43B of Income-Tax Act	4532.59		4168.79	
Others	816.97	5349.56	487.27	4656.06
Deferred Tax Liabilities (Net)		21169.24		15324.87

2.5 : OTHER LONG-TERM LIABILITIES

Other Liabilities

Liabilities under Litigation	29266.57		25488.54	
Less : Paid under protest	15217.60	14048.97	13043.46	
				12445.08
Liability for Capital Goods		-		16.23
Trade and Security Deposits		10509.71		9212.17
Other Payables		489.73		489.73
		25048.41		22163.21

2.6 : PROVISIONS

	Long-term		Short-term	
	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
Provision for Employee Benefits	1932.90	1789.29	1828.00	747.47
Other Provisions				
Provisions for Taxation (Net of Payments)	1689.46	1,596.46	-	322.23
Proposed Dividend			3,465.24	2695.19
Corporate Dividend Tax			588.92	437.23
	<u>1689.46</u>	<u>1596.46</u>	<u>4054.16</u>	<u>3454.65</u>
	3622.36	3385.75	5882.16	4202.12

(₹ in lacs)

As at 31st March, 2013

As at 31st March, 2012

2.7 : SHORT-TERM BORROWINGS

Working Capital Borrowings

From Banks

Rupee Loans (Secured)	9589.40	8372.87
Buyers' Credit and Packing Credit in Foreign Currency (Secured)	205.87	-
Buyers' Credit and Packing Credit in Foreign Currency (Unsecured)	3159.37	8165.21

From Others

Collateralised Borrowing and Lending Obligation (Secured)	6500.00	6500.00
	<u>19454.64</u>	<u>23038.08</u>

Deposits

Staff and Other Deposits (Unsecured)	<u>943.99</u>	<u>1182.00</u>
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Other Loans & Advances

From Banks

Buyers' Credit in Foreign Currency (Secured)	1624.57	2165.34
Buyers' Credit in Foreign Currency (Unsecured)	5765.76	10824.10
	<u>7390.33</u>	<u>12989.44</u>
	<u>27788.96</u>	<u>37209.52</u>

The above amount includes

Secured Borrowings	17919.84	17038.21
Unsecured Borrowings	9869.12	20171.31
	<u>27788.96</u>	<u>37209.52</u>

- 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.
- Buyers' Credit in Foreign Currency are secured against lien on certain Units of Mutual Funds.
- Collateralised Borrowing and Lending Obligation is secured by deposit of certain Government Securities.

2.8 : TRADE PAYABLES

For Goods and Services	12670.58	10121.84
	<u>12670.58</u>	<u>10121.84</u>

2.9 : OTHER CURRENT LIABILITIES

Current maturities of Long-Term Debt (See Note No. 2.3)	5077.22	1106.74
Interest accrued but not due on Borrowings	917.67	918.74
Unpaid and unclaimed dividends	120.42	101.95
Statutory Dues	2344.97	2346.70
Employees related Liabilities	1251.40	1207.16
Amount payable for Capital Goods	2363.49	2199.44
Trade and Security Deposits	18.96	12.57
Advances Received from Customers	5551.84	5096.97
Other Payables (include rebates and discounts)	3977.08	2167.73
	<u>21623.05</u>	<u>15158.00</u>

(₹ in lacs)

2.10 : FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost/Value as at 31st March, 2012	Additions during the year	Deductions during the year	Other Adjustment	Cost/Value as at 31st March, 2013	Upto 31st March, 2012	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Tangible Assets:											
Land											
Leasehold	1674.00	-	1.70	-	1672.30	1247.93	30.24	1.41	1276.76	395.54	426.07
Freehold	3395.65	776.54	-	-	4172.19	-	-	-	-	4172.19	3395.65
Sub Total :	5069.65	776.54	1.70	-	5844.49 (a)	1247.93	30.24	1.41	1276.76	4567.73	3821.72
Buildings	16383.60	1234.95	32.75	75.49	17661.29 (a)	7720.09	341.58	16.55	8045.12	9616.17	8663.51
Plant & Machinery	191755.38	41826.48	857.04	3836.46	236561.28	72290.28	9618.56	435.90	81472.94	155088.34	119465.10
Furniture & Fittings	1174.47	46.34	10.31	-	1210.50	788.51	37.41	7.66	818.26	392.24	385.96
Vehicles	1634.25	190.76	45.33	-	1779.68	747.22	132.30	40.72	838.80	940.88	887.03
Office Equipment	2537.23	609.68	73.90	6.66	3079.67	1470.81	203.27	67.21	1606.87	1472.80	1066.42
Livestock	12.79	-	1.40	-	11.39	-	-	-	-	11.39	12.79
Railway Sidings	1113.29	248.47	-	-	1361.76	592.78	35.22	-	628.00	733.76	520.51
Total :	219680.66	44933.22	1022.43	3918.61	267510.06	84857.62	10398.58	569.45	94686.75	172823.31	134823.04
Intangible Assets:											
Computer Software	-	520.30	-	-	520.30	-	60.97	-	60.97	459.33	-
Total	-	520.30	-	-	520.30	-	60.97	-	60.97	459.33	-
Grand Total :	219680.66	45453.52	1022.43	3918.61	268030.36	84857.62	10459.55	569.45	94747.72	173282.64	134823.04
Previous Year :	175081.26	42987.51	1204.16	2816.05	219680.66	77551.86	8020.66	714.90	84857.62	134823.04	

(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 Limited Company.

(b) 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.

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

(d) Other adjustment includes adjustment on account of finance costs & foreign exchange differences pursuant to exercising 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 out of which ₹ 1435.21 remain unamortised as on 31st March, 2013.

				(₹ in lacs)	
As at 31st March, 2013	As at 31st March, 2012		As at 31st March, 2013	As at 31st March, 2012	
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	1,699	Birla Corporation Cement Mfg. PLC (Face Value of Ethiopian Birr 1,000/- each)	45.22	45.22	
6,000	6,000	Birla Jute Supply Co. Ltd.	3.00	3.00	
58,80,400	58,80,400	Talavadi Cements Ltd.	588.04	588.04	
			636.26	636.26	
		OTHER INVESTMENTS - LONG-TERM (Valued at cost unless otherwise stated)			
		INVESTMENT PROPERTY (At cost less accumulated depreciation/diminution)			
		Cost of Land & Building	51.06	51.06	
		Less : Accumulated depreciation/diminution	40.94	40.14	
		Net Block	10.12	10.92	
		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. (Net of provision of ₹ 0.03/-, Previous Year ₹ Nil)	-	0.03	
15	15	Gangirri 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	
			0.02	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 ₹ 0.14, Previous Year ₹ 0.12)	-	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	
			1518.27	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) (Net of provision of ₹ *, Previous Year ₹ Nil)	-	*	
400	400	Eastern Economist Ltd.	0.40	0.40	
52,000	52,000	Neosym Industry Limited (Formerly 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	

(₹ in lacs)

As at 31st March, 2013	As at 31st March, 2012		As at 31st March, 2013	As at 31st March, 2012
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	10,00,000	7.80% GOI 2021	933.40	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	9088.43	
		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 Multispeciality Hospital Ltd. (Formerly Woodlands Medical Centre Ltd.)	0.05	0.05
		INVESTMENT IN BONDS - QUOTED		
		(Face Value of ₹ 10,00,000/- each unless otherwise stated)		
63	63	9.70% IFCI Ltd. 2030	630.00	630.00
1,000	1,000	8.16% Power Finance Corporation Ltd. 2026 (Face Value of ₹ 1,00,000/- each)	1000.00	1000.00
13	13	9.55% IFCI Ltd. 2025	130.00	130.00
21,751	21,751	8.00% Indian Railways Finance Corporation Ltd. 2022 (Face Value of ₹ 1,000/- each)	217.51	217.51
24,724	24,724	8.20% National Highways Authority of India 2022 (Face Value of ₹ 1,000/- each)	247.24	247.24
52,120	52,120	0.00% 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
275	-	6.30% Indian Railway Finance Corporation Ltd. 2017 (Face Value of ₹ 1,00,000/- each)	262.35	-
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	6.85% India Infra Finance Co. Ltd. 2014 (Face Value of ₹ 1,00,000/- each)	-	5610.92
-	50	11.35% IDBI Bank Ltd. 2013	-	544.65
-	200	9.50% Exim Bank of India 2013	-	2042.40
		19065.62	27001.24	
		INVESTMENT IN MUTUAL FUNDS-QUOTED		
62,50,000	-	Reliance Fixed Horizon Fund XXII Series 34 - Growth	625.00	-
60,00,000	-	Reliance Fixed Horizon Fund XXII Series 29 - Growth	600.00	-
1,50,00,000	-	Reliance Fixed Horizon Fund XXII Series 26 - Growth	1500.00	-
2,00,00,000	-	Reliance Fixed Horizon Fund XXII Series 21 - Growth	2000.00	-
1,50,00,000	-	IDFC Fixed Tem Plan Series 2 - Growth	1500.00	-
1,50,00,000	-	KOTAK FMP Series 99 Direct Plan - Growth	1500.00	-
1,00,00,000	-	UTI FTIF Series XIII IV (546 Days) Direct Plan - Growth	1000.00	-
50,00,000	-	HDFC FMP 566D December 2012 (1) - Growth Series XXIV	500.00	-
75,00,000	-	UTI Fixed Income Fund Series XIII-III (549 Days) - Growth	750.00	-
80,00,000	-	Reliance Fixed Horizon Fund XXII Series 33 (550 Days) - Growth	800.00	-
2,00,00,000	-	L&T FMP VII January 507D A Direct Plan - Growth	2000.00	-
3,00,00,000	-	JP Morgan India FMP Series 13- Direct Plan - Growth	3000.00	-
5,00,02,626	-	JP Morgan India FMP Series 12 Direct Plan - Growth [d]	5000.26	-
26,00,000	-	HDFC FMP 526D December 2012 (1) - Growth Series XXIV	260.00	-

(₹ in lacs)

As at 31st March, 2013	As at 31st March, 2012		As at 31st March, 2013	As at 31st March, 2012
2.11 : NON-CURRENT INVESTMENTS (Contd.)				
Number of Shares / Securities /				
Bonds / Units				
70,00,000	-	ICICI FMP Series 65 - 488 Days Plan D Cumulative	700.00	-
1,00,00,000	-	ICICI FMP Series 65 - 502 Days Plan C Cumulative ^[d]	1000.00	-
2,50,00,000	-	Reliance Fixed Horizon Fund XXII Series 37 - Growth	2500.00	-
1,50,00,000	-	Reliance Fixed Horizon Fund XXII Series 38 Direct Plan - Growth	1500.00	-
20,00,000	-	UTI FTIF Series XIV - IV (408 Days) Direct Plan - Growth	200.00	-
1,00,02,277	-	KOTAK FMP Series 98 - Growth	1000.23	-
-	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
-	27,60,663	HDFC FMP 392D March 2012 (2) - Growth Series XXI	-	276.07
-	75,00,000	IDFC FMP Thirteen Months Series 7 - Growth	-	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	-	250.00
-	55,07,250	Reliance Fixed Horizon Fund - XXI Series 18 - Growth	-	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
		27935.49	7425.01	
UNQUOTED				
7,200	7,200	UTI Master Share Unit Scheme-Dividend Plan - Payout	0.60	0.60
51,32,759	-	DWS Premier Bond Fund Direct Plan - Growth	1000.00	-
1,06,54,696	-	IDFC Dynamic Bond Fund Direct Plan - Growth	1500.00	-
51,47,928	-	Reliance Income Fund Growth Plan Bonus Option	562.50	-
67,88,958	-	SBI Dynamic Bond Fund Direct Plan - Growth	1000.00	-
1,95,65,336	-	Axis Short Term Fund Direct Plan - Growth	2500.00	-
1,59,50,143	-	HDFC Medium Term Opportunities Fund Direct Plan - Growth	2000.00	-
2,42,80,802	-	HDFC Medium Term Opportunities Fund - Growth	3000.00	-
2,36,25,210	-	HDFC Short Term Opportunities Fund Direct Plan - Growth	3000.00	-
1,43,72,468	-	ICICI Prudential Institutional Short-Term Plan - Cumulative	3103.79	-
1,05,48,418	-	IDFC SSIF Short Term Direct Plan - Growth	2500.00	-
56,74,283	-	JM Short Term Fund Institutional Plan - Growth	837.40	-
22,86,948	-	Reliance Short Term Fund Direct Plan - Growth	500.00	-
4,584,598	-	Reliance Short Term Fund - Growth	902.56	-
1,57,09,241	-	Religare Short Term Fund Direct Plan - Growth	2500.00	-
2,96,88,126	-	SBI Short Term Fund Direct Plan - Growth	4000.00	-
86,87,245	-	UTI Short Term Income Fund Direct Plan - Growth	1216.03	-
82,66,630	-	UTI Short Term Income Fund Institutional Plan - Growth	1102.42	-
		31225.30	0.60	
TOTAL NON-CURRENT INVESTMENTS				
		89793.14	45994.43	
Aggregate Book Value of Quoted Non-Current Investments		57607.81	45032.97	
Aggregate Book Value of Unquoted Non-Current Investments		32185.33	961.46	
		89793.14	45994.43	
Aggregate Market Value of Quoted Non-Current Investments		63138.08	49345.48	
Aggregate provision made for diminution in value of Non-Current Investments		0.86	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 and intrinsic worth of the company, 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 ₹ 1,00,000/- 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 No. 2.14).

