



BIRLA
CORPORATION
LIMITED
MP BIRLA GROUP

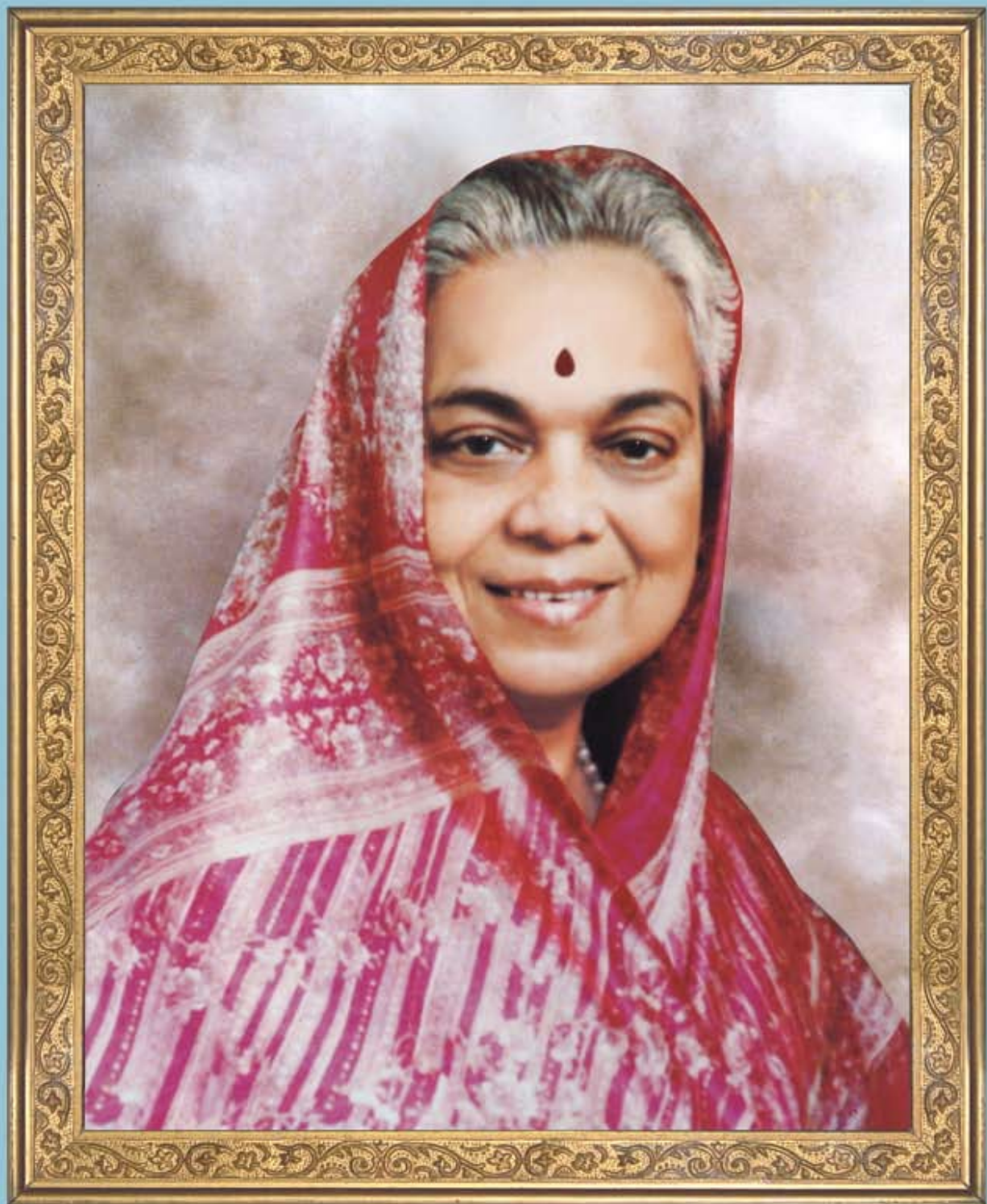


ANNUAL REPORT AND ACCOUNTS
2013-14



Madhav Prasadji Birla
(1918 - 1990)

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



Priyamvadaji Birla
(1928 - 2004)

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



Rajendraji S Lodha
(1942 - 2008)

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



Shri Harsh V. Lodha
Chairman



Shri Pracheta Majumdar
Wholetime Director designated
as Chief Management Advisor



Shri Vikram Swarup



Shri Anand Bordia



Shri B.B. Tandon



Shri D. N. Ghosh



Dr. Deepak Nayyar



Shri B. R. Nahar

BOARD OF DIRECTORS

Shri Harsh V. Lodha
Chairman

Shri Pracheta Majumdar
*Wholetime Director designated as
Chief Management Advisor*

Shri Vikram Swarup

Shri Anand Bordia

Shri B. B. Tandon

Shri D. N. Ghosh

Dr. 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
Phone: (033) 6616 6726/6737/6738
CIN: L01132WB1919PLC003334
E-mail: investorsgrievance@birlacorp.com
Website: www.birlacorporation.com

SENIOR MANAGEMENT TEAM

Shri G. Jayaraman
Executive President

Shri P. S. Marwah
President

Satna Cement Works
Raebareli Cement Works
Vindhyachal Steel Foundry

Shri V. K. Hamirwasia
President

Birla Cement Works
Chandaria Cement Works

Shri P. C. Mathur
President

Durgapur Cement Works
Durga Hitech Cement

Shri K. K. Sharma
President

CSR

Shri G. R. Verma
Joint President

Birla Jute Mills

Shri N. Nagori
Sr. Joint President (Proj. & Mktg.)

Birla Cement Works
Chandaria Cement Works

Shri T. C. Jain
Sr. Joint President (Mktg.)

Satna Cement Works
Raebareli Cement Works
Durgapur Cement Works
Durga Hitech Cement

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NOTICE

To the Shareholders

NOTICE is hereby given that the Ninety-fourth Annual General Meeting of the Shareholders of the Company will be held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata - 700 026, on Thursday, the 21st day of August, 2014 at 10.30 A.M. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt :
 - (a) the Balance Sheet as at 31st March, 2014, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
 - (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2014.
2. To declare dividend on Ordinary Shares.
3. To appoint a director in place of Shri Harsh V. Lodha (DIN 00394094), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), Messrs. H.P. Khandelwal & Co., Chartered Accountants, (Firm Registration No.302050E), be and are hereby appointed as Statutory Auditors of the Company, to hold office for one year from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration and sanction travelling and other incidental expenses that may be incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory amendment(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Clause 49 of the Listing Agreement with the Stock Exchanges, Shri Vikram Swarup (DIN 00163543), an existing Independent Director whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for a term upto 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory amendment(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Clause 49 of the Listing Agreement with the Stock Exchanges, Shri Anand Bordia (DIN 00679165), an existing Independent Director whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for a term upto 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory amendment(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Clause 49 of the Listing Agreement with the Stock Exchanges, Shri B.B. Tandon (DIN 00740511), an existing Independent Director whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect

of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for a term upto 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory amendment(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Clause 49 of the Listing Agreement with the Stock Exchanges, Shri D.N. Ghosh (DIN 00012608), an existing Independent Director whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for a term upto 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory amendment(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to the Clause 49 of the Listing Agreement with the Stock Exchanges, Dr. Deepak Nayyar (DIN 00348529), an existing Independent Director whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company term upto 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation."

10. 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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956), and subject to the requisite approval of the Central Government, the consent of the shareholders of the Company be and is hereby accorded for re-appointment of Shri B.R. Nahar (DIN 00049895) as Managing Director of the Company, being eligible for re-appointment, for a period of 5 years with effect from 3rd August, 2014, liable to retire by rotation, 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 of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include Nomination and Remuneration Committee) 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 B.R. Nahar provided that the total remuneration payable to Shri B.R. Nahar 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."

11. 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 Annual General Meeting of the Company held on 10th July, 2013 and in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956) the consent of the shareholders of the Company be and is hereby accorded for the variation in the terms and conditions of appointment of Shri Pracheta Majumdar (DIN 00179118), as the Whole-time Director designated as the Chief Management Advisor of the Company, who was appointed as a non retiring director, shall under the revised terms be liable to retire by rotation, with effect from 1st April, 2014, for the remaining tenure of his office i.e. till 19th May, 2018, as set out in the draft supplemental 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 Nomination and 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."

"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."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED that in supersession of the Ordinary Resolution passed at the Annual General Meeting of the Company held on 19th September, 2006 and in pursuance of the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time as they may think fit for the purpose of the Company's business, any sum or sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that aggregate of the moneys borrowed or to be borrowed by the Board of Directors of the Company shall not at any time exceed ₹ 3000 crores over and above the aggregate of the paid up capital of the Company and its free reserves as per the last audited annual accounts."

"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."

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED that in supersession of the Ordinary Resolution passed by way of Postal Ballot held on 17th June, 2010 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted/to be constituted to exercise its powers) to create mortgage and/or charge/hypothecation(s) in addition to the existing mortgage(s)/charge(s)/hypothecation(s) created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties and assets of all kinds of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company in favour of the Financial Institution(s)/Bank(s)/Security Trustee/Lenders Agent and/Trustee(s) for securing the borrowings availed/to be availed by the Company, by way of loan(s) (in foreign currency and/or Indian rupee) and securities (comprising fully/partly Convertible Bonds/Debentures/ Warrants and/or Non-Convertible Debentures or other debt instruments) issued/to be issued by the Company from time to time, subject to the limits approved under Section 180(1)(c) of the Act, together with interest, premium (if any) on redemption, all other costs, charges and expenses including any increase as a result of devaluation/revaluation or fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/Heads of Agreement(s)/Facility Agreement(s)/Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Security Trustee/Trustee(s), in respect of the loans/borrowings/bonds/ debentures/warrants and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s) and Security Trustee/Trustee(s)."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to execute such deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgage(s)/charge(s)/ hypothecation(s) as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to the above Resolution."

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 3 lakhs (Rupees three lakhs only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to Shri Somnath Mukherjee, (Membership No. 5343), Cost Auditor of the Company, for the financial year 2014-15, as approved by the Board of Directors of the Company, be and is hereby ratified."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED that pursuant to provisions of Section 94(1) and other applicable provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and any other applicable Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members of the Company and the respective Register of Debenture holders and other security holders, if any, maintained under Section 88 of the Companies Act, 2013 together with the Index of Members and/or Debenture holders/other security holders, and copies of Annual Returns of the Company filed under Section 92 of the Companies Act, 2013, at the office of the Registrar and Share Transfer Agents of the Company,

i.e. M/s. Karvy Computershare Private Limited, 49 Jatin Das Road, 1st Floor, Kolkata 700 029 and at such places within Kolkata in the State of West Bengal where the Registrar and Share Transfer Agent may shift its office from time to time, in place of M/s. MCS Limited with such effective date based on shifting of depository connectivity and the records from M/s. MCS Limited to M/s. Karvy Computershare Private Limited."