(₹ in lacs)

2.12 : LOANS AND ADVANCES

	Long-term		Short-term	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Capital Advances				
Secured, considered good	165.14	177.82	-	-
Unsecured, considered good	918.37	858.53	-	-
	1083.51	1036.35	-	-
Security Deposits				
Unsecured, considered good	2641.73	2462.54	56.21	51.67
	2641.73	2462.54	56.21	51.67
Loans and Advances to Related Parties (Unsecured, considered good)	212.21	210.93	3.41	-
	212.21	210.93	3.41	-
Other Loans and Advances (Unsecured, considered good)				
Advance Tax and TDS (Net of provisions)	4199.14	4095.17	-	-
MAT Credit Entitlement	4610.00	-	-	-
Advance against supply of Goods and Services	-	-	4898.11	3939.56
Prepaid Expenses	38.11	61.50	243.50	148.69
Advance to Employees	33.41	23.09	174.09	182.21
Balances with Government & Statutory Authorities	474.70	420.18	4314.32	3508.76
Other Deposits and Advances	211.12	205.94	5.80	18.06
	9566.48	4805.88	9635.82	7797.28
Other Loans and Advances (Considered doubtful)				
Other Deposits and Advances (Considered doubtful)	147.80	100.00	-	-
Less: Provision	(147.80)	(100.00)	-	-
	13503.93	8515.70	9695.44	7848.95

	Balance		Maximum Outstanding	
	As at March 31, 2013	As at March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Loans and Advances to Related Parties include:				
(i) Lok Cements Limited, Subsidiary	211.96	207.90	211.96	207.90
(ii) Birla Corporation Cement Manufacturing PLC, Subsidiary	3.39	3.03	3.39	3.03
(iii) Talavadi Cements Limited, Subsidiary	-	-	15.78	113.81
(iv) Birla Jute Supply Company Limited, Subsidiary	0.02	-	0.02	-
(v) Budge Budge Floorcoverings Limited, Subsidiary	-	-	0.79	0.05
(vi) M P Birla Group Services Private Limited, Subsidiary	-	-	0.14	-
(vii) Birla Odessa Industries Private Limited, Associates	0.12	-	0.12	-
(viii) Birla Readymix Private Limited, Associates	0.13	-	0.13	-

	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
2.13 : OTHER ASSETS				
Long Term Trade Receivable (See Note No. 2.16)	-	-		
Fixed Deposits maturing after 12 months from Balance Sheet date ^[1]	59.64	1215.56		
Interest accrued on Deposits	30.45	124.89	671.03	1206.68
Interest accrued on Investments	1480.37	867.49	956.09	1506.88
Unamortized Ancillary Finance Costs	1313.27	613.10	277.75	109.35
Incentive and Subsidy Receivable	97.95	44.86	8695.63	6259.88
Less : Provision	(97.95)	(44.86)	-	-
Asset held for disposal	-	-	131.13	128.42
Others	69.72	70.26	89.75	27.33
Less : Provision	(11.45)	(11.11)	-	-
	2942.00	2880.19	10821.38	9238.54

^[1] Includes ₹ 59.64 (Previous Year ₹ 55.56) marked lien in favour of Government Authorities.

(₹ in lacs)

As at
31st March, 2013

As at
31st March, 2012

As at
31st March, 2013

As at
31st March, 2012

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	Birla North-East Cement Ltd. (Under Liquidation)	-	5.00
			-	5.00

INVESTMENT IN BONDS - QUOTED

(Face Value of ₹10,00,000/- each unless otherwise stated)

5,500	-	6.85% India Infra Finance Co. Ltd. 2014 (Face Value of ₹ 1,00,000/- each)	5610.92	-
50	-	11.35% IDBI Bank Ltd. 2013	544.65	-
200	-	9.50% Exim Bank of India 2013	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
			8197.97	7985.43

INVESTMENTS IN MUTUAL FUNDS

QUOTED

1,02,40,000	-	Peerless FMP Series 1 Direct Plan - Growth	1024.00	-
1,00,00,000	-	DSP Black Rock FMP Series 90 - 12 M Direct Plan - Growth	1000.00	-
1,00,00,000	-	UTI FTIF Series XIV- VI (366 Days) Direct Plan - Growth	1000.00	-
55,20,000	-	UTI FTIF- Series XIV - VII (367 days) Direct Plan - Growth	552.00	-
3,50,00,000	-	JP Morgan India Fixed Maturity Plan Series 17 Direct Plan - Growth	3500.00	-
1,50,00,000	-	Religare FMP Series XVIII Plan A Direct Plan - Growth	1500.00	-
2,00,00,000	-	BNP Paribas Fixed Term Fund - Series 25 A Direct Plan - Growth	2000.00	-
1,50,00,000	-	L&T FMP VII March 367D A Direct Plan - Growth	1500.00	-
50,00,000	-	UTI Fixed Income Fund Series XIV V (366 Days) Direct Plan - Growth	500.00	-
50,00,000	-	DSP BR FMP Series 87 - 12 M Direct Plan - Growth	500.00	-
30,00,000	-	IDFC FMP Series 12 Direct Plan - Growth	300.00	-
30,00,000	-	JM FMP Series XXIII Plan A Direct Plan - Growth	300.00	-
1,00,00,000	-	Kotak FMP Series 96 Direct Plan - Growth	1000.00	-
27,50,000	-	Religare FMP Series XVII Plan E (369 Days) Direct Plan - Growth	275.00	-
75,00,000	-	ICICI FMP Series 66 - 366 Days Plan D Direct Plan - Growth	750.00	-
54,90,250	-	HDFC FMP 369D December 2012 (1) Series XXIII - Growth	549.03	-
29,99,550	29,99,550	UTI Fixed Income Interval Fund Annual Interval Plan IV - Inst.- Growth Plan	300.00	300.00
1,00,00,000	-	SBI Debt Fund Series 366 Day -17 - Growth	1000.00	-
1,58,01,471	-	UTI FIIF -Annual Interval Plan S II- Inst. - Growth	2000.00	-
27,60,663	-	HDFC FMP 392D March 2012 (2) - Growth Series XXI	276.07	-
75,00,000	-	HDFC FMP 390D March 2012 (1) - Growth Series XXI	750.00	-
25,00,000	-	SBI SDFS 13 Months 13 - Growth	250.00	-
27,51,875	-	HDFC FMP 400D March 2012 (1) - Growth Series XXI	275.19	-
75,00,000	-	IDFC FMP Thirteen Months Series 7 - Growth	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 - 12.5 M - Growth	550.81	-
40,00,841	-	DSP Blackrock FMP Series 43 - 12M - Growth	400.08	-
25,00,000	-	KOTAK FMP Series 80 - Growth	250.00	-
55,07,250	-	Reliance Fixed Horizon Fund XXI Series 18 - Growth	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 Plan	200.00	-
50,00,926	-	TATA FMP Series 39 Scheme G - Growth	500.09	-
20,00,000	-	JM Fixed Maturity Fund Series XXII - Plan A - Growth	200.00	-

(₹ in lacs)

As at 31st March, 2013	As at 31st March, 2012		As at 31st March, 2013	As at 31st March, 2012
2.14 : CURRENT INVESTMENTS (Contd.)				
Number of Shares / Securities / Bonds / Units				
50,03,361	-	ICICI FMP Series 63 1 Year Plan E Cumulative	500.34	-
40,00,000	-	HSBC Fixed Term Series 86 - Growth	400.00	-
-	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	-	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	-	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	-	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	-	500.00
-	50,00,000	UTI Fixed Term Income Fund Series X - VI (368 Days) - Growth Plan	-	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	-	500.00
-	50,10,865	ICICI Prudential FMP Series 59 - 1 Year Plan B Cumulative	-	501.09
-	75,00,000	HDFC FMP 370D May 2011 (1) - Growth Series XVIII	-	750.00
-	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
			26975.04	14573.52
UNQUOTED				
52,63,544	-	HDFC Floating Rate Income Fund LT Direct Plan - Growth	1075.00	-
-	19,23,965	UTI Dynamic Bond Fund - Growth Plan	-	200.00
			1075.00	200.00
			36248.01	22763.95
Less : Provision for diminution in value of Current Investments				
			-	0.90
		TOTAL CURRENT PORTION OF LONG-TERM INVESTMENT AS PER AS-13	36248.01	22763.05
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
			-	3492.04

(₹ in lacs)

As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
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2.14 : CURRENT INVESTMENTS (Contd.)

Number of Shares / Securities /
Bonds / Units

		UNQUOTED	
-	1,03,21,979	Canara Robeco Income Fund - Growth	2000.08
-	99,01,362	Canara Robeco Short Term Institutional - Growth Fund	1000.43
-	1,79,73,571	DWS Short Maturity Fund - Institutional - Growth	2211.46
50,00,713	50,00,713	L & T Short Term Income Fund - Growth (Formerly Fidelity Short Term Income Fund - Growth)	500.07
-	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
-	1,43,72,468	ICICI Prudential Institutional Short Term Plan - Cumulative	3103.79
-	1,47,80,729	Reliance Short Term Fund - Growth	2909.86
-	8,48,563	UTI Short Term Income Fund Institutional Plan - Growth	102.42
-	9,99,830	DWS Money Plus Fund - Institutional Plan - Growth	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
-	51,78,999	IDFC Ultra Short Term Fund - Growth	767.12
35,87,426	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	Reliance Money Manager Fund - Retail - Growth (Face Value of ₹ 1,000/- each)	50.00
-	19,15,335	Reliance Treasury Plan Institutional Option - Growth (Face Value of ₹ 1,000/- each)	500.00
-	71,404	SBI SHF - Ultra Short Term Fund Inst. Plan - Growth (Face Value of ₹ 1,000/- each)	1000.00
-	1,03,738	UTI Treasury Advantage Fund - Inst. Plan - Growth (Face Value of ₹ 1,000/- each)	1500.00
		1031.97	25155.57

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
		-	7103.52

	1031.97	35751.13
Less : Provision for diminution in value of Current Investments	-	27.61

TOTAL OTHER CURRENT INVESTMENTS

TOTAL CURRENT INVESTMENTS

Aggregate Book Value of Quoted Current Investments	35173.01	26050.99
Aggregate Book Value of Unquoted Current Investments	2106.97	32435.58
	37279.98	58486.57
Aggregate Market Value of Quoted Current Investments	36040.20	26227.55
Aggregate provision made for diminution in value of Current Investments	-	28.51
Aggregate Book Value of Total (Non-Current and Current) Quoted Investments	92780.82	71083.96
Aggregate Book Value of Total (Non-Current and Current) Unquoted Investments	34292.30	33397.04
	127073.12	104481.00
Aggregate Market Value of Total (Non-Current and Current) Quoted Investments	99178.28	75573.03

a) 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'.