"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

CIN: L01132WB1919PLC003334

Dated, the 7th July, 2014

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) **A person shall not act as Proxy for more than Fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A person holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
- (03) Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
- (04) The Register of Members and the Share Transfer Books of the Company will remain closed from 12th August, 2014 to 21st August, 2014 (both days inclusive).
- (05) 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 11th August, 2014, 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 11th August, 2014.
- (06) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15, which sets out details relating to Special Business at the meeting, 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, 2007, 2008, 2009, 2010, 2011, 2012, 2013 and Interim Dividend Warrants for accounting years 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, 2007, will be transferred to the Fund in September, 2014.**

- (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 Companies Act, 2013 the facility for making/ varying /cancelling nominations is available to individuals, holding shares in the Company. Nominations can be made in Form SH.13 and any variation /cancellation thereof can be made by giving notice in Form SH.14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the **Registrars and Share Transfer Agents/Company**.
- (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.

(13) Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 94th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:-

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
- (i) Open email and open PDF file viz; "Birla Corporation Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change Menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" (Electronic Voting Event Number) of Birla Corporation Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Corporates/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote to the Scrutinizer through e-mail to scrutinizernkb@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository participant(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Electronic Voting Even Number)	USER ID PASSWORD/PIN
--------------------------------------	----------------------
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for casting your vote.
 - V. The e-voting period commences on 14th August, 2014 (9.00 a.m.) and ends on 16th August, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 18th July, 2014 the (cut-off date).
 - VII. Shri Manoj Kumar Banthia, Company Secretary in Whole-time Practice, (Membership No.11470, CP No. 7596) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the vote cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.birlacorporation.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours 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.

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

The green initiative circulars issued by Ministry of Corporate Affairs (MCA) as well as Clause 32 of the Listing Agreement executed with the stock exchanges permits sending of soft copies of annual reports to all those Members who have registered their email addresses for the purpose.

The Companies Act, 2013 has also recognised serving of documents to any Member through electronic mode. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2014 would be despatched.

The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report, etc. will also be displayed on the website www.birlacorporation.com of the Company and the other requirements as applicable will be duly complied with. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode 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.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Items of Special Business :

Item Nos. 5 to 9

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with Stock Exchanges appointed Shri Vikram Swarup, Shri Anand Bordia, Shri B.B Tandon, Shri D.N. Ghosh and Dr. Deepak Nayyar as Independent Directors at various times, in compliance with the requirements of such Clause.

Section 149(4) of the Companies Act, 2013 states that every listed public company shall have at least one-third of the total number of directors as Independent Directors.

Further, Section 149(10) of the Companies Act, 2013, inter alia, provides that subject to the provisions of Section 152, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company. It is further clarified in the explanation to sub-sections (10) and (11) of Section 149 of the Act that, any tenure of an Independent Director on the date of commencement of this Act shall not be counted as a term under those sub-sections (10) and (11). Further, in terms of sub-section (13) of section 149, the Independent Directors shall not be liable to retire by rotation.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 8th May, 2014 has approved the appointment of these Directors as Independent Directors for a term upto 31st March, 2019.

Your Board is of the opinion that all of the above mentioned five Directors fulfill the conditions specified in the Act for appointment as Independent Directors of the Company and are independent of the management.

The Company has received notice in writing from members along with a deposit of requisite amount under section 160 of the Act proposing the candidature of each of Shri Vikram Swarup, Shri Anand Bordia, Shri B.B. Tandon, Shri D.N. Ghosh and Dr. Deepak Nayyar, for the office of director of the Company. The directors are eminent personalities in their respective fields. The Board is of opinion that it would be in interest of the company to appoint Shri Vikram Swarup, Shri Anand Bordia, Shri B.B. Tandon, Shri D.N. Ghosh and Dr. Deepak Nayyar as Independent Directors and Resolutions No. 5, 6, 7, 8 and 9 have been proposed to this end. The Board recommends the resolutions to the members for acceptance. Shri Vikram Swarup, Shri Anand Bordia, Shri B.B. Tandon, Shri D.N. Ghosh and Dr. Deepak Nayyar were holding office as retiring directors and, after their appointment as Independent Directors, they shall not be liable any further to retirement by rotation and shall hold office for the aforesaid fixed term upto 31st March 2019.

Copy of draft letters of appointment to be issued to each Independent Director upon their appointment containing the terms and conditions of the appointment shall be open for inspection at the registered office of the Company 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.

Details in respect of five Directors, who are proposed to be appointed as Independent Directors, are furnished in the Annexure of this Notice.

Except Shri Vikram Swarup, Shri Anand Bordia, Shri B.B. Tandon, Shri D.N. Ghosh and Dr. Deepak Nayyar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos.5, 6, 7, 8 and 9.

Accordingly, your Board seeks your approval to the resolutions set out under Item Nos. 5 to 9 of the accompanying notice.

Item No.10

Shri B.R. Nahar was re-appointed as Executive Director & Chief Executive Officer of the Company with effect from 3rd August, 2009. Shri Nahar was elevated as the Managing Director of the Company with effect from 28th July, 2012. The present term of Shri Nahar expires on 2nd August, 2014.

Considering the contribution made by Shri Nahar in the overall performance of the Company and its growth during his tenure, the Board at its meeting held on 8th May, 2014, on recommendation of the Nomination and Remuneration Committee has resolved to re-appoint Shri B.R. Nahar as Managing Director for a further period of 5 years effective from 3rd August, 2014, subject to approval of the members at the ensuing Annual General Meeting and other required approvals, if any, on the terms and conditions including remuneration as incorporated in the draft agreement to be entered into between the Company and Shri Nahar.

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

1. Period of Appointment :

3rd August, 2014 to 2nd August, 2019.

2. Remuneration:

2.1 Salary :

₹ 750000/- (Rupees seven lakhs fifty thousand only) per month with an authority to the Board to review the same from time to time as it may deem fit. The revision in salary will take effect from 1st day of April every year.

2.2 Performance Linked Bonus :

Such amount as may be determined by the Board, for each financial year.

2.3 **Adhoc Allowance :**

₹ 333333/- (Rupees three lakhs thirty three thousand three hundred thirty three only) per month or such other amount as per Company's Policy in force from time to time or as may be decided by the Board.

2.4 **Perquisites :**

In addition, the Managing Director will be entitled to the following perquisites, benefits and allowances as mentioned hereinafter:

2.4.1 **Residential accommodation :**

- (a) Free furnished residential accommodation

or

In case the Company hires accommodation, then expenditure incurred by the Company on hiring the same will be subject to the limit of 60% of the salary.

or

In case no accommodation is provided, the Managing Director shall be entitled to house rent allowance @ 60% of the salary.

- b) In addition, the actual expenditure incurred on gas, electricity and water will be borne by the Company. However, the same will be valued as per Income Tax Rules, 1962.

2.4.2 **Medical Reimbursement :**

Expenses incurred for self and family (including medi-claim insurance premium) in accordance with the Rules of the Company.

2.4.3 **Leave Travel Concession :**

For self and family, once in a year, in accordance with the Rules of the Company.

2.4.4 **Furnishing Allowance :**

In accordance with the Rules of the Company.

2.4.5 **Other Allowances :**

Any other allowances, benefits and perquisites as per the Rules of the Company as are applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowances, benefits and perquisites as the Board may from time to time decide.

2.4.6 **Club Fees :**

Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.

2.4.7 **Personal Accident Insurance :**

Personal Accident Insurance Policy of an amount the annual premium of which does not exceed ₹ 12,000/- (Rupees twelve thousand only).

2.4.8 **Car and Telephone :**

Free use of Company's Car for Company's work as well as for personal purposes along with driver and telephone at residence at Company's cost.

2.4.9 In addition to the above, he will also be entitled to the following:

- a) **Provident Fund :**

Company's contribution towards Provident Fund as per the Rules of the Company.

- b) **Pension/Superannuation Fund :**

Company's contribution towards Pension/ Superannuation Fund will be @ 15% of salary.

- c) **Gratuity :**

As per the Rules of the Company, but not exceeding half a month's salary for each completed year of service.

- d) **Leave :**

Leave with full pay and allowances (including encashment of unavailed earned leave thereof) as per the Rules of the Company.

For the purpose of Provident Fund, Pension/ Superannuation Fund, Gratuity and Leave Benefit, the service of the Managing Director will be considered as continuous service from the date of his joining the Company without considering any break in service.

2.5 **Minimum Remuneration :**

Notwithstanding the above, where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary and perquisites not exceeding the overall limit

prescribed in Schedule V and other applicable provisions of the Companies Act, 2013, or any amendment thereof as minimum remuneration subject to the conditions stipulated therein in addition to the amounts mentioned in para 2.4.9 (a), (b) & (c) and encashment of leave at the end of the tenure which shall not be included in the computation of the ceiling of remuneration.

3. The Managing Director shall be subject to retirement by rotation during his tenure.
4. The Managing Director will also be entitled to reimbursement of entertainment expenses actually incurred in the course of legitimate business of the Company.
5. The headquarters of the Managing Director will be based at Kolkata for attending his duties.
6. The Managing Director shall generally look after the management of the affairs of the Company subject to the overall superintendence, control and directions of the Board of the Company. The Board may from time to time entrust to the Managing Director such of the powers exercisable by the Board as they think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think proper.

A copy of the agreement to be entered into by the Company with Shri B.R. Nahar containing the terms and conditions of re-appointment and remuneration payable to him 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 prior to the date of the Meeting excluding Saturday and Sunday and will also be available for inspection during the Meeting.

Except Shri B.R. Nahar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10.

The resolutions for re-appointment of Shri B.R. Nahar as Managing Director at Item No. 10 of the Notice is commended for approval by the Members.

Item No.11

At the Annual General Meeting of the Company held on 10th July, 2013, the Members had approved the appointment and terms of remuneration of Shri Pracheta Majumdar as Wholetime Director designated as Chief Management Advisor as a non retiring director of the Company for a period of five years from 20th May, 2013.

The Board of Directors of the Company at its Meeting held on 8th May, 2014, based on recommendation of the Nomination and Remuneration Committee, with a view to comply with the requirements of Section 152(6) of the Companies Act, 2013, had approved change in his terms of appointment thereby making Shri Majumdar, liable to retire by rotation w.e.f. 1st April, 2014.

The existing clause 2.4 (iii) relating to retirement by rotation shall be substituted as follows :

“Shri Pracheta Majumdar shall be subject to retirement by rotation during his tenure, as Whole-time Director.”

The above variation is subject to the approval of the members at the General Meeting.

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

A copy of the Supplemental Agreement setting out the terms of variation with Shri Pracheta Majumdar and copy of the resolutions passed by the Board of Directors on 8th May, 2014 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 prior to the date of the Meeting excluding Saturday and Sunday and will also be available for inspection during the Meeting.

Except Shri Pracheta Majumdar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.11.