(₹ in lacs)		
2.15 : INVENTORIES	As at 31st March, 2013	As at 31st March, 2012
(As valued and certified by the Management)		
Raw Materials (including Goods-in-transit ₹ 930.54, Previous Year ₹ 298.76)	5307.86	4131.24
Work-In-Progress	10081.39	3456.41
Finished Goods (including Goods-in-transit ₹ 208.20, Previous Year ₹ 663.17)	12113.70	5533.17
Traded Goods	-	14.87
Stores and Spares etc. (including Goods-in-transit ₹ 328.04, Previous Year ₹ 523.97)	29511.11	28445.60
	57014.06	41581.29

Details of Inventories :

	Finished Goods		Work-In-Progress	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Cement	8370.69	3004.41	9458.32	3161.79
Jute	3475.85	2356.35	538.74	187.81
Others	267.16	172.41	84.33	106.81
	12113.70	5533.17	10081.39	3456.41

2.16 : TRADE RECEIVABLES

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Outstanding for a period exceeding six months				
Secured, considered good	-	-	326.12	139.55
Unsecured, considered good	-	-	507.70	286.60
Doubtful	503.84	499.07	-	-
	<u>503.84</u>	<u>499.07</u>	<u>833.82</u>	<u>426.15</u>
Provision for doubtful receivables	503.84	499.07	-	-
	<u>-</u>	<u>-</u>	<u>833.82</u>	<u>426.15</u>
Other Receivables				
Secured, considered good	-	-	2110.25	660.51
Unsecured, considered good	-	-	4552.22	2637.86
	<u>-</u>	<u>-</u>	<u>6662.47</u>	<u>3298.37</u>
Amount disclosed under the head "Other Assets" (Note No. 2.13)	-	-	-	-
	<u>-</u>	<u>-</u>	7496.29	3724.52

2.17 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks :

In Current/Cash Credit Account	1948.14	101.70
In Fixed Deposit Accounts with original maturity of less than three months	138.00	1256.91
Cheques/Drafts on hand and Remittances in transit	3548.82	1915.06
Cash in hand	17.22	23.89
	<u>5652.18</u>	<u>3297.56</u>

Other Bank Balances

Balance in Unpaid Dividend Account	120.42	101.95
Earmarked balances with Banks	100.00	100.00
Balances with Bank held as margin money/ security	239.42	1396.75
Fixed Deposit with Banks with maturity period of more than 12 months	490.00	-
Other Fixed Deposit with Banks	21261.00	37745.00
	<u>22210.84</u>	<u>39343.70</u>
	27863.02	42641.26

	(₹ in lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
2.18 : REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (including Export Sales of ₹ 4686.79, Previous Year ₹ 7192.21)	294347.20	254192.72
Own Consumption	1167.06	1486.40
	<u>295514.26</u>	<u>255679.12</u>
Other Operating Revenues		
Incentives & Subsidies	3119.58	2299.85
Export Benefits	173.53	339.12
Miscellaneous Sale	390.73	1301.40
Insurance and Other Claims (Net)	236.25	62.69
	<u>3920.09</u>	<u>4003.06</u>
	<u>299434.35</u>	<u>259682.18</u>
Details of Sale of Products		
Cement	286178.16	233904.71
Jute	7903.79	19826.52
Others	265.25	461.49
	<u>294347.20</u>	<u>254192.72</u>
2.19 : OTHER INCOME		
Interest Income		
On Investments		
Long-term	3302.92	3719.14
Current	211.72	720.26
On Banks Deposits (Net of Capitalisation of ₹ 58.51, Previous Year ₹ 141.78)	3675.46	3042.54
On Other Deposits, etc	120.40	101.94
Dividend Income		
On Long-term investments	105.83	114.95
On Current investments	358.00	1583.62
Net gain/ (loss) on sale of Investments		
On Long-term investments	1494.04	2213.61
On Current investments	2547.93	81.25
Other Non Operating Income		
Excess Liabilities and Unclaimed Balances written back	505.55	620.68
Excess Depreciation written back	40.97	113.44
Insurance and Other Claims (Net)	173.13	141.58
Adjustments to the carrying amount of Investments (Net of provision of ₹ 0.05, Previous Year ₹ 27.61)	27.63	33.14
Miscellaneous Income	148.06	129.61
	<u>12711.64</u>	<u>12615.76</u>

(₹ in lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
2.20 : COST OF MATERIALS CONSUMED		
Raw Material Consumed	52634.21	36324.95
	52634.21	36324.95
Details of Raw Material Consumed		
Limestone	22902.05	12928.14
Clinker	15026.17	6279.37
Gypsum	7733.12	6873.10
Slag	3970.69	2415.82
Fly Ash	6633.50	5757.94
Jute	4221.33	9928.90
Others	1655.19	988.85
	62142.05	45172.12
Less : Lime Stone (Own raising)	9507.84	8847.17
	52634.21	36324.95
2.21 : PURCHASE OF TRADED GOODS		
Traded Goods - Jute Goods	487.08	117.75
	487.08	117.75
2.22 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	5533.17	7388.11
Work-In-Progress	3456.41	5672.86
Traded Goods	14.87	-
	9004.45	13060.97
Inventories at the end of the year		
Finished Goods	12113.70	5533.17
Work-In-Progress	10081.39	3456.41
Traded Goods	-	14.87
	22195.09	9004.45
	(13190.64)	4056.52
2.23 : EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	17715.76	17824.81
Contribution to Provident and Other Funds	1621.45	1699.66
Gratuity Expenses	1571.34	793.03
Contribution to Superannuation Fund	350.56	335.04
Staff Welfare Expenses	724.61	786.38
	21983.72	21438.92
Less: Amount Capitalised	26.08	42.86
	21957.64	21396.06
2.24 : FINANCE COSTS		
Interest Expenses		
To Debenture Holders	4458.32	4466.68
" Banks on Term Loans, etc.	1476.37	1082.00
" Banks on Working Capital Loans	866.47	1213.81
On Deposits & Others	871.68	1625.05
	7672.84	8387.54
Other Borrowing Costs		
Other Financial Charges	399.61	102.66
Applicable net (gain)/loss on foreign currency transactions and translations	829.64	2377.20
	8902.09	10867.40
Less : Amount Capitalised	2416.35	5616.64
	6485.74	5250.76

	(₹ in lacs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
2.25 : OTHER EXPENSES		
MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	21734.92	19048.88
Power & Fuel (net of capitalisation ₹ 86.73 , Previous Yr ₹ 55.12)	61759.47	53455.78
Royalty & Cess	2921.31	3740.75
Repairs to Buildings	799.24	830.61
Repairs to Machinery	1556.43	1528.93
Repairs to Other Assets	148.41	157.75
Freight & Material Handling on Inter Unit Transfer	11398.65	8411.38
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	734.72	(255.87)
Other Manufacturing Expenses	2742.19	2458.15
	103795.34	89376.36
SELLING AND ADMINISTRATION EXPENSES		
Brokerage & Commission on Sales	1265.06	1144.46
Transport & Forwarding Expenses	44559.54	32627.46
Insurance	338.76	303.62
Rent	757.80	556.07
Rates & Taxes	1304.25	726.10
Development Cess on Cement	48.14	44.58
Advertisement	1359.07	1231.35
Prior Period Items	26.87	5.78
Charity & Donation	650.77	52.40
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	21.00	21.00
Tax Audit Fees	5.00	5.00
Travelling Expenses	2.00	2.33
Issue of Certificates (Including fees for limited review ₹ 9.10, Previous Year ₹ 8.95)	17.28	17.94
Cost Auditors -		
Audit Fees	2.25	2.25
Travelling Expenses	0.38	0.18
Loss on sale/discard of Fixed Assets (Net)	25.75	1.69
Net (Gain)/Loss on Foreign currency transaction and translation (Net of capitalisation of ₹ 1229.12, Previous year ₹ 270.63)	350.38	1037.92
Provision for Doubtful Debts/Advances (Net of Prov For Doubtful Debts Written Back ₹ 15.45, PY ₹ 52.21)	106.00	125.84
Directors' Fees	9.70	10.80
Other Expenses	4478.47	4261.44
	55328.47	42178.21
	159123.81	131554.57
2.26 : DEPRECIATION AND AMORTISATION EXPENSES		
On Tangible Assets	10398.58	8020.66
On Intangible Assets	60.97	-
On Investment Property	0.80	0.81
	10460.35	8021.47
Less: Transferred from Reserve on Revaluation	21.18	21.18
	10439.17	8000.29
2.27 : TAX EXPENSE		
Current Tax for the year	6875.00	6616.79
Less : MAT Credit Entitlement	(4610.00)	-
Less : Income Tax related to earlier years	(20.40)	(5.81)
Current Tax	2244.60	6610.98
Deferred Tax	5844.37	4073.21
	8088.97	10684.19

(₹ in lacs)

2.28 Contingent Liabilities not provided for –

(a) Claims/Disputes/Demands not acknowledged as debts –

	2012-13	2011-12
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.	132.11	264.84
v) Cenvat Credit taken on Goods Transporting Agency service on the basis of TR-6 challan disallowed. Appeal filed before the Custom Excise & Service Tax Appellate Tribunal, New Delhi and stay granted in the matter.	190.94	190.94
vi) Excise Duty rebate of ₹ 969.13 received in earlier year by a Unit of the Company has been contested and disallowed by the Excise Authorities, which has demanded its recovery together with interest, after the matter was remanded to it by the Hon'ble Supreme Court. The Company is contemplating to file appeal before the Custom, Excise & Service Tax Appellate Tribunal.	2304.32	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) 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
ix) Appeal filed by the Excise Department before Custom Excise & Service Tax Appellate Tribunal, 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
x) Demand of penalty by Sub Divisional Officer, 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
xi) Demand under Income Tax Act, 1961 for Assessment Year 2009 - 10, the matter is pending before Income Tax Appellate Tribunal, Kolkata.	661.72	2851.05
xii) Demand under Income Tax Act, 1961 for Assessment Year 2010 - 11, the matter is pending before Commissioner of Income Tax (Appeals).	5562.27	NIL
xiii) Demand for Interest on Entry Tax under U.P. VAT Act. Case is pending before Hon'ble Supreme Court.	2474.03	1903.34
xiv) Demand of House Tax under Rajasthan Municipalities (Land and Building Tax) Rules 1961 raised by Municipal Board, Chittorgarh for the period 1987 to 2006. The matter is pending before Hon'ble High Court, Rajasthan.	251.73	251.73
xv) M P VAT on freight charges incurred in the state of Madhya Pradesh. Appeal filed and pending before the M. P. High Court, Jabalpur.	159.44	NIL
xvi) Demand for Bihar VAT raised by Assistant Commissioner of Commercial Taxes (Audit), Patna as per their re-assessment. Appeal filed and pending before Joint Commissioner of Commercial Taxes (Appeal).	940.04	NIL
xvii) Demand of Rajasthan Central Sales Tax for non submission of 'C' Form. Appeal filed and pending before Dy. Commissioner (Appeal), Udaipur.	391.94	NIL
xviii) Entry Tax as per The West Bengal Tax on Entry of Goods into Local Areas Act, 2012 on the entry of goods in the state of West Bengal. Matter is pending before Hon'ble High Court, Kolkata.	124.40	NIL
xix) Hon'ble High Court, Rajasthan, levied a compensation for alleged damage to the Chittorgarh Fort. Special Leave Petition has been filed before the Hon'ble Supreme Court and stay has been granted in the matter.	450.00	NIL
xx) Other Claims/Disputes/Demands (being less than ₹ 100.00) pending in various legal forums in regard to Sales Tax, Excise Duty & Service Tax, Rates & Taxes, E.S.I., Electricity Duty & Surcharge, Electricity Charges, Export Tax and other claims - ₹ 123.36, ₹ 644.28, ₹ 169.48, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96, ₹ 274.44 (Previous Year ₹ 145.50, ₹ 543.04, ₹ 188.60, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96 and ₹ 295.48) 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 ₹ 463.52 [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 ₹ 137.39]) in respect of Surcharge on Electricity, ₹ 6115.51 [Paid under protest ₹ 3912.68] (Previous Year ₹ 4695.10 [Paid under protest ₹ 3912.68]) in respect of demand of Royalty on Limestone including interest thereon, ₹ 390.59 [Paid under protest ₹ 20.00] (Previous Year ₹ 9.48 [Paid under protest ₹ 9.48]) in respect of MODVAT/CENVAT claims, ₹ 2106.76 [Paid under protest ₹ 311.29] (Previous Year ₹ 2092.50 [Paid under protest ₹ 261.49]) in respect of Sales Tax/VAT, ₹ 24.56 [Paid under Protest ₹ 12.28] (Previous Year ₹ 24.56) [Paid under protest ₹ 12.28] in respect of interest on delayed payment of Entry Tax, ₹ 12.99 [Paid under protest ₹ 2.00] (Previous Year ₹ 8.71 [Paid under protest ₹ 2.00]) in respect of Service Tax, ₹ 2935.31 [Paid under protest ₹ 1905.68] (Previous Year ₹ 1986.18) [Paid under protest ₹ NIL]) in respect of Income Tax and ₹ 30.67 [Paid under protest ₹ 19.18] (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 - ₹ 600.23 (Previous Year ₹ 594.38).		
(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 ₹ 834.96 and ₹ 301.82 (Previous Year ₹ 1009.30 and ₹ 1116.91) respectively.		

(₹ in lacs)

2.29 Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 2496.72 (Previous Year ₹ 3617.25).

2.30 Derivative Instruments and Unhedged Foreign Currency Instruments

- (a) Outstanding Forward/Future Contracts booked for the purpose of hedging receivables/firm commitments are USD/INR 2.13 (Previous Year USD/INR 2.38) and payables/firm commitments are USD/INR 282.00 and EURO/INR NIL and EURO/USD 6.55 (Previous Year USD/INR 195.00 and EURO/INR 5.00 and EURO/USD NIL).
- (b) Unhedged foreign currency receivables are USD 8.53, GBP NIL and EURO 0.23 (Previous Year USD 10.57, GBP 0.24 and EURO 0.23) and payables are USD 681.38 and EURO 2.00 (Previous Year USD 653.45 and EURO 0.71).

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, 2013	For the year ended 31st March, 2012
(i) Provident Fund	59.56	51.08
(ii) Superannuation Fund	350.56	335.01
(iii) Pension Fund	407.40	533.33

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

- (i) Benefits are of the following types :

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

	Gratuity		Pension	
	2012-13	2011-12	2012-13	2011-12
(ii) The amounts recognised in the Balance Sheet are as follows :				
Present value of funded obligations	9490.50	8021.97	-	-
Fair value of plan assets	8187.38	7502.19	-	-
Liabilities in respect of funded obligation	1303.12	519.78	-	-
Present value of unfunded obligations	-	-	110.32	53.12
Liabilities in respect of unfunded obligation	-	-	110.32	53.12
Total Liabilities	1303.12	519.78	110.32	53.12

(₹ in lacs)

	Gratuity		Pension	
	2012-13	2011-12	2012-13	2011-12
(iii) The amounts recognised in the Statement of Profit & Loss Account are as follows :				
Current service cost	445.28	317.78	-	-
Interest on obligation	648.07	593.95	3.79	3.37
Expected return on plan assets	(638.77)	(602.23)	-	-
Net actuarial losses/(gains) recognised during the year	1116.76	483.53	70.42	25.43
Losses/(Gains) on curtailments and settlements	-	-	-	-
Total, included in 'Payments to and Provision for Employees'	1571.34	793.03	74.21	28.80
Actual return on plan assets	691.37	645.84	-	-
(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	8021.97	7390.64	53.12	42.08
Service cost	445.28	317.78	-	-
Interest cost	648.07	593.95	3.79	3.37
Actuarial losses/(gains)	1169.36	527.14	70.42	25.43
Benefits paid	(794.18)	(807.54)	(17.01)	(17.76)
Closing defined benefit obligation	9490.50	8021.97	110.32	53.12
(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	7502.19	7311.85	-	-
Expected return	638.77	602.23	-	-
Actuarial gains/(losses)	52.61	43.61	-	-
Contribution by employer	788.00	352.04	-	-
Benefits paid	(794.18)	(807.54)	-	-
Closing fair value of plan assets	8187.39	7502.19	-	-
a) Fair value of plan assets does not include any amount for Company's 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%	-	-

(₹ in lacs)

	Gratuity		Pension	
	2012-13	2011-12	2012-13	2011-12
(vii) Principal actuarial assumptions at the Balance Sheet date are as follows :				
Discount rate at 31st March	8.00% p.a.	8.50% p.a.	8.00% p.a.	8.50% p.a.
Expected return on plan assets at 31st March	8.50% p.a.	8.50% p.a.	-	-
Mortality Rate	IAL (2006-08) Modified ultimate	IAL (1994-96) Modified ultimate	-	-
Salary Escalation	5% to 7%	5%	-	-
Withdrawal Rate	2% to 5%	1% to 3% depending on age	-	-

(viii) Amounts for the current and previous four periods are as follows :

	Gratuity	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation		9490.50	8021.97	7390.64	7113.39	6813.73
Plan assets		8187.38	7502.19	7311.85	6773.92	6091.19
Surplus/(Deficit)		(1303.12)	(519.78)	(78.79)	(339.47)	(722.54)
Experience gain/(loss) adjustments on plan liabilities		(129.55)	(991.55)	-	-	-
Experience gain/(loss) adjustments on plan Assets		52.61	43.61	82.45	47.69	15.83
Pension						
Defined benefit obligation		110.32	53.12	42.08	53.59	68.74
Experience gain/(loss) adjustments on plan liabilities		(70.42)	(25.43)	(2.96)	1.73	(26.02)

- (ix) 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 return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.
- (x) 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.
- (xi) The Company expects to contribute ₹ 1500 (Previous Year ₹ 500) to its gratuity fund in 2013-14.
- (xii) Provident funds in the nature of defined benefit plans contribution amounting to ₹ 580.44 (Previous Year ₹ 584.95) and the accrued past service liability of ₹ 188.33 (Previous Year ₹ 31.79) as valued by the actuary is recognised as an expense and included in 'Payments to and Provision for Employees'.

2.33 The Board of Directors in its meeting held on 28th July, 2012 has elevated Shri B.R. Nahar from Executive Director & Chief Executive Officer of the company to Managing Director and also revised the maximum limit of Performance Linked Bonus payable to him from ₹ 50 to ₹ 100. The above is subject to the approval of the shareholders of the Company in the ensuing General Meeting.

2.34 Consequent to the implementation of SAP ERP System at Cement and Steel Foundry Units from 1st December, 2012, the method of valuation of Inventory of Raw Materials has been changed from FIFO basis to Weighted Average basis. As a result of this change, Inventory Value as on 31st March, 2013 and profit for the year ended 31st March, 2013 are higher by ₹ 547.15.

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

2.36 Certain Trade Receivables, Loans and Advances and Creditors are subject to confirmation.

- 2.37**
- The Company's Unit Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.
 - The Company's Unit Birla Jute Mills was under Suspension of Operations from 31st March, 2012 to 17th October, 2012.
 - 'Lay Off' was declared in Auto Trim Division, Birlapur, w.e.f. 28th August, 2012. Birla Vinoleum, Birlapur, continued to remain under 'Lay Off' during year on account of lack of demand.
 - The Mining Operations of the Chanderia Unit of the Company remained suspended during the year owing to an order of the Hon'ble Rajasthan High Court at Jodhpur. A Special Leave Petition (SLP) was filed by the company before the Hon'ble Supreme Court against the order. While hearing prayer on 8th March, 2013 Hon'ble Supreme Court had permitted mining activities with mechanical means without blasting for a period of four weeks, i.e. from 18th March, 2013 to 14th April, 2013 to enable Central Building Research Institute, Roorkie (CBRI) to study the impact of such mining activities on Chittorgarh Fort. The final report of CBRI on such study is pending submission.

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

(₹ in lacs)

2.39 Segment Reporting

A) Primary Segment Information

	2012-13					2011-12				
	Cement	Jute	Others	Inter Segment Elimination	Total	Cement	Jute	Others	Inter Segment Elimination	Total
BUSINESS SEGMENT										
Segment Revenue										
(a) External Sales	247482	7819	1075		256376	203810	19617	1260		224687
(b) Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue	247482	7819	1075	-	256376	203810	19617	1260	-	224687
Segment Result	34245	(1194)	(313)		32738	31365	55	(305)		31115
(Profit before Interest & Tax)										
Less : (i) Interest					6486					5251
(ii) Other un-allocable expenditure net off un-allocable income					(8819)					(8741)
Profit before Tax					35071					34605
Provision for :										
Current Tax					2245					6611
Deferred Tax					5844					4073
Profit after Tax					26982					23921
OTHER INFORMATION										
Segment Assets	270392	12587	2844		285823	235802	11058	2779		249639
Common Assets					166726					157488
Total					452549					407127
Segment Liabilities	47154	1922	247		49323	35167	2204	231		37602
Common Liabilities					40693					32754
Total					90016					70356
Capital Expenditure	20316	310	5		20631	48989	1718	28		50735
Common Capital Expenditure					636					453
Total					21267					51188
Depreciation	9786	305	174		10265	7431	291	181		7903
Common Depreciation					174					97
Total					10439					8000

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 1.59% (Previous Year 2.83%) 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, 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 which is based on cost plus profit.

Under the current business environment, generated power is primarily being used for captive consumption. Accordingly, based on the current internal financial reporting structure and having regard to the general industry practices, the Company has decided to consider Power as part of Cement Segment for Segment Reporting purpose.

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.

Talavadi Cements Ltd.

Lok Cements Ltd.

Budge Budge Floorcoverings Ltd.

Birla Cement (Assam) Ltd.

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 :

- | | | |
|-----|--------------------------|--|
| i) | Associates | Birla Readymix Private Limited |
| | | Birla Odessa Industries Private Limited |
| ii) | Key Management Personnel | Shri Bachh Raj Nahar, <i>Managing Director</i> |

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

	2012-2013			2011-2012		
	Subsidiaries	Associates	Key Mgmt. Personnel	Subsidiaries	Associates	Key Mgmt. Personnel
Purchases of goods/services	104.68	-	-	119.29	-	-
Payment of rent	8.64	-	-	-	-	-
Receipt of rent	0.03	-	-	0.03	-	-
Advances given	52.88	0.28	-	120.45	-	-
Advances recovered	48.44	0.03	-	113.88	-	-
Advances received	-	-	-	0.08	-	-
Advances repaid	-	-	-	0.08	-	-
Remuneration, Perquisites & Others	-	-	237.10	-	-	166.66
Balance outstanding at year end :						
Creditors	7.78	-	-	-	-	-
Advances given	215.37	0.25	-	210.93	-	-

(₹ in lacs)

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

	2012 - 2013				2011 - 2012			
	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	2602.68	4.94	86.38	2.00	3105.81	8.55	87.35	1.70
Indigenous	50031.53	95.06	4224.29	98.00	33219.14	91.45	5049.76	98.30
	52634.21	100.00	4310.67	100.00	36324.95	100.00	5137.11	100.00

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

	2012-2013	2011-2012
(a) C.I.F. Value of Imports during the year –		
Raw Materials	1618.55	3419.84
Spare Parts	241.53	644.58
Capital Goods	1727.95	6822.19
(b) Expenditure in Foreign Currency –		
Interest	1106.80	1168.04
Travelling	35.30	81.32
Professional Service	141.09	36.43
Others	4131.77	655.54
(c) Earnings in Foreign Currency –		
Export of goods on F.O.B. basis (Including exports in Indian Currency - ₹ 1999.26, Previous Year ₹ 1210.14)	4532.08	6953.03
Sale of Certified Emission Reductions	-	739.78

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.
The 20th day of May, 2013

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

HARSH V. LODHA

VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Chairman

Directors

B. R. NAHAR

Managing Director

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES INCLUDING SUBSIDIARIES OF SUBSIDIARIES

(In terms of Government of India, Ministry of Corporate Affairs General Circular No. : 2/2011, No. : 5/12/2007-CL-III dated 8th February, 2011)

(₹ 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	(189.96)	238.78	28.74	-	11.47	11.47	-	(15.63)	(5.27)	(10.36)	-
2.	Bitla Jute Supply Company Limited	INR	6.00	73.74	80.54	0.80	-	-	-	-	7.04	1.84	5.20	-
3.	Talavadi Cements Limited	INR	600.00	204.07	867.61	63.54	0.10	123.00	123.10	-	89.38	23.95	65.43	-
4.	Lok Cements Limited	INR	100.07	(15.31)	296.99	212.23	-	-	-	-	(3.87)	-	(3.87)	-
5.	Birla Corporation Cement Manufacturing PLC	Ethiopian Birr	50.17	(11.53)	47.81	9.17	-	-	-	-	(8.61)	-	(8.61)	-
6.	Bitla Cement (Assam) Limited	INR	5.00	(1.01)	4.06	0.07	-	-	-	-	(0.13)	-	(0.13)	-
7.	M.P. Birla Group Services Pvt. Ltd.	INR	2.00	(0.73)	1.34	0.07	0.03	-	0.03	-	(0.24)	-	(0.24)	-

Exchange Rate as on 31st March, 2013 : 1 Ethiopian Birr = ₹ 2.9513

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of Birla Corporation Limited

1. We have audited the accompanying consolidated financial statements of **Birla Corporation Limited (the "Company")**, its Subsidiaries and Associates (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true

and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the **profit** of the Group for the year ended on that date and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

6. We did not audit the financial statements of all the subsidiaries of the Company, whose financial statements reflect total assets of ₹ 1537.13 lacs as at 31st March, 2013, total revenue of ₹ 166.01 lacs and net cash outflow amounting to ₹ 17.72 lacs for the year ended on that date and financial statements of two associates in which the share of loss of the group is ₹ 0.10 lacs. 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.
7. Our opinion is not qualified in respect of other matter.