The resolutions for the variation in terms of appointment of Shri Pracheta Majumdar at Item No. 11 of the Notice is commended for approval by the Members.

Item Nos.12 & 13

Section 180 of the Companies Act, 2013 (The 'Act') (Corresponding to Section 293 of the Companies Act, 1956) has been notified by the Ministry of Corporate Affairs (MCA) w.e.f. 12th September, 2013. In terms of Section 180(1)(c) of the Companies Act, 2013 which corresponds to Section 293(1)(d) of the Companies Act, 1956, borrowing by the Company (apart from the deposits accepted in the ordinary course of business by the Company, temporary loans repayable on demand or within six months from the date of the loan, and temporary loans, if any, obtained from the Company's bankers, other than loans raised for the purpose of financing expenditure of a capital nature), in excess of the paid-up capital of the Company and its free reserves, requires the approval of the members by way of Special Resolution. In terms of Section 180(1)(a) of the Companies Act, 2013 which corresponds to Section 293(1)(a) of the Companies Act, 1956 the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the members accorded by way of a Special Resolution.

The shareholders of the Company at its Annual General Meeting held on 19th September, 2006 authorised the Board of Directors of the Company to borrow moneys upto ₹ 1000 crores over and above the aggregate of the Company's paid-up capital and free reserves as per the last audited annual accounts.

The members of the Company by way of Postal Ballot held on 17th June, 2010 had approved by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 creation of such securities in such manner upon such assets of the Company, both present and future, for securing the loans availed from time to time from the Banks/Financial Institutions and other appropriate authorities.

The Ministry of Corporate Affairs has vide its Circular No.4/2014 dated 25th March, 2014 clarified that the Resolution passed under Section 293 of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the Company will be valid for a period of one year from the date of notification of Section 180 of the Act and such period expires on 11th September, 2014. Pursuant to the above clarification, it is proposed to seek approval of the Members under Section 180 of the Companies Act, 2013.

The Balance Sheet size of the Company has increased significantly since the last revision of the borrowing limit on September, 2006. Considering the substantial growth in the business and operations of the Company and in view of the Greenfield/expansion projects that the Company may undertake and to meet the present and future requirement of funds, your approval is being sought to increase the borrowing limits to ₹ 3000 crores over and above the aggregate of the paid-up capital of the Company and its free reserves as per the last audited annual accounts preceding the date of borrowing.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolutions set out at Item Nos.12 and 13.

Your Directors, therefore, recommend the said Resolutions at Item Nos.12 and 13 for your approval.

Item No.14

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 8th May, 2014, has considered and approved the appointment of Shri Somnath Mukherjee, Cost Accountant, (Membership No. 5343), as the Cost Auditor of the Company for the financial year 2014-15 for the following products at a total remuneration of ₹ 3 lakh (Rupees three lakh only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

1. Cement - ₹ 2 lakh (Rupees two lakh only) per annum.
2. Jute Goods- ₹ 1 lakh (Rupees one lakh only) per annum.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 14 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2014-2015.

None of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.14.

Your Directors, therefore, recommend the said Resolutions at Item No.14 for your approval.

Item No.15

M/s. MCS Limited, Kolkata, the existing Registrar & Share Transfer Agent has informed the Company about the discontinuance of services. In view of the above development, it is proposed to appoint M/s. Karvy Computershare Private Limited, having Registered Office at 17 -24 Vithal Rao Nagar, Madhapur, Hyderabad 500 081 and local office at 49 Jatin Das Road, 1st Floor, Kolkata 700 029, as Registrar & Share Transfer Agent of the Company in place of M/s. MCS Limited with such effective date based on shifting of depository connectivity and the records from M/s. MCS Limited to M/s. Karvy Computershare Private Limited.

Section 94(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other Rules framed thereunder allow the Company to keep the Register of Members together with Index of Members and copies of Annual Returns filed by the Company, at a place other than the Registered Office of the Company, if approved by the Members by way of Special Resolution. Presently more than one - tenth of the total number of Members of the Company is residing in the city of Kolkata in the State of West Bengal.

It is, therefore, proposed to keep the above-mentioned records of the Company at the premises of M/s. Karvy Computershare Private Limited, 49 Jatin Das Road, 1st Floor, Kolkata 700 029 for the convenience of the shareholders.

Accordingly, the Board seeks approval of the Members to keep the Register of Members, copies of Annual Returns and all relevant documents/ registers pertaining thereto, maintained by the Company either physically or electronically, at the office of the Registrar & Transfer Agents of the Company.

None of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.15.

Your Directors, therefore, recommend the said Resolutions at Item No.15 for your approval.

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road
Kolkata-700 001
CIN: L01132WB1919PLC003334
Dated, the 7th July, 2014

By Order of the Board

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

ANNEXURE TO ITEMS 3, 5, 6, 7, 8, 9, 10 & 11 OF THE NOTICE

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

(As on 31st March, 2014)

Name of the Director	Shri Harsh V. Lodha	Shri Vikram Swarup	Shri Anand Bordia	Shri B. B. Tandon
Date of Birth	13.02.1967	16.09.1948	10.09.1944	30.06.1941
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	23.04.1996	28.04.2004	31.07.2006	30.05.2007
Qualifications	Chartered Accountant	Mechanical Engineer	M.A.	I.A.S.
Expertise	Wide experience in Corporate Management including Finance and General Management functions.	Wide experience in Marketing, Engineering and other General Management functions.	Wide experience in diverse fields and has served various government departments in senior levels. He served as First Secretary, Trade, High Commission of India, London. He also worked in the Secretariat of the World Customs Organisation, Brussels, Belgium for 7 years.	Has held various senior positions with Central Government and retired as Chief Election Commissioner.
Number of shares held in the Company	1260*	500*	500*	500*
List of directorships held in other companies	Alfred Herbert (India) Ltd. Birla Ericsson Optical Ltd. Birla Furukawa Fibre Optics Ltd. Hindustan Gum & Chemicals Ltd. J.K. Fenner (India) Ltd. Punjab Produce Holdings Ltd. Universal Cables Ltd. Vindhya Telelinks Ltd.	Industrial & Prudential Investment Company Ltd. Melvin Powell Vanaspati & Engineering Industries Ltd. Okhla Chemicals Ltd. Paharpur Cooling Towers Ltd. (Managing Director) Paharpur Industries Ltd. Paharpur Pragnya Realty Pvt. Ltd. (Subsidiary of Paharpur Cooling Towers Ltd.) Paharpur Pragnya Tech Park Pvt. Ltd. (Subsidiary of Paharpur Cooling Towers Ltd.) Red Ceramics Limited (Additional Director)	C&C Constructions Ltd. C And C Projects Ltd. Roto Pumps Ltd. Jaypee Infratech Ltd. Jaypee Development Corporation Ltd.	Adani Power Ltd. ACB (India) Ltd. Bhushan Steel Ltd. Dhampur Sugar Mills Ltd. Exicom Tele-Systems Ltd. Filatex India Ltd. Jaiprakash Power Ventures Ltd. Jaypee Infratech Ltd. Oriental Carbon & Chemicals Ltd. VLS Finance Ltd. Schrader Duncan Ltd.

Name of the Director	Shri Harsh V. Lodha	Shri Vikram Swarup	Shri Anand Bordia	Shri B. B. Tandon
Chairman/Member of the Committees of the Boards of companies in which he is Director	<p>Chairman <i>Investors Grievance Committee</i> Alfred Herbert (India) Ltd.</p> <p>Member <i>Audit Committee</i> Fenner (India) Ltd. Punjab Produce Holdings Ltd.</p>	<p>Chairman <i>Audit Committee</i> Paharpur Pragnya Realty Pvt. Ltd. (Subsidiary of Paharpur Cooling Towers Ltd.) Paharpur Pragnya Tech Park Pvt. Ltd. (Subsidiary of Paharpur Cooling Towers Ltd.) <i>Management Committee</i> Paharpur Cooling Towers Ltd.</p>	<p>Chairman <i>Audit Committee</i> C&C Construction Ltd.</p> <p>Member <i>Audit Committee</i> Roto Pumps Ltd.</p>	<p>Chairman <i>Audit Committee</i> Adani Power Ltd. Jaiprakash Power Ventures Ltd. Bhusan Steel Ltd. <i>Remuneration Committee</i> Adani Power Limited <i>Committee of Directors</i> Jaiprakash Power Ventures Ltd.</p> <p>Member <i>Audit Committee</i> Schrader Duncan Ltd. Filatex India Ltd. Oriental Carbon & Chemicals Ltd. VLS Finance Ltd. <i>Finance Committee</i> Adani Power Ltd. Jaypee Infratech Ltd. <i>Yamuna Expressway Appraisal Committee</i> Jaypee Infratech Ltd. <i>Shareholders/Investors Grievances & Share Transfer Committee</i> Adani Power Ltd. <i>Shareholders/Investors Grievances Committee</i> VLS Finance Ltd. <i>Remuneration Committee</i> Dhampur Sugar Mills Ltd. Exicom Tele-Systems Ltd. Filatex India Ltd. ACB (India) Ltd. Oriental Carbon & Chemicals Ltd.</p>
Relationship between Directors inter-se	Nil	Nil	Nil	Nil

ANNEXURE TO ITEMS 3, 5, 6, 7, 8, 9, 10 & 11 OF THE NOTICE

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

(As on 31st March, 2014)

Name of the Director	Shri D. N. Ghosh	Dr. 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, former Rhodes Scholar, 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	Dr. Deepak Nayyar	Shri B. R. Nahar	Shri Pracheta Majumdar
Chairman/Member of the Committees of the Boards of companies in which he is Director	<p>Chairman <i>Remuneration Committee</i> Sundaram Asset Management Co. Ltd.</p> <p>Member <i>Audit Committee</i> Housing Development Finance Corpn. Ltd.</p>	<p>Chairman <i>Remuneration Committee, Strategy Committee and Committee of Independent Directors</i> ICRA Limited</p> <p><i>Shareholders'/Investors' Grievance Committee and Committee on Dispute Resolution</i> Oil and Natural Gas Corporation Ltd.</p> <p>Member <i>Audit Committee and Corporate Social Responsibility Committee</i> ICRA Ltd.</p> <p><i>Human Resource Management Committee, Remuneration Committee, HSE & Sustainability Development Committee and Financial Management Committee</i> Oil and Natural Gas Corporation Ltd.</p>		<p>Member <i>Audit Committee and Share Transfer-cum Investors' Grievance Committee - Vindhya Telelinks Ltd.</i></p>
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)

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2002-03
OPERATING RESULTS								
Turnover	347792	299434	259682	243681	238707	203884	199678	112420
Surplus before Depreciation, Finance Cost & Tax Expenses (EBITDA)	38138	51995	47856	55502	84342	50193	61367	7043
Finance Cost	8559	6486	5251	5263	2697	2205	2105	3157
Surplus after Finance Cost but before Depreciation & Amortisation & Exceptional Items	29579	45509	42605	50239	81645	47988	59262	3886
Depreciation and Amortisation	13258	10439	8000	6483	5564	4342	4144	3220
Exceptional Items	1093	-	-	-	-	-	-	-
Income / Deferred Tax	2252	8088	10684	11768	20363	11295	15761	247
Net Profit	12976	26982	23921	31988	55718	32351	39357	419
Dividend Payout	5406	6292	5370	5377	5395	4054	3604	-
Dividend Percentage	60.00	70.00	60.00	60.00	60.00	45.00	40.00	-
Retained Earning	7570	20690	18551	26611	50323	28297	35753	419
ASSETS & LIABILITIES								
Fixed Assets :								
Gross Block	307691	290887	271073	220945	175779	144302	130010	88909
Net Block	200652	196140	186216	143393	102645	74887	62746	33490
Other Assets	286060	256409	219745	216911	190390	121180	130393	31978
Total Assets	486712	452549	405961	360304	293035	196067	193139	65468
Represented by :								
Share Capital	7701	7701	7701	7701	7701	7701	7701	7701
Reserves & Surplus	244907	237305	216637	198091	171422	121070	92797	15738
Net Worth	252608	245006	224338	205792	179123	128771	100498	23439
Borrowings	107941	117527	112433	93769	70919	27645	27225	26487
Other Liabilities & Provisions	126163	90016	69190	60743	42993	39651	65416	15542
Key Indicators								
Earning per Ordinary Share (₹)	16.85	35.04	31.06	41.54	72.36	42.01	51.11	0.54
Cash Earning per Ordinary Share (₹) (annualised)	36.99	59.10	41.45	49.96	79.58	47.65	56.49	4.73
Net Worth per Ordinary Share (₹)	328.00	318.17	291.33	267.24	232.61	167.22	130.51	30.44
Debt Equity Ratio (on long-term loans)	0.26:1	0.39:1	0.34:1	0.29:1	0.23:1	0.04:1	0.07:1	0.41:1
Current Ratio	2.58	2.21	2.51	2.64	1.96	1.86	1.13	1.31

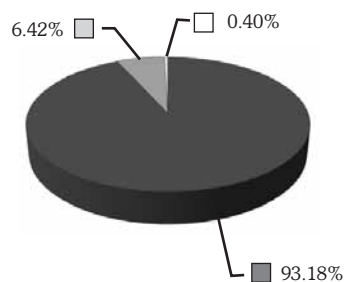
SOURCES AND APPLICATION OF FUNDS

(₹ in lacs)

SOURCES OF FUNDS	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
1. Generation from operations –						
Surplus/(Deficit) after taxes	12976	26982	23921	31988	55718	32351
Depreciation	13258	10439	8000	6483	5564	4342
Deferred Tax	2252	5844	4073	3301	228	1053
	<u>28486</u>	<u>43265</u>	<u>35994</u>	<u>41772</u>	<u>61510</u>	<u>37746</u>
2. Borrowings (Net)	(9586)	5094	18664	30661	43274	419
3. Reduction in Working Capital	10605	910	-	-	-	-
4. Increase in Capital Reserve						
Others (Net)	-	-	17	80	50	(1)
	<u>29505</u>	<u>49269</u>	<u>54675</u>	<u>72513</u>	<u>104834</u>	<u>38164</u>
APPLICATION OF FUNDS						
1. Fixed Assets	17772	20385	50844	50296	28040	16505
2. Investments	6327	22592	(12452)	2756	58936	(8171)
3. Increase in Working Capital	-	-	10913	14084	12463	25776
4. Dividend	5406	6292	5370	5377	5395	4054
	<u>29505</u>	<u>49269</u>	<u>54675</u>	<u>72513</u>	<u>104834</u>	<u>38164</u>

Statement of Sales by Activities 2013-14

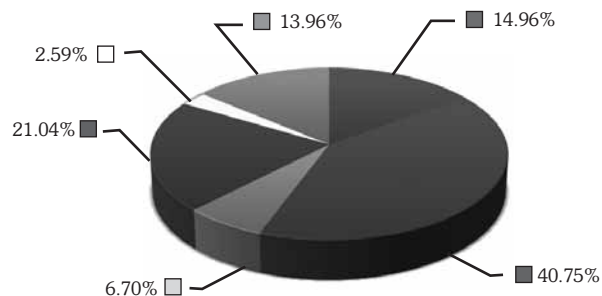
(₹ in lacs)



■ Cement : 319799.72 (93.18%)
■ Jute : 22027.63 (6.42%)
□ Others : 1383.71 (0.40%)

Revenue Distribution 2013-2014

(₹ in lacs)



■ Raw Materials : 49467.35 (14.96%)
■ Manufacturing Expenses : 134784.41 (40.75%)
■ Employee Benefits Expense : 22157.56 (6.70%)
■ Selling, Administration & Other Expenses : 69577.68 (21.04%)
□ Finance Cost : 8559.44 (2.59%)
■ Excise Duty : 46157.01 (13.96%)

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, 2014.

(₹ in Crores)

	31st March, 2014	31st March, 2013
FINANCIAL RESULTS		
Revenue from Operations (Gross)	3477.92	2994.34
Total Revenue	3141.26	2730.08
Profit before Finance Costs, Tax, Depreciation, Amortization and Exceptional items	381.38	519.95
Finance Costs	85.59	64.86
Profit before Tax, Depreciation, Amortization and Exceptional items	295.79	455.09
Depreciation and Amortization Expense	132.58	104.39
Exceptional items	10.93	-
Tax Expense	22.52	80.88
Profit for the year	129.76	269.82
Surplus as per last Financial Statements	149.91	109.51
	279.67	379.33
Appropriations:		
Debenture Redemption Reserve	16.50	16.50
Interim Dividend	-	19.25
Corporate Div. Tax on Interim Dividend	-	3.12
Proposed Final Dividend	46.21	34.66
Corporate Div. Tax on proposed Final Div.	7.85	5.89
General Reserve	13.00	150.00
Net Surplus	196.11	149.91

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 6 per share (i.e.60%) on 7,70,05,347 ordinary shares for the year ended 31st March, 2014 aggregating to ₹ 54.06 crores including Corporate Dividend Tax of ₹ 7.85 crores as compared to ₹ 62.92 crores (including Corporate Dividend Tax of ₹ 9.01 crores) in the previous year.

1.1 CEMENT DIVISION

(a) Industry Structure and Developments :

The Indian cement industry is the second largest market after China accounting for about 8% of the total global production. The per capita consumption of cement in India is about 210 kg., which is substantially poor when compared with the world average of 560 kg. This underlines the tremendous scope for growth in Indian cement industry in the long term. The Indian cement industry is currently struggling with both weak demand and over capacity, which has kept the operating margins under pressure.

(b) Review of performance :

Production :

The details of production of clinker and cement at various locations of the Company are as follows :

	2013-14 (Lac Ts.)	2012-13 (Lac Ts.)	Change %
Clinker production			
Satna	25.51	26.13	(2.37)
Chandaria	23.40	16.49	41.90
Total	48.91	42.62	14.76
Cement production			
Satna	20.80	18.87	10.23
Raebareli	5.86	6.06	(3.30)
Chandaria	31.81	25.48	24.84
Durgapur	15.00	14.03	6.91
Total	73.47	64.44	14.01
Blended Cement	62.73	59.73	5.02
% of total cement production	85.38	92.69	(7.31)

During the year the production of blended cement was at 62.73 Lac tons as against 59.73 Lac tons. The percentage of production of blended cement when compared to the overall cement production of the Company, however has come down from 92.69% in the previous year to 85.38% in the current year. The decline in the production of blended cement is largely on account of stoppage of supply of Fly ash from the Kota Thermal Power Plant.

Sales :

During the year under review, even though on all India basis, the cement industry has shown a growth of about 3 %, your Company has registered a growth of 16.69% in cement sales. In absolute terms, the sale of cement has increased to 73.63 Lac tons compared to 63.10 Lac tons in the previous year.

Power Plant :

The existing Thermal Power Plants and Waste Heat Recovery System (WHRS) were operated in optimal manner during the year to meet the power requirement of the cement plants. Following the successful commissioning of the 1.5 MW Solar Power Plant at Satna the plant started generation of power during the year. The details of power generated at various plants are as under:

	2013-14 (Lac Units)	2012-13 (Lac Units)	Change %
Thermal Power Plant :			
Satna	1718.64	1773.64	(3.10)
Chandaria	1747.79	1603.17	9.02
WHRS :			
Satna	648.30	674.86	3.94
Chandaria	324.82	277.00	17.26
Solar Power :	17.13	-	-

Cost and profitability :

The profitability of the Company during the year was impacted due to the outsourcing of limestone at higher prices. Though substantial quantity of limestone could be raised by mechanical means it was still short of the total requirement, which had to be outsourced at substantially high rates. To maintain market share the Chandaria Unit also procured clinker from outside sources.

Owing to lower availability of fly ash, the Chandaria Unit was constrained to manufacture higher quantities of Ordinary Portland Cement, instead of Blended Cement. The Unit could partially cover up the shortage by way of sourcing fly ash from farther locations with higher landed cost thereby affecting margins.

The profitability was also affected substantially because of the subdued prices of cement. The performance has also been affected by escalating manufacturing expenses, including the

increase in the cost of coal, fly ash and gypsum and the impact of higher railway freight.

The prices of diesel has risen consistently throughout the year. This has resulted in increase in the cost of transport of inward materials and also in distribution cost of finished goods. The railways have increased freight rates by about 5% during the year, impacting the cost of movement of cement and clinker through wagons.

During the year rupee has depreciated against US Dollar. Due to this our regular imports of coal, pet coke and other materials have become costlier. However, the Company was able to source coal in international market at competitive rates thereby reducing the impact of depreciating rupee.

The interest cost has increased during the year to ₹ 85.59 crores as compared to ₹ 64.86 crores, an increase of 31.96%, owing to the increase in borrowing for expansion and modernization projects. The depreciation cost has gone up from ₹ 104.39 crores to ₹ 132.58 crores due to the addition of assets during the year.

Cement demand and prices :

It was a tough year for the cement industry. In line with the slow economic growth, not only was cement demand sluggish but also realization was subdued throughout the year. Price wise, northern region was the most affected one. The region witnessed sharp decline in prices in the first nine months. Prices picked up only during the last quarter. Prices in the central region were also marginally lower during the year compared to the last year. Prices in the eastern region were also significantly lower throughout the year. Realisation in the fourth quarter was comparatively better with a pick up in demand.

Launch of Premium Brand cement :

Sales of UNIQUE, the premium brand of Portland Slag Cement launched by the Company two years ago in the eastern parts of the country, has continued to grow.