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

Chartered Accountants

Firm Registration No. 302050E

1B, Old Post Office Street,
Kolkata-700 001.
The 20th day of May, 2013

Rajiv Singhi
Partner
Membership No. 053518

BALANCE SHEET as at 31st March, 2013

(₹ in lacs)

	Note No.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	2.1	7700.89	7700.89
Reserves and Surplus	2.2	237597.39	216882.44
		245298.28	224583.33
Minority Interest	2.3		
Equity		11.96	11.96
Non Equity		(11.24)	(11.96)
		0.72	-
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.4	89738.46	75223.81
Deferred Tax Liabilities (Net)	2.5	21256.12	15412.71
Other Long-Term Liabilities	2.6	25049.05	22163.84
Long-Term Provisions	2.7	3623.13	3386.62
		139666.76	116186.98
CURRENT LIABILITIES			
Short-Term Borrowings	2.8	27788.96	37209.52
Trade Payables	2.9	12663.78	10122.56
Other Current Liabilities	2.10	21632.81	15160.48
Short-Term Provisions	2.7	5882.33	4202.26
		67967.88	66694.82
TOTAL		452933.64	407465.13
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.11	173370.90	135420.33
Intangible Assets	2.11	474.61	15.28
Capital Work-In-Progress		22857.31	50962.39
Intangible Assets under Development		12.92	430.22
		196715.74	186828.22
Non-Current Investments		88848.41	45049.79
Long-Term Loans and Advances	2.12	13388.10	8400.64
Other Non-Current Assets	2.13	3256.80	3195.00
		302209.05	243473.65
CURRENT ASSETS			
Current Investments		37414.45	58687.20
Inventories	2.14	57069.63	41643.03
Trade Receivables	2.15	7496.29	3724.53
Cash and Bank Balances	2.16	28200.76	42846.73
Short-Term Loans and Advances	2.12	9704.00	7850.13
Other Current Assets	2.13	10839.46	9239.86
		150724.59	163991.48
TOTAL		452933.64	407465.13

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.
The 20th day of May, 2013

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

HARSH V. LODHA

Chairman

VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Directors

B. R. NAHAR

Managing Director

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2013

(₹ in lacs)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
INCOME			
Revenue from Operations (Gross)	2.17	299434.35	259682.18
Less: Excise duty		39138.42	30992.32
Revenue from Operations (Net)		260295.93	228689.86
Other Income	2.18	12762.66	12626.40
Total Revenue		273058.59	241316.26
EXPENSES			
Cost of Materials Consumed	2.19	52535.45	36205.64
Purchases of Traded Goods	2.20	487.08	117.75
(Increase)/ Decrease in Inventories of Finished Goods,	2.21	(13190.63)	4056.51
Work-in-Progress and Traded Goods			
Employee Benefits Expense	2.22	21959.72	21396.23
Finance Costs	2.23	6485.74	5264.17
Other Expenses	2.24	159151.76	131575.01
		227429.12	198615.31
Profit before Tax, Depreciation and Amortisation		45629.47	42700.95
Depreciation and Amortisation Expenses	2.25	10490.99	8058.01
Profit before Tax		35138.48	34642.94
Tax Expense:	2.26		
Current Tax		2266.08	6615.64
Deferred Tax		5843.41	4083.43
Profit for the year before share of results of associates and minority interest		27028.99	23943.87
Less : Minority Interest		0.72	-
Less : Share of Loss in Associates		0.10	0.04
Profit for the year		27028.17	23943.83
Earnings Per Share [Nominal value ₹ 10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year		77005347	77005347
Basic and Diluted earnings per share		35.10	31.09

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.

The 20th day of May, 2013

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

HARSH V. LODHA

Chairman

VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Directors

B. R. NAHAR

Managing Director

CASH FLOW STATEMENT for the year ended 31st March, 2013

(₹ in lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Cash Flow from Operating Activities :		
Profit before Tax	35138.48	34642.94
Adjustments for :		
Depreciation & Amortisation	10490.99	8058.01
Investing Activities (Net)	(11868.97)	(11619.84)
Provision for doubtful debts	106.00	125.85
Excess Liabilities and unclaimed balances written back (Net)	(505.85)	(620.74)
Excess Depreciation written back	(40.97)	(113.44)
Unrealised Loss/ (Gain) on Foreign Exchange	1370.04	1611.86
Finance Costs	6485.74	5264.17
Operating Profit before Working Capital Changes	41175.46	37348.81
Adjustments for :		
(Inc)/ Dec in Trade Receivables	(3877.77)	562.45
(Inc)/ Dec in Inventories	(15426.61)	(5620.79)
(Inc)/ Dec in Loans and Advances & Other Assets	(4282.61)	(4882.43)
Inc/ (Dec) in Trade Payables & Other Liability	8038.25	3991.39
Inc/ (Dec) in Provisions	1224.07	578.41
Cash generated from operations	26850.79	31977.84
Direct Taxes Paid	(7209.15)	(7483.34)
Net Cash from Operating Activities	19641.64	24494.50
Cash Flow from Investing Activities :		
Purchase of Tangible & Intangible Assets including		
CWIP/ Capital Advances	(18482.69)	(43594.71)
Sale of Tangible Assets	467.37	601.45
(Purchase)/Sale of Investments (Net)	(18448.72)	14818.77
(Inc)/ Dec in Other Bank Balances	16981.33	(7866.49)
Government Grant Received	-	16.87
Interest received	7888.76	9164.84
Dividend received	469.20	1701.52
Net Cash used in Investing Activities	(11124.75)	(25157.75)
Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	19376.01	16026.04
Repayments of Long Term Borrowings	(1888.12)	(870.71)
(Repayments)/Proceeds from Short Term Borrowings	(9414.88)	2256.19
Interest Paid	(8903.16)	(10832.26)
Dividend Paid	(4601.85)	(4608.68)
Corporate Dividend Tax paid	(749.53)	(749.53)
	(6181.53)	1221.05
Net Increase in Cash and Cash Equivalents	2335.36	557.80
Cash and Cash Equivalents (Opening Balance)	3380.76	2822.96
Cash and Cash Equivalents (Closing Balance)	5716.12	3380.76

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.

The 20th day of May, 2013

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

HARSH V. LODHA

Chairman

VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Directors

B. R. NAHAR

Managing Director

Notes to Financial Statements for the year ended 31st March, 2013

(₹ 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	98.01%	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, Ethiopia

<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 In case of foreign subsidiaries, being non-integral foreign operation, revenue items are translated at the average rates prevailing during the period. Assets, Liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognised in the "Foreign Currency Translation Reserve."

1.4 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, 2013

		(₹ in lacs)	
		<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
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:

<u>Ordinary Shares of ₹ 10/- each fully paid</u>	<u>As at 31st March, 2013</u>		<u>As at 31st March, 2012</u>	
	<u>No. of Shares</u>	<u>% Holding</u>	<u>No. of Shares</u>	<u>% Holding</u>
Hindustan Medical Institution	71,59,460	9.30	71,59,460	9.30
Vindhya Telelinks Limited	63,80,243	8.29	63,80,243	8.29
August Agents Limited	60,15,912	7.81	60,15,912	7.81
Insilco Agents Limited	60,04,080	7.80	60,04,080	7.80
Laneseda Agents Limited	59,94,680	7.79	59,94,680	7.79
The Punjab Produce & Trading Co. (P) Limited	45,20,572	5.87	45,20,572	5.87
Life Insurance Corporation of India	39,48,117	5.13	39,48,117	5.13

- 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.

(₹ in lacs)

2.2 : RESERVES AND SURPLUS

Capital Reserves

Surplus on Amalgamation

As per last Financial Statements

105.08

105.08

105.08

105.08

On Consolidation

213.32

213.32

Others

As per last Financial Statements

199.31

182.44

Add : Project Capital Subsidy received during the year

-

16.87

199.31

199.31

Debenture Redemption Reserve

As per last Financial Statements

4625.00

2975.00

Add : Transferred from Surplus

1650.00

1650.00

6275.00

4625.00

Revaluation Reserve

As per the last Financial Statements

757.50

778.68

Less : Adjustments in respect of sales/discard of Fixed Assets

0.82

-

756.68

778.68

Less : Transfer to the Statement of Profit and Loss being difference
of depreciation on revalued cost of assets and on the original cost

21.18

21.18

735.50

757.50

Foreign Currency Translation Reserve

As per last Financial Statements

4.42

-

Add : Addition during the year

0.37

4.42

4.79

4.42

General Reserve

As per last Financial Statements

200035.84

175035.84

Add : Transferred from Surplus

15000.00

25000.00

215035.84

200035.84

Surplus

As per last Financial Statements

10941.97

19017.99

Add : Profit for the year

27028.17

23943.83

37970.14

42961.82

Less: Appropriations

Debenture Redemption Reserve

1650.00

1650.00

Interim Dividend

1925.13

1925.13

Corporate Dividend Tax on Interim Dividend

312.30

312.30

Proposed Final Dividend

3465.24

2695.19

Corporate Dividend Tax on Proposed Final Dividend

588.92

437.23

General Reserve

15000.00

25000.00

22941.59

32019.85

Net Surplus

15028.55

10941.97

237597.39

216882.44

(₹ in lacs)

**2.3 : MINORITY INTEREST
IN EQUITY**

Talavadi Cements Ltd.

1,19,600 Equity Shares (2011-12 : 1,19,600) held by minority
having 1.99% (2011-12 : 1.99%) interest

IN NON-EQUITY

Talavadi Cements Ltd.

Balance brought forward.

As at 31st March, 2013

As at 31st March, 2012

11.96

11.96

(11.24)

(11.96)

0.72

-

2.4 : LONG-TERM BORROWINGS

Non-current portion

Current Maturities

**As at
31st March, 2013**

**As at
31st March, 2012**

**As at
31st March, 2013**

**As at
31st March, 2012**

**Non-Convertible Debentures (NCD) (Secured)
(Face Value of ₹10,00,000/- each)**

1300 (Previous Year : 1300) 9.05% NCD 2020

13000.00

13000.00

-

-

1500 (Previous Year : 1500) 9.10% NCD 2020

15000.00

15000.00

-

-

1200 (Previous Year : 1200) 8.80% NCD 2017

12000.00

12000.00

-

-

1000 (Previous Year : 1000) 8.65% NCD 2015

10000.00

10000.00

-

-

50000.00

50000.00

-

-

Term Loans (Secured)

Rupee Loans from Bank

-

4756.38

3975.00

73.75

Foreign Currency Loans from Banks

39738.46

20467.43

1102.22

1032.99

39738.46

25223.81

5077.22

1106.74

Total Secured Borrowings

89738.46

75223.81

5077.22

1106.74

Amount disclosed under the head "Other Current Liability"
(See Note No. 2.10)

89738.46

75223.81

(5077.22)

(1106.74)

-

-

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.

- 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 Debenture holders and other term lenders.
- Foreign Currency Loans from Banks of ₹ 8266.68 is repayable in remaining fifteen 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 ₹ 4071.75 is repayable in July/August, 2016 and ₹ 9500.75 is repayable in December, 2016/January, 2017 and is 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.
- Foreign Currency Loans from Banks of ₹ 19001.50 is repayable in five annual installments of ₹ 2035.87 in September, 2015, ₹ 2035.87 in September, 2016, ₹ 3393.13 in September, 2017, ₹ 4750.38 in September, 2018, ₹ 6786.25 in September, 2019, and is 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, 2013</u>		<u>As at 31st March, 2012</u>	
2.5 : DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities				
Arising on account of :				
Depreciation		26605.68		20068.77
Less : Deferred Tax Assets				
Arising on account of :				
Section 43B of Income-Tax Act	4532.59		4168.79	
Others	<u>816.97</u>	5349.56	<u>487.27</u>	4656.06
Deferred Tax Liabilities (Net)		<u>21256.12</u>		<u>15412.71</u>

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	29266.57		25488.53	
Less : Paid under protest	15217.60	14048.97	13043.46	
				12445.07
Liability for Capital Goods		-		16.23
Trade and Security Deposits		10510.08		9212.54
Other Payables		489.73		489.73
		25048.78		22163.57
		25049.05		22163.84

2.7 : PROVISIONS

	Long-term		Short-term	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Provision for Employee Benefits	1933.67	1790.16	1828.17	747.61
Other Provisions				
Provisions for Taxation (Net of Payments)	1689.46	1596.46	-	322.23
Proposed Dividend	-	-	3465.24	2695.19
Corporate Dividend Tax	-	-	588.92	437.23
	1689.46	1596.46	4054.16	3454.65
	3623.13	3386.62	5882.33	4202.26

(₹ in lacs)

As at 31st March, 2013

As at 31st March, 2012

2.8 : SHORT-TERM BORROWINGS

Working Capital Borrowings

From Banks

Rupee Loans (Secured)	9589.40	8372.87
Buyers Credit and Packing Credit in Foreign Currency (Secured)	205.87	-
Buyers Credit and Packing Credit in Foreign Currency (Unsecured)	3159.37	8165.21

From Others

Collateralised Borrowing and Lending Obligation (Secured)	6500.00	6500.00
	<u>19454.64</u>	<u>23038.08</u>

Deposits

Staff and Other Deposits (Unsecured)	<u>943.99</u>	<u>1182.00</u>
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Other Loans & Advances

From Banks

Buyers Credit in Foreign Currency (Secured)	1624.57	2165.34
Buyers Credit in Foreign Currency (Unsecured)	5765.76	10824.10
	<u>7390.33</u>	<u>12989.44</u>
	<u>27788.96</u>	<u>37209.52</u>

The above amount includes

Secured Borrowings	17919.84	17038.21
Unsecured Borrowings	<u>9869.12</u>	<u>20171.31</u>
	<u>27788.96</u>	<u>37209.52</u>

- 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.
- Buyers Credit in Foreign Currency are secured against lien on certain Units of Mutual Funds.
- Collateralised Borrowing and Lending Obligation is secured by deposit of certain Government Securities.

2.9 : TRADE PAYABLES

For Goods and Services	12663.78	10122.56
	<u>12663.78</u>	<u>10122.56</u>

2.10 : OTHER CURRENT LIABILITIES

Current maturities of Long-Term Debt (See Note No. 2.4)	5077.22	1106.74
Interest accrued but not due on Borrowings	917.67	918.74
Unpaid and unclaimed dividends	120.42	101.95
Statutory Dues	2348.17	2346.74
Employees related Liabilities	1253.86	1208.47
Amount payable for Capital Goods	2366.72	2199.44
Trade and Security Deposits	18.96	12.57
Advances Received from Customers	5551.84	5096.97
Other Payables (include rebates and discounts)	<u>3977.95</u>	<u>2168.86</u>
	<u>21632.81</u>	<u>15160.48</u>

(₹ in lacs)

NOTE 2.11 : FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost/Value	Additions	Deductions		Cost/Value		Deductions/			As at	As at
	as at 31st March, 2012	during the year	during the year	Other Adjustment	as at 31st March, 2013	Upto 31st March, 2012	Provided during the year	Adjustments during the year	Upto 31st March, 2013	31st March, 2013	31st March, 2012
Tangible Assets:											
Land											
Leasehold	1674.00	-	1.70	-	1672.30	1247.93	30.24	1.41	1276.76	395.54	426.07
Freehold	3396.06	776.54	-	-	4172.60	-	-	-	-	4172.60	3396.06
Sub Total :	5070.06	776.54	1.70	-	5844.90	(a) 1247.93	30.24	1.41	1276.76	4568.14	3822.13
Buildings	16604.31	1234.95	32.75	75.49	17882.00	(a) 7836.09	348.91	16.55	8168.45	9713.55	8768.22
Plant & Machinery	192782.22	41827.70	857.44	3836.46	237588.94	72826.29	9662.87	436.30	82052.86	155536.08	119955.93
Furniture & Fittings	1181.38	46.91	10.31	-	1217.98	795.02	37.47	7.66	824.83	393.15	386.36
Vehicles	1634.26	190.76	45.33	-	1779.69	747.22	132.30	40.72	838.80	940.89	887.04
Office Equipment	2545.15	610.02	73.98	6.66	3087.85	1477.80	203.39	67.28	1613.91	1473.94	1067.35
Livestock	12.79	-	1.40	-	11.39	-	-	-	-	11.39	12.79
Railway Sidings	1113.29	248.47	-	-	1361.76	592.78	35.22	-	628.00	733.76	520.51
Total :	<u>220943.46</u>	<u>44935.35</u>	<u>1022.91</u>	<u>3918.61</u>	<u>268774.51</u>	<u>85523.13</u>	<u>10450.40</u>	<u>569.92</u>	<u>95403.61</u>	<u>173370.90</u>	<u>135420.33</u>
Intangible Assets:											
Goodwill	15.28	-	-	-	15.28	-	-	-	-	15.28	15.28
Computer Software	-	520.30	-	-	520.30	-	60.97	-	60.97	459.33	-
Total :	<u>15.28</u>	<u>520.30</u>	<u>-</u>	<u>-</u>	<u>535.58</u>	<u>-</u>	<u>60.97</u>	<u>-</u>	<u>60.97</u>	<u>474.61</u>	<u>15.28</u>
Grand Total :	<u>220958.74</u>	<u>45455.65</u>	<u>1022.91</u>	<u>3918.61</u>	<u>269310.09</u>	<u>85523.13</u>	<u>10511.37</u>	<u>569.92</u>	<u>95464.58</u>	<u>173845.51</u>	<u>135435.61</u>
Previous Year :	<u>176302.12</u>	<u>43047.31</u>	<u>1206.74</u>	<u>2816.05</u>	<u>220958.74</u>	<u>78162.23</u>	<u>8078.38</u>	<u>717.48</u>	<u>85523.13</u>	<u>135435.61</u>	

(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) 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.

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

(d) Other adjustment includes adjustment on account of finance costs & foreign exchange differences pursuant to exercising 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 out of which ₹ 1435.21 remain unamortised as on 31st March, 2013.

(₹ in lacs)

2.12 : LOANS AND ADVANCES

Capital Advances

Secured, considered good
Unsecured, considered good

Security Deposits

Secured, considered good
Unsecured, considered good

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

Other Loans and Advances (Unsecured, considered good)

Advance Tax (including TDS) (Net of provisions)
MAT Credit Entitlement
Advance against supply of Goods and Services
Prepaid Expenses
Advance to Employees
Balances with Government & Statutory Authorities
Other Deposits and Advances

Other Loans and Advances (Considered Doubtful)

Other Deposits and Advances (Considered doubtful)
Less: Provision

Loans and Advances to Related Parties include:

- (i) Birla Odessa Industries Private Limited, Associates
(ii) Birla Readymix Private Limited, Associates

2.13 : OTHER ASSETS

Long Term Trade Receivable (See Note No. 2.15)

Fixed Deposits maturing after 12 months from Balance Sheet date ⁽¹⁾

Interest accrued on Deposits

Interest accrued on Investments

Unamortized Ancillary Finance Costs

Incentive and Subsidy Receivable

Less : Provision

Asset held for disposal

Others

Less : Provision

⁽¹⁾ Includes ₹ 59.64 (Previous Year ₹ 55.56) marked lien in favour of Government Authorities.

2.14 : INVENTORIES

(As valued and certified by the Management)

Raw Materials (Including Goods in transit ₹ 930.54, Previous Year ₹ 298.76)

Work-in-Progress

Finished Goods (Including Goods in transit ₹ 208.20, Previous Year ₹ 663.17)

Traded Goods

Stores and Spares etc. (Including Goods in transit ₹ 328.04, Previous Year ₹ 523.97)

	Long-term		Short-term	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Capital Advances				
Secured, considered good	165.14	177.82	-	-
Unsecured, considered good	918.37	858.53	-	0.13
	<u>1083.51</u>	<u>1036.35</u>	<u>-</u>	<u>0.13</u>
Security Deposits				
Secured, considered good	0.18	0.18	-	-
Unsecured, considered good	2641.83	2462.64	56.21	51.67
	<u>2642.01</u>	<u>2462.82</u>	<u>56.21</u>	<u>51.67</u>
Loans and Advances to Related Parties (Unsecured, considered good)	0.25	-	-	-
	<u>0.25</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Loans and Advances (Unsecured, considered good)				
Advance Tax (including TDS) (Net of provisions)	4214.47	4106.89	-	-
MAT Credit Entitlement	4640.26	33.88	-	-
Advance against supply of Goods and Services	-	-	4909.09	3939.91
Prepaid Expenses	38.11	61.50	243.91	148.81
Advance to Employees	33.45	23.13	174.09	182.22
Balances with Government & Statutory Authorities	506.08	451.56	4314.32	3508.76
Other Deposits and Advances	229.96	224.51	6.38	18.63
	<u>9662.33</u>	<u>4901.47</u>	<u>9647.79</u>	<u>7798.33</u>
Other Loans and Advances (Considered Doubtful)				
Other Deposits and Advances (Considered doubtful)	147.80	100.00	-	-
Less: Provision	(147.80)	(100.00)	-	-
	<u>13388.10</u>	<u>8400.64</u>	<u>9704.00</u>	<u>7850.13</u>

	Balance		Maximum Outstanding	
	As at March 31, 2013	As at March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) Birla Odessa Industries Private Limited, Associates	0.12	-	0.12	-
(ii) Birla Readymix Private Limited, Associates	0.13	-	0.13	-

	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Long Term Trade Receivable (See Note No. 2.15)	-	-	-	-
Fixed Deposits maturing after 12 months from Balance Sheet date ⁽¹⁾	59.64	1215.56	-	-
Interest accrued on Deposits	30.45	124.89	671.03	1222.28
Interest accrued on Investments	1480.37	867.49	973.97	1492.59
Unamortized Ancillary Finance Costs	1313.27	613.10	277.75	109.35
Incentive and Subsidy Receivable	97.95	44.86	8695.63	6259.88
Less : Provision	(97.95)	(44.86)	-	-
Asset held for disposal	-	-	131.13	128.42
Others	384.52	385.07	89.95	27.34
Less : Provision	(11.45)	(11.11)	-	-
	<u>3256.80</u>	<u>3195.00</u>	<u>10839.46</u>	<u>9239.86</u>

	As at March 31, 2013	As at March 31, 2012
Raw Materials (Including Goods in transit ₹ 930.54, Previous Year ₹ 298.76)	5361.12	4190.42
Work-in-Progress	10081.39	3456.41
Finished Goods (Including Goods in transit ₹ 208.20, Previous Year ₹ 663.17)	12113.70	5533.17
Traded Goods	-	14.88
Stores and Spares etc. (Including Goods in transit ₹ 328.04, Previous Year ₹ 523.97)	29513.42	28448.15
	<u>57069.63</u>	<u>41643.03</u>

(₹ in lacs)

Details of Inventories :

	Finished Goods		Work-in-Progress	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Cement	8370.69	3004.41	9458.32	3161.79
Jute	3475.85	2356.35	538.74	187.81
Others	267.16	172.41	84.33	106.81
	12113.70	5533.17	10081.39	3456.41

2.15 : TRADE RECEIVABLES

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Outstanding for a period exceeding six months				
Secured, considered good	-	-	326.12	139.55
Unsecured, considered good	-	-	507.70	286.60
Doubtful	503.84	499.07	-	-
	503.84	499.07	833.82	426.15
Provision for doubtful receivables	503.84	499.07	-	-
	-	-	833.82	426.15
Other Receivables				
Secured, considered good	-	-	2110.25	660.51
Unsecured, considered good	-	-	4552.22	2637.87
	-	-	6662.47	3298.38
Amount disclosed under the head "Other Assets" (See Note No. 2.13)	-	-		
	-	-	7496.29	3724.53

2.16 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks

In Current Account	2011.87	184.83
In Fixed Deposit Accounts with original maturity of less than three months	138.00	1256.91
Cheques/drafts on hand and Remittances in transit	3548.82	1915.06
Cash in hand	17.43	23.96
	5716.12	3380.76

Other Bank Balances

Balance in Unpaid Dividend Account	120.42	101.95
Earmarked balances with Banks	100.00	100.00
Balances with Bank held as margin money/ security	239.42	1396.75
Fixed Deposit with Banks with maturity period for more than 12 months	561.30	69.77
Other Fixed Deposit with Banks	21463.50	37797.50
	22484.64	39465.97
	28200.76	42846.73

(₹ in lacs)

**For the year ended
31st March, 2013** **For the year ended
31st March, 2012**

2.17 : REVENUE FROM OPERATIONS (GROSS)

Sale of Products (including Export Sales ₹ 4686.79, Previous Year ₹ 7192.21)
Own Consumption

294347.20	254192.72
1167.06	1486.40
<u>295514.26</u>	<u>255679.12</u>

Other Operating Revenues

Incentives & Subsidies
Export Benefits
Miscellaneous Sale
Insurance and Other Claims (Net)

3119.58	2299.85
173.53	339.12
390.73	1301.40
236.25	62.69
<u>3920.09</u>	<u>4003.06</u>

<u>299434.35</u>	<u>259682.18</u>
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Details of Sale of Products

Cement
Jute
Others

286178.16	233904.71
7903.79	19826.52
265.25	461.49

<u>294347.20</u>	<u>254192.72</u>
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2.18 : OTHER INCOME

Interest Income

On Investments

Long-term
Current

3302.92	3719.14
211.72	720.26

On Bank Deposits (Net of Capitalisation of ₹ 58.51, Previous Year ₹ 141.78)

3702.29	3048.39
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On Other Deposits, etc.