A premium brand of Portland Pozzolana Cement, Birla Samrat ULTIMATE was launched in Patna and Indore. Its controlled particle size distribution for "Perfect Construction" has been welcomed by the market. After its launch at Patna, the brand has been launched at Indore. The new product is cohesive and has high early setting strength, with assured zero loss in quantity because of its tamper and moisture proof packaging. The trade associates welcomed the initiative of the Company in offering the premium product in tamper and leakage-proof bags which, they felt, will satisfy discerning consumers.

Mining operations at Chandaria :

The Mining Operations at the Chandaria plant had been suspended since August, 2011 owing to the Order of Jodhpur High Court (Rajasthan), which was challenged by the Company before Hon'ble Supreme Court. During the year, as a partial

relief, the Supreme Court, vide its Interim Order dated 29th July, 2013 allowed mining operations beyond 2 kilometers from the Chittorgarh Fort by using heavy earth moving machinery. The Hon'ble Supreme Court has further directed Central Building Research Institute (CBRI) to submit a report after comprehensive study of all relevant aspects and facets relating to full-scale mining operations and its impact, if any, on the Chittorgarh Fort, by September, 2014.

Deallocation of Coal Block :

Based on the recommendations of the Inter-Ministerial Group (IMG), the allocation of the Bikram Coal Block, in Madhya Pradesh, has been de-allocated by the Ministry of Coal, by a letter dated 7 January, 2014. The said de-allocation was based on the ground that the block has not been developed as per the milestones prescribed in the allocation letter. Though, significant progress has been made in the development of Coal Block, the delays have been entirely due to delays/lapses in receipt of various clearances and approvals from the Government Authorities, which were beyond the control of the Company. Such facts have not been recognized by IMG in arriving at the decision to de-allocate the block. Pursuant to a writ petition filed by the Company challenging the same, the Hon'ble Jabalpur High Court has stayed encashment of the bank guarantee and permitted the Company to move the Court in case any steps are taken by the Government for re-allocation of the block. The matter is pending for further hearing.

(c) Threats, Risks and Concerns :

The growth of the cement industry is co-related to economic growth. A combination of global and domestic factors impact the Indian economy and the cement sector. Factors such as high inflation, major current account deficit, high interest rates, depreciating rupee and lack of policy initiative have adversely impacted the industry.

The recent move of the Global cement majors to consolidate their operations worldwide including India, can have a significant impact on the industry. Other major concerns of the Indian cement industry are excess capacity in the industry, inadequate availability of good quality coal - a major fuel for the industry, intense competition, lower capacity utilisation etc. Any increase in rail freight or road freight will also put pressure on the margins. Any increase in the prices of linkage coal and open market coal will also have an adverse impact.

(d) Opportunities :

India's potential in infrastructure is vast and cement plays a vital role in the growth and development of the nation. The cement industry may witness a steady market in the near future on account of an expected increase in demand from the rural sector and Tier II and Tier III cities. The focus of the government on infrastructure development to boost economic growth and to increase investment in infrastructure augurs well for the industry.

Government's initiative towards promotion of low-cost affordable housing is expected to drive cement demand. Any up-tick in industrial, real estate, construction and infrastructure activities can support the demand. The demand growth for cement is likely to pick up gradually on the back of recent clearances of many large projects that had been stalled.

(e) Outlook :

During the Financial Year 2013-14 the cement demand has been muted with poor off take from infrastructure segment and slow economic growth. However, after the completion of the General Elections and assumption of the new Government at the Centre, the economic activities are expected to give a push to the Indian economy. Consequential increase in construction activity in the housing and infrastructure sector is expected to give a fillip to the demand for cement.

1.2 JUTE DIVISION

(a) Industry Structure and Developments :

Jute Industry occupies an important place in the economy of West Bengal. It is one of the major industries of Eastern Region. It supports nearly 4 million farm families, besides providing direct employment to about 2.5 lakh industrial workers. Jute goods possess excellent property for packaging of agricultural products. The use of Geo-textiles jute products is increasing in areas like road construction, mining and soil conservation. Main products manufactured by the industry are Sacking, Hessian, Carpet Backing Cloth, Yarn, Food Grade Products.

(b) Performance :

Birla Jute Mills at Birlapur achieved highest ever production of jute goods during the year at 38015 MT as against 15380 MT during the previous year. The performance of the Mill during 2013-14 is not comparable with the previous year as the Mill was under 'Suspension of Work' for substantial period during 2012-13.

The production during the year could have been higher but for the lower demand due to the dilution of The Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987, (JPMA), which has resulted in severe drop in demand for jute goods. As a result, the jute division of the Company had to resort to production cuts from November, 2013. To overcome vagaries of government orders under the jute division is laying emphasis on improving export of jute goods. Export performance during the year has shown substantial improvement at 6966 metric tons as against 3012 metric tons in the previous year.

(c) Opportunities and Threats; Risks and Concerns :

During the year under review the requirement of compulsory packaging in jute bags was diluted and only 90% of the food grains and 20% of the sugar is now required to be packed in jute bags. As such, demand for jute goods particularly sacking

bags has come down drastically resulting in under utilization of the installed capacity.

Indian Sugar Mills Association and Flat Tape Manufacturers Association of India has filed a complaint with Competition Commission of India (CCI) against Indian Jute Mills Association (IJMA) and its member mills stating that IJMA and its member mills are engaged in manipulating price and over charging sugar industry using its monopoly position. The matter is under hearing with CCI.

(d) Outlook :

Rainfalls in the jute growing areas of India and Bangladesh in the current season have been very scanty and the jute growers were unable to start sowing. The climatic conditions during the later part of the year will prove to be decisive for raw jute yield which would consequently impact the performance of the division.

1.3 THE VINDHYACHAL STEEL FOUNDRY

The Vindhyachal Steel Foundry produces Iron and Steel Castings primarily for internal consumption. The total production of castings during the year has been 1345 tonnes as against 1316 tonnes in the previous year.

EXPANSION AND MODERNISATION

During the year under review, the Company has taken up projects and capacity enhancement programmes to maintain its market position in the industry besides focusing on various other efficiency improvements initiatives.

During the year, work has started for setting up of 5 Lac Tons Per Annum blending unit at Raebareilly and the project is expected to be commissioned by first quarter of the Financial Year 2015-16. Installation of New Coal Mill VRM for pet coke grinding at Satna, is expected to be completed by the fourth quarter of the financial year 2014-15. The installation of 1.5 MW Solar Power Plant at Satna has been completed during the year. This will enable the Company to fulfill the Renewable Power Obligation (RPO).

The Company has received environmental clearance for second phase expansion of New Chittor Cement Works from 1.2 MTPA to 2.7 MTPA. The project will be implemented once the approval for limestone mining issue is resolved.

Talavadi Cements Limited, a 98% subsidiary of Birla Corporation Limited, has been granted mining lease for 2,130 hectares in Satna district, Madhya Pradesh, by the Mineral Resource Department, Bhopal. 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. Steps have been initiated to implement the project and applications have been made for the environmental clearance for mining as well as plant. Meanwhile, the process of merger of Talavadi Cements Limited with Birla Corporation Limited, as approved by the Board earlier in the year, is progressing and presently the scheme of amalgamation is pending for the approval of the Hon'ble Calcutta High Court.

Pursuant to the MoU, signed by the Company with the Assam Mineral

Development Corporation (AMDC) to set up 1-million-ton cement plant at Umrangsu, Assam, the Shareholders' Agreement was signed between the Company and AMDC on 9 April, 2014. Steps are being initiated for implementing the project.

NEW PROJECTS

Considering factors such as market potential, proximity to fly-ash sources, availability of tax incentives etc. the setting up of three grinding/blending units in Madhya Pradesh, one grinding unit in Bihar, one blending unit in Uttar Pradesh and another blending unit in Jharkhand has been approved by the Board of Directors during the year. The Company is in the process of acquiring land and obtaining various government clearances for the above projects.

CREDIT RATING

CRISIL has re-affirmed "A1+" rating to the Company for ₹ 500 million (₹50 crores) Short Term Debt Programme and "AA+/Stable" rating in respect of outstanding 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 of the instrument.

Further, Credit Analysis and Research Limited (CARE) has also re-affirmed "CARE AA+" rating for the Company's Long Term Bank facilities and "CARE A1+" for the Company's Short Term Bank facilities aggregating to ₹ 1237 crores. Further, the rating Committee of CARE has also re-affirmed "CARE AA+" for the outstanding Non-Convertible Debentures of ₹ 500 crores and "CARE A1+" rating for the Short Term Debt programme of ₹ 50 crores.

FINANCE

The high financial discipline and prudence and the strong credit rating has enabled the Company to reduce its cost of working capital borrowings. The Company continuously undertakes review of liability management so as to reduce cost.

During the year, the Company has signed an agreement with Foreign Banks to refinance the existing foreign currency Term Loan of USD 70 million with another foreign currency Term Loan with same maturity at a lower rate of interest. Out of the above, the Company has drawn USD 35 million upto 31st March, 2014 and the balance will be drawn by May, 2014.

Further, the Company efficiently manages its surplus funds by investing in highly rated debt securities and debt schemes of mutual funds considering safety, liquidity and return.

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

During the year, the Company has been declared "Winner of Silver Award in the Cement Sector for Outstanding Achievements in Safety Management" by Greentech Safety Award 2013.

Further, the Quality Circle team, "Anusandhan", of the Satna unit, has won the "Distinction Award" at the International Convention of Quality Circles at Taiwan. The Satna Unit also received 'HR Gold Award' under Best Strategy Category by Greentech Foundation.

The Chanderia unit of the Company had received 'Bhamashah Award-2013' from the Minister of Education, Govt. of Rajasthan, for excellent contribution towards education. The unit has also received the 12th Annual Greentech Safety Award - 2013 from Greentech Foundation, New Delhi, for outstanding achievement in safety management.

During the year, Birla Jute Mills has become the first composite Jute Mill to be certified under ISO 14001: 2004 and the OHSAS (Occupational Health and Safety Management System) 18001: 2007.

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.

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. 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 and necessary preventive measures are taken to ensure safety.

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.

Safety posters, slogans are widely displayed at 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

Aligning with the Companies Act, 2013, the Board of Directors at its meeting held on 30th March, 2014, has constituted a Corporate Social Responsibility (CSR) Committee comprising of the Chairman and three Independent Directors.

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.

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.

The Company is financially and otherwise contributing to the M/s Madhav Prasad Priyamvada Birla Apex Charitable Trust for construction of a multi speciality Hospital namely "M. P. BIRLA HOSPITAL & RESEARCH CENTRE" which is situated near cement plant of the Company at Chittorgarh, Rajasthan. The total constructed area of the hospital will be approximately 1.70 lacs sft and will have basement, ground and 1st to 4th floors. The hospital shall have a separate residential building for resident doctors and nurses. Slab casting in respect of the hospital upto the 4th floor is almost complete. Orders in respect of Electricals, Sanitary & Plumbing and DG set has already been placed and the construction work is progressing satisfactorily. It is expected that the hospital shall start operation in the year 2015.