120.40	101.94
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Dividend Income

On Long-term investments
On Current investments

105.83	114.95
363.37	1586.57

Net gain/ (loss) on sale of Investments

On Long-term investments
On Current investments

1509.64	2214.58
2550.84	82.08

Other Non Operating Income

Excess Liabilities and Unclaimed Balances written back
Excess Depreciation written back
Insurance and Other Claims (Net)
Adjustments to the carrying amount of Investments
(Net of provision of ₹ 0.05, Previous Year ₹ 27.61)
Miscellaneous Income

505.85	620.74
40.97	113.44
173.13	141.58
27.63	33.14
148.07	129.59

<u>12762.66</u>	<u>12626.40</u>
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2.19 : COST OF MATERIALS CONSUMED

Raw Material Consumed

52535.45	36205.64
<u>52535.45</u>	<u>36205.64</u>

Details of Raw Material Consumed

Limestone
Clinker
Gypsum
Slag
Fly Ash
Jute
Others

22902.05	12928.14
15026.17	6279.37
7733.12	6873.10
3970.69	2415.82
6633.50	5757.94
4221.33	9928.90
1556.43	869.54
<u>62043.29</u>	<u>45052.81</u>

Less : Lime Stone (Own raising)

9507.84	8847.17
<u>52535.45</u>	<u>36205.64</u>

(₹ in lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
2.20 : PURCHASE OF TRADED GOODS		
Traded Goods - Jute Goods	487.08	117.75
	487.08	117.75
2.21 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	5533.17	7388.11
Work-in-Progress	3456.41	5672.86
Traded Goods	14.88	-
	9004.46	13060.97
Inventories at the end of the year		
Finished Goods	12113.70	5533.17
Work-in-Progress	10081.39	3456.41
Traded Goods	-	14.88
	22195.09	9004.46
	(13190.63)	4056.51
2.22 : EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	17718.38	17825.90
Contribution to Provident and Other Funds	1621.58	1699.66
Gratuity Expenses	1570.67	792.11
Contribution to Superannuation Fund	350.56	335.04
Staff Welfare Expenses	724.61	786.38
	21985.80	21439.09
Less: Amount Capitalised	26.08	42.86
	21959.72	21396.23
2.23 : FINANCE COSTS		
Interest Expenses		
To Debenture Holders	4458.32	4466.68
" Banks on Term Loans, etc.	1476.37	1082.00
" Banks on Working Capital Loans	866.47	1213.81
On Deposits & Others	871.68	1638.47
	7672.84	8400.96
Other Borrowing Costs		
Other Financial Charges	399.61	102.66
Applicable net (gain)/loss on foreign currency transactions and translations	829.64	2377.20
	8902.09	10880.82
Less : Amount Capitalised	2416.35	5616.65
	6485.74	5264.17

(₹ in lacs)

2.24 : OTHER EXPENSES

MANUFACTURING EXPENSES

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Stores, Spare Parts & Packing Materials Consumed	21734.92	19048.89
Power & Fuel (net of capitalisation ₹ 86.73 , Previous Year ₹ 55.12)	61759.47	53455.78
Royalty & Cess	2921.31	3740.75
Repairs to Buildings	799.37	830.61
Repairs to Machinery	1556.43	1528.93
Repairs to Other Assets	148.41	157.75
Freight & Material Handling on Inter Unit Transfer	11398.65	8411.38
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	734.72	(255.87)
Other Manufacturing Expenses	2742.19	2458.15
	103795.47	89376.37

SELLING AND ADMINISTRATION EXPENSES

Brokerage & Commission on Sales	1265.06	1144.46
Transport & Forwarding Expenses	44559.54	32627.46
Insurance	339.27	304.17
Rent	752.60	557.27
Rates & Taxes	1304.75	726.32
Development Cess on Cement	48.14	44.58
Advertisement	1359.07	1231.43
Prior Period Items	26.87	5.78
Charity & Donation	650.77	52.40
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	22.11	21.90
Tax Audit Fees	5.06	5.06
Travelling Expenses	2.00	2.33
Issue of Certificates (Including fees for limited review ₹ 9.10, Previous Year ₹ 8.95)	17.36	17.95
Cost Auditors -		
Audit Fees	2.25	2.25
Travelling Expenses	0.38	0.18
Loss on sale/discard of Fixed Assets (Net)	25.77	1.24
Net (Gain)/Loss on Foreign currency transaction and translation (Net of capitalisation of ₹ 1229.12, Previous Year ₹ 270.63)	349.41	1036.87
Provision for doubtful debts/advances (Net of Prov. for Doubtful Debts Written Back ₹ 15.45, Previous Year ₹ 52.21)	106.00	125.85
Directors' Fees	9.70	10.80
Other Expenses	4510.18	4280.34
	55356.29	42198.64
	159151.76	131575.01

2.25 : DEPRECIATION AND AMORTIZATION EXPENSES

On Tangible Assets	10450.40	8078.38
On Intangible Assets	60.97	-
On Investment Property	0.80	0.81
	10512.17	8079.19
Less: Transferred from Reserve on Revaluation	21.18	21.18
	10490.99	8058.01

2.26 : TAX EXPENSE

Current Tax for the year	6892.87	6629.31
Less : MAT Credit Entitlement	(4606.39)	(7.86)
Less : Income Tax related to earlier years	(20.40)	(5.81)
Current Tax	2266.08	6615.64
Deferred Tax	5843.41	4083.43
	8109.49	10699.07

2.27 Contingent Liabilities not provided for –

(a) Claims/Disputes/Demands not acknowledged as debts –

	2012-13	2011-12
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 U.P. 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.	132.11	264.84
v) Cenvat Credit taken on Goods Transporting Agency service on the basis of TR-6 challan disallowed. Appeal filed before the Custom Excise & Service Tax Appellate Tribunal, New Delhi and stay granted in the matter.	190.94	190.94
vi) Excise Duty rebate of ₹ 969.13 received in earlier year by a Unit of the Company has been contested and disallowed by the Excise Authorities, which has demanded its recovery together with interest, after the matter was remanded to it by the Hon'ble Supreme Court. The company is contemplating to file appeal before Custom, Excise & Service Tax Appellate Tribunal.	2304.32	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) 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
ix) Appeal filed by the Excise Department before Custom Excise & Service Tax Appellate Tribunal, New Delhi on account of allowance of tolerance limit in weightment of packed cement which was earlier allowed in favour of the Company.	141.93	141.93
x) Demand of penalty by Sub Divisional Officer, 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
xi) Demand under Income Tax Act, 1961 for Assessment Year 2009 - 10, the matter is pending before Income Tax Appellate Tribunal, Kolkata.	661.72	2851.05
xii) Demand under Income Tax Act, 1961 for Assessment Year 2010 - 11, the matter is pending before Commissioner of Income Tax (Appeals).	5562.27	NIL
xiii) Demand for Interest on Entry Tax under U.P. VAT Act. Case is pending before Hon'ble Supreme Court.	2474.03	1903.34
xiv) Demand of House Tax under Rajasthan Municipalities (Land and Building Tax) Rules 1961 raised by Municipal Board, Chittorgarh for the period 1987 to 2006. The matter is pending before Hon'ble High Court, Rajasthan.	251.73	251.73
xv) M.P. VAT on freight charges incurred in the state of Madhya Pradesh. Appeal filed and pending before the M. P. High Court, Jabalpur.	159.44	NIL
xvi) Demand for Bihar VAT raised by Assistant Commissioner of Commercial Taxes (Audit), Patna as per their re-assessment. Appeal filed and pending before Joint Commissioner of Commercial Taxes (Appeal).	940.04	NIL
xvii) Demand of Rajasthan Central Sales Tax for non submission of 'C' Form. Appeal filed and pending before Dy. Commissioner (Appeal), Udaipur.	391.94	NIL
xviii) Entry Tax as per The West Bengal Tax on Entry of Goods into Local Areas Act, 2012 on the entry of goods in the state of West Bengal. Matter is pending before Hon'ble High Court, Kolkata.	124.40	NIL
xix) Hon'ble High Court, Rajasthan levied a compensation for alleged damage to the Chittorgarh Fort. Special Leave Petition has been filed before the Hon'ble Supreme Court and stay has been granted in the matter.	450.00	NIL
xx) Other Claims/Disputes/Demands (being less than ₹ 100.00) pending in various legal forums in regard to Sales Tax, Excise Duty & Service Tax, Rates & Taxes, E.S.I., Electricity Duty & Surcharge, Electricity Charges, Export Tax and other claims - ₹ 123.36, ₹ 648.42, ₹ 169.48, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96, ₹ 274.44 (Previous Year ₹ 145.50, ₹ 547.18, ₹ 188.60, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96 and ₹ 295.48) 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 ₹ 463.52 [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 ₹ 137.39]) in respect of Surcharge on Electricity, ₹ 6115.51 [Paid under protest ₹ 3912.68] (Previous Year ₹ 4695.10 [Paid under protest ₹ 3912.68]) in respect of demand of Royalty on Limestone including interest thereon, ₹ 390.59 [Paid under protest ₹ 20.00] (Previous Year ₹ 9.48 [Paid under protest ₹ 9.48]) in respect of MODVAT/CENVAT claims, ₹ 2106.76 [Paid under protest ₹ 311.29] (Previous Year ₹ 2092.50 [Paid under protest ₹ 261.49]) in respect of Sales Tax/VAT, ₹ 24.56 [Paid under Protest ₹ 12.28] (Previous Year ₹ 24.56 [Paid under protest ₹ 12.28] in respect of interest on delayed payment of Entry Tax, ₹ 12.99 [Paid under protest ₹ 2.00] (Previous Year ₹ 8.71 [Paid under protest ₹ 2.00]) in respect of Service Tax, ₹ 2935.31 [Paid under protest ₹ 1905.68] (Previous Year ₹ 1986.18 [Paid under protest ₹ NIL]) in respect of Income Tax and ₹ 30.67 [Paid under protest ₹ 19.18] (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 - ₹ 600.23 (Previous Year ₹ 594.38).		
(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 ₹ 834.96 and ₹ 301.82 (Previous Year ₹ 1009.30 and ₹ 1116.91) respectively.		

(₹ in lacs)

2.28 Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 2496.72 (Previous Year ₹ 3617.25).

2.29 Derivative Instruments and Unhedged Foreign Currency Instruments

- (a) Outstanding Forward/Future Contracts booked for the purpose of hedging receivables/firm commitments are USD/INR 2.13 (Previous Year USD/INR 2.38) and payables/firm commitments are USD/INR 282.00 and EURO/INR NIL and EURO/USD 6.55 (Previous Year USD/INR 195.00 and EURO/INR 5.00 and EURO/USD NIL).
- (b) Unhedged foreign currency receivables are USD 8.53, GBP NIL and EURO 0.23 (Previous Year USD 10.57, GBP 0.24 and EURO 0.23) and payables are USD 681.38 and EURO 2.00 (Previous Year USD 653.45 and EURO 0.71).

2.30 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

2.31 Employee Benefits Expense

In accordance with the revised Accounting Standard-15 i.e. Employee Benefits, the requisite disclosures are as follows :

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

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
(i) Provident Fund	59.56	51.08
(ii) Superannuation Fund	350.56	335.01
(iii) Pension Fund	407.53	533.33

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

- (i) Benefits are of the following types :

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

	Gratuity		Pension	
	2012-13	2011-12	2012-13	2011-12
(ii) The amounts recognised in the Balance Sheet are as follows :				
Present value of funded obligations	9522.87	8054.12	-	-
Fair value of plan assets	8238.59	7552.52	-	-
Liabilities in respect of funded obligation	1284.28	501.60	-	-
Present value of unfunded obligations	-	-	110.32	53.12
Liabilities in respect of unfunded obligation	-	-	110.32	53.12
Total Liabilities	1284.28	501.60	110.32	53.12
(iii) The amounts recognised in the Statement of Profit and Loss are as follows :				
Current service cost	446.65	319.22	-	-
Interest on obligation	650.65	596.45	3.79	3.37
Expected return on plan assets	(644.38)	(605.18)	-	-
Net actuarial losses/(gains) recognised during the year	1117.75	481.62	70.42	25.43
Losses/(Gains) on curtailments and settlements	-	-	-	-
Total, included in 'Payments to and Provision for Employees'	1570.67	792.11	74.21	28.80
Actual return on plan assets	696.98	648.79	-	-

- a) Amount not recognised as an asset, because of the limit prescribed in Accounting Standard- 15 (Revised 2005) i.e Employee Benefits ₹ 22.11 (Previous Year ₹ 21.06).