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

01. Education :

The Company has been providing financial and infrastructural support to the schools located close to the Company's plants, by way of repairing and renovating the buildings from time to time. The Company provides financial support for free education to children in the schools. School dresses, winter clothes, books, stationeries and other materials etc. are provided free of cost on regular basis. Bus facility is provided to the children of villagers of the surrounding areas of our plants for going to school. Computer training is provided to the villagers in nearby area. The Company also provides vocational training to management and engineering students and dependents of staff members and workers on regular basis.

02. Health activities :

The Company supports various social development activities in the area of healthcare by way of providing 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.

Quality healthcare services are being provided to the local population as well as to the population of the area surrounding the Company's cement plants at Satna by M.P. Birla Hospital and Priyamvada Birla Cancer Research Institute.

03. Women empowerment :

With a view to bring about advancement, development and empowerment of women and also to elevate their economic condition, the Company has taken various initiatives to promote skill building and income generating schemes for women in surrounding villages of factory and mining area. The initiatives include income generating activities such as Agarbatti making project. Necessary training and support is provided to women self-help groups under the project. Training is also imparted to women for other activities such as stitching to make them self reliant. The Company also organises rural women sports meet in which women of various villages surrounding company's mining area participate.

04. Livestock development :

The Company launched Livestock development and improved agricultural programme with the support of M/s. BAIF Development Research Foundation, Pune in the villages nearby the mining areas of the Company. The programme aims to provide livelihood support and improve socio-economic condition of the local people and initiate various rural development projects e.g. to help in developing high yielding breeds of cattle and improve agricultural practices by providing good quality of seeds and training on best practices to the farmers by agriculture specialists. Several sanitation and hygiene programme are organised in schools and villages nearby our factory and mining areas.

05. Promotion of sports :

The Company organises sports and other games activities for villagers in nearby mining areas. Financial support is provided for organizing Inter-State level Kabaddi Tournament at villages. The Company organises All India Independence Day Football Tournament which is registered as Class 1 Tournament by All India Football Association, New Delhi.

06. Other Social Initiatives :

The Company undertakes rural development projects including distribution of water in villages near its Plants, repairing hand pumps & submersible pumps, installation of water purifiers, making contributions for construction of canal for water supply and development, maintenance and renovation of temples. The Company has contributed to PM National Relief Fund for Uttarakhand disaster, Zila Saksharta Samiti, Chittorgarh for election awareness, etc.

07. Environment :

The Company believes in sustainable development by promoting clean environment and making the environment eco friendly.

Accordingly, various initiatives have been taken for pollution prevention. The environmental dimension forms an integral part of the business decisions.

Trees are the biggest CO₂ sink. Extensive eco friendly plantations and beautification of plant and residential colonies have been undertaken.

To reduce fugitive dust emission, roads are converted to concrete road. Sheds are installed for various major storage facility of raw materials.

Water tankers, pumps and rain guns have been provided for pressurized spray in order to control dust pollution around mining area and roads. Measures have been taken for conservation of limestone reserves. To restrict evaporation of Water, Chemical Spray is done on water holding pits.

Bag dust collector capacities and efficiencies have been optimized for improvement in environmental condition. Additional bag dust collectors are being installed at various transfer points for further improvement in the environmental condition.

Continuous Ambient Air Quality Monitoring System (CAAQMS) & Continuous Emission Monitoring System (CEMS) has been installed. SO₂ & NO_x gas analyzer in kiln stack has been installed for close monitoring.

Grinding aid is introduced in all the units to improve consumption of Fly Ash and Slag. To protect the environment, the Company has consumed 13.58 lac tonnes of Fly ash during the year 2013-14 at various cement plants of the Company. This has resulted in reduction of clinker usage, which in turn reduced Green House Gas (GHG) emissions at our plants, without compromising on the quality and strength of cement.

Company is committed to reduce carbon foot print. For green energy initiative, 24 MW Waste Heat Recovery, 1.5 MW Solar Power Project has already been commissioned and running satisfactorily at Satna. These initiatives will create nearly 30 MW Green Power.

The Waste Heat Recovery System installed at Satna and Chanderia plants of the Company use the waste hot gases coming out of the pre-heater and clinker cooler to generate substantial power thereby reducing GHG emissions into the atmosphere.

SUBSIDIARY COMPANIES

The two subsidiary companies namely, Thiruvaiyaru Industries Limited and Birla North East Cement Limited are 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.

During the year, the Board of Directors at their Meeting held on 25th July, 2013 approved the Scheme of Amalgamation of Talavadi Cements Limited a 98% Subsidiary Company with Birla Corporation Limited with an appointed date of 1st April, 2013. The Scheme is subject to approval of the Hon'ble High Court at Calcutta.

Birla Cement Manufacturing Limited PLC (BCML), a wholly owned

subsidiary at Ethiopia, has got licences for exploration of limestone and coal to set up a cement plant. Having regard to the prevailing market scenario, the project activities have been kept on hold. 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 –

- (a) in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- (b) the accounting policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the profit for the year ended 31st March, 2014;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the year ended 31st March, 2014, 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 set out in the Annexure to the Directors' Report. Having regard to the provisions of Section 219 (1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

INTERNAL CONTROL AND SYSTEMS

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is 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 by firms of Chartered Accountants who verify and report on the efficiency and effectiveness of internal controls. The adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS

There is a continuous effort for better Human Resource (HR) service delivery in order to better serve the customers with simpler well executed processes with proper use of technology. HR service delivery has become all the more critical in the organization due to rise in customer expectation.

The organization has a mechanism to provide employees with feedback on a continuous basis. Based on the organization's strategic plan, HR planning processes map the capacity of the organization. The knowledge, skills and abilities of the employees are identified.

The strategic thrust of HR has been improvement of the performance of the employees through training & development and also to identify high performers who are having potential for taking higher responsibilities.

The Company had 9899 employees on its rolls at the close of business hours on 31st March, 2014. Industrial relations continued to remain cordial throughout the year at all the units. Suspension of Operation continues since 29th March, 2004 at Soorah Jute Mills. There is Suspension of Work at Auto Trim Division, Birlapur and at Birla Vinoleum, Birlapur since 18th February, 2014 as there has been no improvement in the order position and the manufacturing activities have been closed in these units since long. Workers of Auto Trim Division at Birlapur, Chakan, Gurgaon and Birla Vinoleum at Birlapur have availed separation.

DIRECTORS

- i) Shri Harsh V. Lodha retires from the Board by rotation and being eligible, offers himself for re-appointment.
- ii) In view of provisions of the Companies Act, 2013, read with the provisions of the Listing Agreement, Shri Vikram Swarup, Shri Anand Bordia, Shri B.B. Tandon, Shri D.N. Ghosh and Dr. Deepak Nayyar have been appointed as Independent Directors of the Company for a term upto 31st March, 2019.
- iii) Shri B.R. Nahar has been re-appointed as Managing Director of the Company for a period of 5 years with effect from 3rd August, 2014, liable to retire by rotation.
- iv) The terms of appointment of Shri Pracheta Majumdar has been changed so as to make him liable to retire by rotation w.e.f. 1st April, 2014.

The above are subject to the approval of the shareholders in the ensuing Annual General Meeting 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 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 2012-2013 were filed by the Cost Auditor for Cement and Jute Goods on 23rd September, 2013, with the Ministry of Corporate Affairs.

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
P. MAJUMDAR	Wholetime Director designated as Chief Management Advisor
VIKRAM SWARUP ANAND BORDIA B. B. TANDON D. N. GHOSH D. NAYYAR	} Directors
B. R. NAHAR	
B. R. NAHAR	Managing Director
Kolkata,	
Dated, the 8th day of May, 2014	

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, 2014

	Auto Trim	Cement
A. Conservation of Energy		
a) Energy Conservation measures taken		<p>A special cell has been formed with an objective of identifying areas of Energy savings by way of modifications/ improvements and replacement of equipments</p> <p>Replaced old conventional light fittings by latest generation CFL & LED light fittings</p> <p>Replacement of wooden cooling tower by FRP cooling tower at administrative building at Chandeia</p> <p>Installation of high mast lighting tower for better illumination.</p> <p>Installation of 1.5 MW Solar Power plant at Satna</p> <p>Optimised transportation System and storage capacity for Clinker, Fly Ash, Coal & Gypsum at Satna</p>
b) Additional investment, proposals, if any	—	<p>Replacement of old 3 no. Ball Mills with one no energy efficient VRM at Chanderia</p> <p>Installation of Energy efficient lighting system for street lights at all Units</p> <p>Installation of VFD's drives at all the Units</p> <p>Replacement of burner by new generation Duoflex burner for Kiln firing.</p> <p>Replacement of planetary cooler with new generation grate cooler at Chanderia</p> <p>Modification in preheater cyclone to reduce the pressure drop at Chanderia & Satna</p> <p>Installation of pregrinder for Ball Mills at Chanderia & Durgapur</p> <p>Optomisation of raw material transportation system</p> <p>Replacement of pneumatic conveying by Bucket Elevatorfor transport of cement at Canderia</p> <p>Use of Alternative Fuel</p> <p>New Petcoke VRM at Satna</p> <p>Installation of Solar Power Project at Satna and Chanderia</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), Bhubaneswar 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>Automatic Truck Loading Machine installed at Chanderia</p> <p>Recycling and conservation of water through usage of sewage (Effluent) water treatment and rain harvesting</p>
2) Benefit	—	<p>Production of clinker and cement capacity enhanced to meet the future demand</p> <p>Optimize the utilization of Raw material and 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> <p>Expansion of NCCW plant from 3600 tpd to 6000 tpd</p> <p>Clinker Silo and covering of various raw material</p>

Jute	Steel Foundry	Vinoleum
Installation of domestic electric meters in Staff and workers quarter through WBSEDCL	Continuously monitoring energy consumption and taking necessary action for optimisation of power consumption.	—
Optimisation of Motor rating on Beaming, Winding Machines		—
Rationalisation of Load on Transformer		—
Installation of Variable Frequency Drive on Twisting Machines	—	—
Installation of Translucent sheet on roof to maximize sunlight use in daytime		—
Replacement of incandescent lights with CFL	—	—
Optimisation of Motor rating on Calendar Machine	—	—
Installation of domestic meters in workers/staff colony	—	—
Installation of Variable Frequency Drives on Spinning Frames, Twisting Machine etc		—
Load redistribution on Transformer	—	—
Installation of LED lights		—
Installation of Bio-Gas plant in canteen		—
Conversion of Group Drive in Winding and Beaming Section to individual drive		—
		—
		—
		—
Reduction in power consumption in the staff and workers quarter	Power Consumption has been optimised and product quality improved	—
		—
Optimisation of production		—
Improvement in Power factor and Load Factor		—
—		
—		
—		
Form 'A' annexed	Form 'A' annexed	Form 'A' annexed
Installed of High Speed fully automatic Weaving Machine (S4A Looms) for Sacking Cloth	—	—
Installation of modern fully automatic Beaming Machine for S4A looms	—	—
Installation of high speed Wrapping and sizing Machine for Victor Looms		
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
Conservation of Energy and reduction in manpower requirement		—
—	—	—
—	—	—
Development of new areas of eco-friendly jute product	—	—
Development of new usage of non-woven jute product		—

ANNEXURE

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

ENERGY

	AUTO TRIM		CEMENT			
	Current Year (2013-14)	Previous Year (2012-13)	Current Year (2013-14)	Previous Year (2012-13)		
A. POWER & FUEL CONSUMPTION						
1. Electricity						
a) Purchase						
Unit in lacs (KWH)	0.82	1.50	2545.06	2068.98		
Total Amount - ₹ in lacs	4.57	13.46	15256.35	12086.73		
Cost / Unit in ₹	5.57	8.95	5.99	5.84		
b) Own Generation						
i) Through Diesel Generator						
Unit in lacs (KWH)	—	—	3.23	8.33		
KWH per Ltr. of Diesel Oil	—	—	3.15	3.31		
Cost / KWH in ₹	—	—	18.08	11.72		
ii) Through Steam						
Turbine/Generator						
Unit in lacs (KWH)	—	—	3466.43	3376.81		
KWH per Tonne of Coal	—	—	980.15	1023.82		
Cost / Unit in ₹	—	—	2.76	2.42		
iii) Through Waste Heal Recovery System						
Unit in lacs (KWH)	—	—	973.12	951.86		
iv) Through Solar Power System						
Unit in lacs (KWH)	—	—	17.13	—		
2. Coal : Grades - B, C, D & E						
Quantity in Tonnes						
a) Power Generation	—	—	353670	329815		
b) Process Steam	—	—	—	—		
c) Locos	—	—	—	—		
d) Kilns	—	—	743016	660896		
e) Others	—	—	4789	7168		
Total Cost - ₹ in lacs	—	—	59125.51	46654.31		
Average Rate in ₹ / Tn.	—	—	5368	4675		
3. Furnace Oil / Light Diesel Oil						
Quantity (K. Ltrs.)	—	—	—	0.60		
Total Amount - ₹ in lacs	—	—	—	0.21		
Average Rate in ₹ / K. Ltrs.	—	—	—	35572		
	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	105-110	91 (for naked cement)	92
Diesel Oil in Ltrs.	—	—	—	—	0.072	0.075
Furnace Oil in Ltrs.	—	—	—	—	0.264	0.185
Coal : Grades - B, C, D & E Consumption in Tn.						
Kilns	—	—	—	0.20-0.21	0.099	0.112
Coal Quality - Kilns (UHV)						
	—	—	—	—	5726	5173

JUTE			STEEL FOUNDRY			VINOLEUM		
	Current Year (2013-14)	Previous Year (2012-13)		Current Year (2013-14)	Previous Year (2012-13)		Current Year (2013-14)	Previous Year (2012-13)
	214.75	124.64		28.08	29.10		0.08	0.11
	985.15	991.32		203.55	207.26		0.56	1.00
	7.95	7.95		7.25	7.12		6.93	8.00
	0.20	0.02		—	—		—	—
	2.67	1.91		—	—		—	—
	25.82	23.07		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	—	—		—	—		—	—
	11.21	16.53		—	22		—	—
	3203.57	3200		—	0.83		—	—
				—	3773		—	—
	—	—		252.20	288.00		—	—
	—	—		113.95	123.79		—	—
	—	—		45180.76	42983		—	—
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		
—	563	806	—	2313	2272	—	—	—
—	—	—	—	207.70	224.80	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—

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, 2014 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, 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, Wholtime Director designated as Chief Management Advisor, a 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. He is Vice Chairman of Kalyan Bharti Trust which owns and operates The Heritage Group of Educational Institutions in Kolkata and the Chairman of the School Management Committee of The Heritage School. He is also the National Vice President of the Indo-American Chamber of Commerce.

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 was Member (Finance), National Highways Authority of India. He undertook consultancy projects for the Harvard Institute for International Development, UNODC and Asian Development Bank.

Shri B.B. Tandon, is a retired IAS officer and during his long career of about 36 years in the IAS from 1965 to 2001, he has held various high level posts in the Government of India and State Government of Himachal Pradesh in several Ministries /Departments relating to Industry, Power, Mining, Corporate Affairs, Cabinet Secretariat etc. He has also served as a Member of SEBI as special invitee. After his superannuation from the IAS, Shri Tandon held the Constitutional post of Electioner Commissioner and later as Chief Electioner of India from 2001 to 2006. Shri Tandon is currently serving as Independent Director on the Board of some leading private sector Companies. He is also associated with some Educational Institutions as a Member of the Governing Body of these Institutes. He is also associated with an NGO which assists people in changing their socio-economic conditions through implementation of various schemes/projects as a measure of Corporate Social Responsibility.

Shri D.N. Ghosh is a former Secretary to the Govt. of India and a former Chairman of State Bank of India. He was the Founder Chairman of ICRA Ltd., the premier Rating Agency and former Chairman of 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 Director of several reputed companies.

Dr. Deepak Nayyar is an eminent economist and Emeritus Professor of Economics at Jawaharlal Nehru University. He has also taught at the University of Oxford, University of Sussex, IIM Calcutta and the New School of Social Research, New York. He was a Rhodes Scholar at Oxford and is Honorary Fellow, Balliol College, Oxford. He served as Chief Economic Advisor to the Government of India and Secretary, Ministry of Finance and was Vice Chancellor, University of Delhi. He has published 14 books and more than 70 papers in academic journals. Dr. Nayyar is an Independent Director 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 6 Meetings of the Board of Directors of the Company were held i.e. on 20th May, 2013, 25th July, 2013, 7th October, 2013, 30th October, 2013, 9th February, 2014 and 30th March, 2014. 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, 2014 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	6	Yes	1260*	13	2	1
Shri Pracheta Majumdar @ (Whole time Director designated as Chief Management Advisor)	Executive	5	Yes	500*	1	2	-
Shri Vikram Swarup	Independent Non-Executive	4	Yes	500*	8	-	2
Shri Anand Bordia	Independent Non-Executive	4	No	500*	5	1	1
Shri B.B. Tandon	Independent Non-Executive	6	Yes	500*	11	6	3
Shri D.N. Ghosh	Independent Non-Executive	6	No	500*	4	1	-
Dr. Deepak Nayyar	Independent Non-Executive	5	No	500*	2	1	1
Shri B.R. Nahar Managing Director	Executive	6	Yes	500*	4	-	-

* Shares held jointly with other shareholders.

@ Appointed as Whole time Director designated as Chief Management Advisor w.e.f 20.05.2013

\$ 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 20th May, 2013, 25th July, 2013, 29th October, 2013 and 8th February, 2014. The composition and the attendance of Directors at these meetings is as under :

Name of Member	Status	No. of meetings attended
Shri Vikram Swarup	Chairman	3
Shri Anand Bordia	Member	3
Shri B.B. Tandon	Member	4
Dr. Deepak Nayyar	Member	2

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. During the year as per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Remuneration Committee' has been changed to 'Nomination and Remuneration Committee' w.e.f. 1st April, 2014.
- 4.2 The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and shall be responsible for :
- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and other employees;
 - formulation of criteria for evaluation of Independent Directors and the Board;
 - devising a policy on Board diversity;
 - identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- 4.3 During the year, 3 meetings of the Remuneration Committee of the Company were held i.e. on 20th May, 2013, 25th July, 2013 and 7th October, 2013. The Composition and the attendance of Directors at these meetings is as under:

Name of Member	Status	No. of meetings attended
Shri Vikram Swarup	Chairman	3
Shri Harsh V. Lodha \$	Member	–
Shri Anand Bordia	Member	3
Shri B.B. Tandon	Member	3
Dr. Deepak Nayyar	Member	2

\$ Inducted as a member w.e.f. 30th March, 2014.

4.4 Details of remuneration paid/payable to the Directors during the financial year ended 31st March, 2014 :

(a) Managing Director : (₹ in Lacs)

Name	Salary	Perquisites & Allowances*	Sitting Fees	Performance Linked Bonus	Total amount paid/ payable in 2013-14	Period of Service Contract
Shri B.R. Nahar	72.00	130.68	–	55.00	257.68	5 years w.e.f. 03.08.2009

* Including Retirement benefits.

(b) Wholetime Director designated as Chief Management Advisor : (₹ in Lacs)

Name	Salary	Perquisites & Allowances	Sitting Fees	Total amount paid/ payable in 2013-14	Period of Service Contract
Shri P. Majumdar	38.43	3.01	–	41.44	5 years w.e.f. 20.05.2013

(c) Non-Executive Directors : (In ₹)

Name	Sitting Fees
Shri Harsh V. Lodha	160000
Shri Vikram Swarup	200000
Shri Anand Bordia	170000
Shri B.B. Tandon	230000
Shri D.N. Ghosh	120000
Dr. Deepak Nayyar	160000

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 & 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. During the year as per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Share Transfer & Shareholders'/ Investors' Grievance Committee' has been changed to 'Stakeholders Relationship Committee', w.e.f. 1st April, 2014.
- 5.2 Stakeholders Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including power to reject transfer of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing Agreement and the Company's Articles of Association and take necessary actions as may be required for the purpose and shall consider and resolve the grievances of shareholders, debenture holders and other security holders of the Company including complaints related to non-receipt of balance sheet and non-receipt of declared dividends.
- 5.3 During the year 4 meetings of the Share Transfer and Shareholders'/Investors' Grievance Committee of the Company were held i.e. on 20th May, 2013, 25th July, 2013, 30th October, 2013 and 9th February, 2014. The composition and the attendance of Directors at these meetings is as under :

Name of Member	Status	No. of meetings attended
Shri Harsh V. Lodha	Chairman	4
Shri Pracheta Majumdar	Member	3
Shri Vikram Swarup	Member	3
Shri B.R. Nahar	Member	4

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

The Company has received 2 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 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, 2014 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, 2014.

Shri Girish Sharma, the Company Secretary, is the Compliance Officer.

6. COMMITTEE OF DIRECTORS :

6.1 The Committee of Directors has been constituted by the Board of Directors of the Company with necessary powers delegated to it with a view to 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 did not meet during the year.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

7.1 The Corporate Social Responsibility Committee has been constituted by the Board of Directors of the Company w.e.f. 1st April, 2014 as per the provisions of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014.

7.2 The composition of the Committee is as under:

Name of Member	Status
Shri Harsh V. Lodha	Chairman
Shri B.B. Tandon	Member
Shri Vikram Swarup	Member
Shri D.N. Ghosh	Member

7.3 The terms of reference of the Corporate Social Responsibility Committee of the Company is as under :

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- to recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a Financial Year;
- to monitor the Corporate Social Responsibility Policy of the company from time to time; and
- any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

8. 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 Clause 49 of the Listing Agreement with regard to subsidiary companies have been complied with.