(₹ in lacs)

	Gratuity		Pension	
	2012-13	2011-12	2012-13	2011-12
(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	8054.12	7420.90	53.12	42.08
Service cost	446.65	319.22	-	-
Interest cost	650.65	596.45	3.79	3.37
Actuarial losses/(gains)	1168.18	525.98	70.42	25.43
Benefits paid	(796.73)	(808.43)	(17.01)	(17.76)
Closing defined benefit obligation	9522.87	8054.12	110.32	53.12
(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	7552.51	7359.37	-	-
Expected return	644.38	605.18	-	-
Actuarial gains/(losses)	50.43	44.36	-	-
Contribution by employer	788.00	352.03	-	-
Benefits paid	(796.73)	(808.43)	-	-
Closing fair value of plan assets	8238.59	7552.51	-	-

a) Fair value of plan assets does not include any amount for Company's 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%	-	-
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(vii) Principal actuarial assumptions at the Balance Sheet date are as follows :

	2012-13		2011-12	
	Holding Co.	Subsidiary (Budge Budge Floorcoverings Limited)	Holding Co.	Subsidiary (Budge Budge Floorcoverings Limited)
(a) Gratuity				
Discount rate at 31st March	8.00% 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.	8.50% p.a.	8.00% p.a.
Mortality Rate	IAL (2006-08)	LIC (1994-96)	IAL (1994-96)	LIC (1994-96)
	Modified ultimate	ultimate	Modified ultimate	ultimate
Salary Escalation	5% to 7%	5%	5%	5%
Withdrawal Rate	2% to 5%	1% to 3%	1% to 3% depending on age	1% to 3% depending on age
(b) Pension				
Discount rate at 31st March	8.00% p.a.	-	8.50% p.a.	-

(₹ in lacs)

(viii) Amounts for the current and previous four periods are as follows :

	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
<u>Gratuity</u>					
Defined benefit obligation	9490.50	8021.97	7390.64	7113.39	6813.73
Plan assets	8187.38	7502.19	7311.85	6773.92	6091.19
Surplus/(Deficit)	(1303.12)	(519.78)	(78.79)	(339.47)	(722.54)
Experience gain/(loss) adjustments on plan liabilities	(129.55)	(991.55)	-	-	-
Experience gain/(loss) adjustments on plan assets	52.61	43.61	82.45	47.69	15.83
<u>Pension</u>					
Defined benefit obligation	110.32	53.12	42.08	53.59	68.74
Experience gain/(loss) adjustments on plan liabilities	(70.42)	(25.43)	(2.96)	1.73	(26.02)

- (ix) 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 market expectations, at the beginning of period, for returns over the entire life of the related obligation.
- (x) 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.
- (xi) The Company expects to contribute ₹ 1500 (Previous Year ₹ 500) to its gratuity fund in 2013-14.
- (xii) Provident funds in the nature of defined benefit plans contribution amounting to ₹ 580.44 (Previous Year ₹ 584.95) and the accrued past service liability of ₹ 188.33 (Previous Year ₹ 31.79) as valued by the actuary is recognised as an expense and included in 'Payments to and Provision for Employees'.

2.32 The Board of Directors in its meeting held on 28th July, 2012 has elevated Shri B.R. Nahar from Executive Director & Chief Executive Officer of the company to Managing Director and also revised the maximum limit of Performance Linked Bonus payable to him from ₹ 50 to ₹ 100. The above is subject to the approval of the shareholders of the company in the ensuing general meeting.

2.33 Consequent to the implementation of SAP ERP System at Cement and Steel Foundry Units from 1st December, 2012, the method of valuation of Inventory of Raw Materials has been changed from FIFO basis to Weighted Average basis. As a result of this change, Inventory Value as on 31st March, 2013 and profit for the year ended 31st March, 2013 are higher by ₹ 547.15.

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

2.35 Certain Trade Receivables, Loans and Advances and Creditors are subject to confirmation.

- 2.36** a) The Company's Unit Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.
- b) The Company's Unit Birla Jute Mills was under Suspension of Operations from 31st March, 2012 to 17th October, 2012.
- c) 'Lay Off' was declared in Auto Trim Division, Birlapur, w.e.f. 28th August, 2012. Birla Vinoleum, Birlapur continued to remain under 'Lay Off' during the year on account of lack of demand.
- d) The Mining Operations of the Chanderia Unit of the Company remained suspended during the year owing to an order of the Hon'ble Rajasthan High Court at Jodhpur. A Special Leave Petition (SLP) was filed by the company before the Hon'ble Supreme Court against the order. While hearing prayer on 8th March, 2013 Hon'ble Supreme Court had permitted mining activities with mechanical means without blasting for a period of four weeks, i.e. from 18th March, 2013 to 14th April, 2013 to enable Central Building Research Institute, Roorkie (CBRI) to study the impact of such mining activities on Chittorgarh Fort. The final report of CBRI on such study is pending submission.
- e) Company's wholly owned subsidiary Budge Budge Floorcoverings Limited is under Suspension of Operations since 29th October, 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 up to 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-

<u>Associate Company</u>	<u>Share in Equity (%)</u>	<u>Original Cost (a)</u>	<u>Goodwill (Included in cost)</u>	<u>Loss (b)</u>	<u>Carrying Amount of investments (a - b)</u>
Birla Odessa Industries Private Limited	48.61	0.50	0.43	(0.50)	-
Birla Readymix Private Limited	46.73	0.50	0.49	(0.49)	0.01
Total		1.00	0.92	(0.99)	0.01

2.39 Segment Reporting

A) Primary Segment Information

	2012-13					2011-12				
	Cement	Jute	Others	Inter Segment Elimination	Total	Cement	Jute	Others	Inter Segment Elimination	Total
<u>BUSINESS SEGMENT</u>										
Segment Revenue										
(a) External Sales	247482	7819	1075	-	256376	203810	19617	1260	-	224687
(b) Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue	247482	7819	1075	-	256376	203810	19617	1260	-	224687
Segment Result	34279	(1186)	(339)	-	32754	31311	54	(330)	-	31035
(Profit before Interest & Tax)										
Less : (i) Interest					6486					5264
(ii) Other un-allocable expenditure net off un-allocable income					(8870)					(8872)
Profit before Tax					35138					34643
Provision for Taxation										
Current Tax					2266					6615
Deferred Tax					5843					4084
Profit after Tax					27029					23944
<u>OTHER INFORMATION</u>										
Segment Assets	271025	12595	3062		286682	236668	11131	3019		250818
Common Assets					166252					156647
Total					452934					407465
Segment Liabilities	47167	1915	250		49332	35169	2204	233		37606
Common Liabilities					40775					32842
Total					90107					70448
Capital Expenditure	20319	310	4		20633	49007	1718	28		50753
Common Capital Expenditure					636					453
Total					21269					51206
Depreciation	9821	305	190		10316	7464	291	206		7961
Common Depreciation					174					97
Total					10490					8058

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 1.59% (Previous Year 2.83%) 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, 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 which is based on cost plus profit.

Under the current business environment, generated power is primarily being used for captive consumption. Accordingly, based on the current internal financial reporting structure and having regard to the general industry practices, the Company has decided to consider Power as part of Cement Segment for Segment Reporting purpose.

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 :

- | | | |
|-----|--------------------------|---|
| i) | Associates | Birla Readymix Private Limited |
| | | Birla Odessa Industries Private Limited |
| ii) | Key Management Personnel | Shri Bachh Raj Nahar, Managing Director |

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

Particulars	2012-2013		2011-2012	
	Associates	Key Management Personnel	Associates	Key Management Personnel
Advances given	0.28	-	-	-
Advances recovered	0.03	-	-	-
Remuneration, Perquisites & Others	-	237.10	-	166.66
Balance outstanding at year end :				
Advances given	0.25	-	-	-

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.
The 20th day of May, 2013

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

HARSH V. LODHA
VIKRAM SWARUP
ANAND BORDIA
B. B. TANDON
D. N. GHOSH
DEEPAK NAYYAR

Chairman

Directors

B. R. NAHAR

Managing Director

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-THIRD ANNUAL GENERAL MEETING of the Company being held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata - 700 026 on Wednesday, the 10th July, 2013 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-Third Annual General Meeting of the Company, to be held on Wednesday the 10th July, 2013 and at any adjournment thereof * in favour of/against the resolution (s).

Signed this day of 2013.

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.

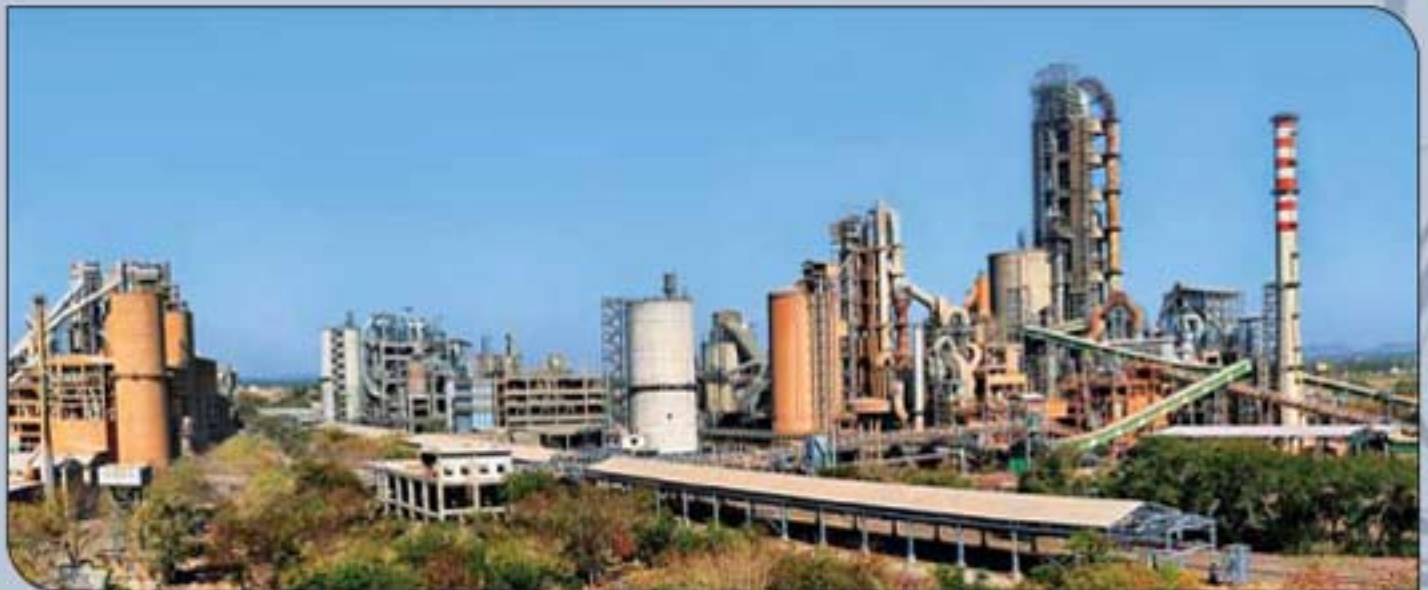
** Applicable for investors holding shares in electronic form.

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

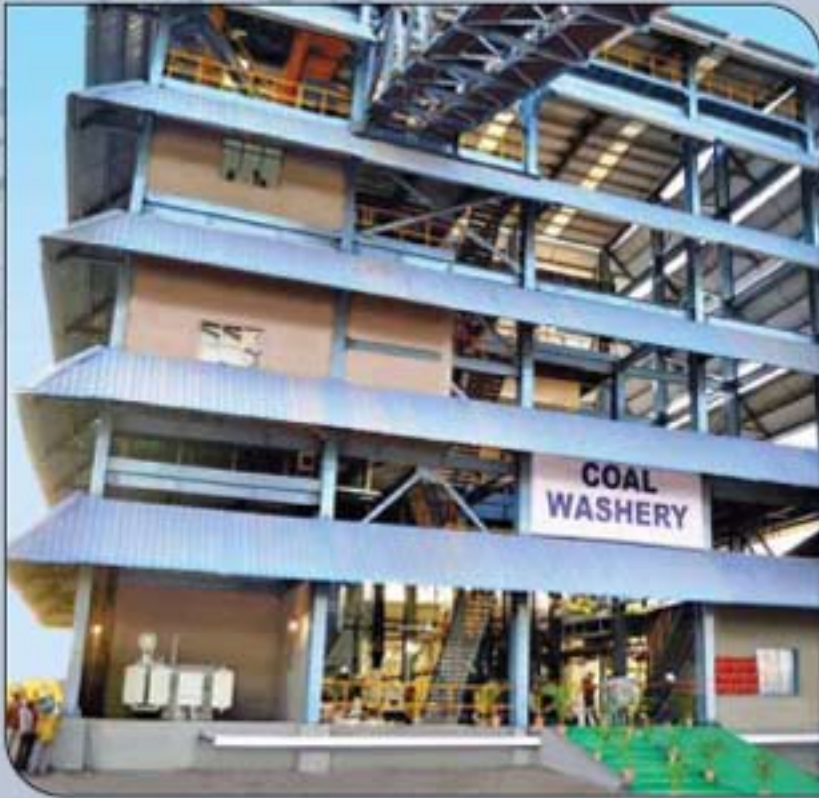


Cement mills at Chanderia Cement Works,
Rajasthan

The automatic truck loader at
Durgapur Cement Works,
West Bengal



A panoramic view of Birla Cement Works, Chanderia Cement Works and
New Chanderia Cement Works at Rajasthan



The coal washery at Satna Cement Works,
Madhya Pradesh



The new clinker silo at Satna Cement Works,
Madhya Pradesh



The launching of Birla Samrat UNIQUE, the premium brand of cement,
at Durgapur, West Bengal

CSR Initiatives



Organic vegetable cultivation at Satna, under a joint initiative of Satna Cement Works and BAIF (NGO)

Village women being trained to make agarbatti



A view of the M P Birla Hospital & Research Centre, under construction at Chittorgarh, Rajasthan



MAZBOOT HAR PAL



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