9. GENERAL BODY MEETINGS :

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

Year	Venue	Date	Time
2012-2013	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	10.07.2013	10.30 A.M.
2011-2012	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	28.06.2012	10.30 A.M.
2010-2011	Kalpataru Uttam Mancha 10/1/1, Manohar Pukur Road, Kolkata - 700 026	27.06.2011	10.30 A.M.

9.2 No Special Resolutions were passed during the Annual General Meetings held on 27th June, 2011, 28th June, 2012 and 10th July, 2013.

No Special Resolution was passed during the Financial Year ended 31st March, 2014 through Postal Ballot. At present, there is no proposal for passing any Special Resolution through Postal Ballot.

10. 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 Procedure which was presented to the Audit Committee and reviewed by the Board from time to time. 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.

11. 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.

12. 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, forms part of the Directors' Report is covered in the Annual Report.

13. GENERAL SHAREHOLDERS' INFORMATION :

13.1 Annual General Meeting

Date and Time : 21st August, 2014, 10.30 A.M.

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

13.2 Financial Calendar (tentative and subject to change)

1st Quarterly Results } Within 45 days of
2nd Quarterly/Half yearly Results } the end of the
3rd Quarterly Results } quarter
Audited yearly Results for the : Within 60 days of the end
year ending 31st March, 2014 of the Financial Year

13.3 Date of Book closure : 12th August, 2014 to (both days inclusive) 21st August, 2014

13.4 Dividend Payment date : Credit/dispatch of dividend warrants between 22nd August, 2014 and 28th August, 2014

13.5 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. (NSE) Exchange Plaza, C - 1, Block - G Bandra-Kurla Complex Bandra (East), Mumbai- 400 051	BIRLACORPN - EQ
2. BSE Ltd. (BSE) 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.

13.6 ISIN Code for the Company's Ordinary Shares :

INE340A01012

13.7 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

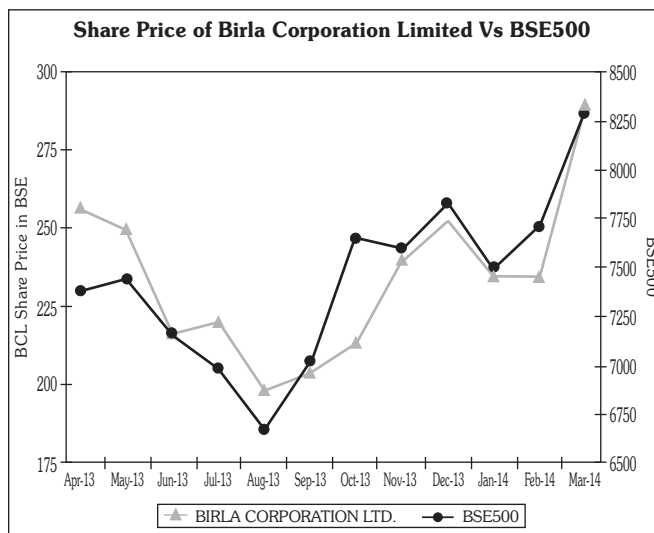
Annual Listing fees as prescribed, has been paid by the Company to the above Stock Exchanges for the financial year 2014-15.

13.8 Corporate Identity Number (CIN) : L01132WB1919PLC003334

13.9 Market Price Data during financial year 2013-2014 :

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
April, 2013	262.00	230.00	265.80	229.00
May, 2013	275.10	249.00	276.55	248.00
June, 2013	252.00	213.20	270.00	214.00
July, 2013	251.00	210.40	253.00	210.00
August, 2013	234.40	191.00	234.00	190.10
September, 2013	217.90	198.00	220.00	196.10
October, 2013	220.70	202.00	223.00	202.00
November, 2013	255.00	215.00	257.90	215.00
December, 2013	271.00	235.10	272.00	236.70
January, 2014	278.00	230.20	279.00	231.20
February, 2014	256.00	226.00	249.75	229.00
March, 2014	304.80	228.30	305.00	230.05

13.10 Stock Performance in comparison to broad-based indices :



13.11 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

13.12 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 & 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).

13.13 Dividend History for the last 5 years is as under :

Financial Year	Date of Declaration	Dividend per Share (₹)
2013 - 2014	21.08.2014*	6.00
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

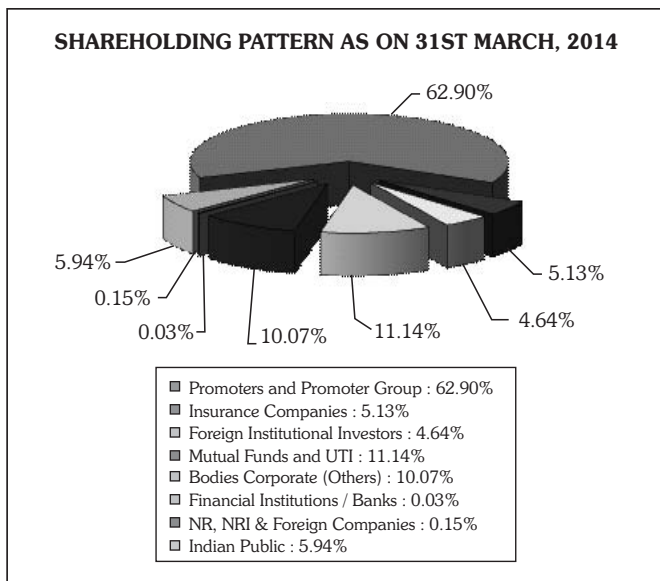
* Subject to approval of shareholders.

13.14 Distribution of shareholding as on 31st March, 2014 :

No. of ordinary shares held	No. of shareholders	% of shareholders	No. of Ordinary shares	% of shareholding
Upto 500	19917	94.58	1487846	1.93
501 to 1000	533	2.53	405726	0.53
1001 to 2000	273	1.30	398145	0.52
2001 to 3000	88	0.42	224175	0.29
3001 to 4000	53	0.25	188713	0.24
4001 to 5000	38	0.18	175811	0.23
5001 to 10000	40	0.19	292098	0.38
10001 & above	115	0.55	73832833	95.88
TOTAL	21057	100.00	77005347	100.00

13.15 Shareholding Pattern :

The shareholding of different categories of the shareholders as on 31st March, 2014 is given below :



13.16 Dematerialisation of Shares and liquidity :

As on 31st March, 2014, 98.71% of the Company's total ordinary shares representing 76012495 shares were held in dematerialised form and 992852 shares representing 1.29 % of paid-up share capital were held in physical form.

13.17 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 and is also placed before the Board of Directors.

13.18 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).

13.19 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

13.20 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

13.21 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, 2014 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

For **BIRLA CORPORATION LIMITED**

Dated, the 8th May, 2014

(B.R. NAHAR)
Managing Director



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

8th May, 2014

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, 2014 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

AUDITOR'S CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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 31st March'14 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
Date : the 8th day of May, 2014

RAJIV SINGHI
Partner
Membership No. 053518

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, 2014 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") read with general circular 15/2013 dated 13th September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- 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 read with general circular 15/2013 dated 13th September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013;
 - e) On the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Chartered Accountants

Firm Registration No. 302050E

1B, Old Post Office Street,
Kolkata - 700 001

Date : the 8th day of May, 2014

RAJIV SINGHI

Partner

Membership No. 053518

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 with the heading "Report on other legal and regulatory requirement" of Our Report of even date to the members of Birla Corporation Limited on the accounts of the company for the year ended 31st March, 2014.

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 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 two subsidiaries, the maximum balance outstanding at any time during the year and closing balance of such advances as on 31.03.2014 were Rs. 222.01 lacs and Rs. 222.01 lacs respectively. The advances made to one other subsidiary amounting to Rs. 409.54 lacs have been fully repaid during the year. Advance amounting to Rs. 222.01 to two subsidiaries will be realized 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 Rs.1 lac in respect of the above advance granted by the Company.
- (e) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses (f) and (g) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been duly entered in the register required to be maintained in pursuance of Section 301 of the Companies Act 1956.
- (b) According to the information available and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to Rs. 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 an 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, customs duty, excise duty, cess and any other dues during the year with the appropriate authorities. According to the information and explanations given to us and no undisputed dues as above were outstanding as at 31st March, 2014 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, 2014 which have not been deposited 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	2683.49	1994-2014	Department/1st Appellate Authority
		184.48	1989-2003	Tribunals
		646.59	1993-2014	High Court & above
Central Excise Act, 1944	Excise Duty	913.63	1980-2011	Department/1st Appellate Authority
		1930.33	1976-2012	Tribunals
Finance Act, 1944	Service Tax	622.07	2005-2013	Department/1st Appellate Authority
		489.75	2004-2011	Tribunals
The Custom Act 1962	Custom Duty	6.00	2012-13	Tribunals
Income Tax Act, 1961	Income Tax	3503.55	2007-08 to	Department/1st Appellate Authority
			2010-2011	

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 applied 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 8th day of May, 2014

RAJIV SINGHI
Partner
Membership No. 053518



BALANCE SHEET as at 31st March, 2014

(₹ in lacs)

	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	7700.89	7700.89
Reserves and Surplus	2.2	244906.76	237305.08
		252607.65	245005.97
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.3	91630.90	89738.46
Deferred Tax Liabilities (Net)	2.4	23421.38	21169.24
Other Long-Term Liabilities	2.5	27668.07	25048.41
Long-Term Provisions	2.6	2714.46	3622.36
		145434.81	139578.47
CURRENT LIABILITIES			
Short-Term Borrowings	2.7	16310.49	27788.96
Trade Payables	2.8	15474.23	12670.58
Other Current Liabilities	2.9	50019.29	21623.05
Short-Term Provisions	2.6	6865.97	5882.16
		88669.98	67964.75
TOTAL		486712.44	452549.19
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.10	186121.62	172823.31
Intangible Assets		363.34	459.33
Capital Work-In-Progress		14166.77	22857.31
		200651.73	196139.95
Non-Current Investments	2.11	35202.55	89793.14
Long-Term Loans and Advances	2.12	19141.17	13503.93
Other Non-Current Assets	2.13	3006.50	2942.00
		258001.95	302379.02
CURRENT ASSETS			
Current Investments	2.14	98197.36	37279.98
Inventories	2.15	51510.71	57014.06
Trade Receivables	2.16	7471.14	7496.29
Cash and Bank Balances	2.17	50108.27	27863.02
Short-Term Loans and Advances	2.12	8106.41	9695.44
Other Current Assets	2.13	13316.60	10821.38
		228710.49	150170.17
TOTAL		486712.44	452549.19
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 8th day of May, 2014

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

HARSH V. LODHA

PRACHETA MAJUMDAR

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

B. R. NAHAR

Chairman

Wholtime Director designated
as Chief Management Advisor

Directors

Managing Director

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(₹ in lacs)

	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations (Gross)	2.18	347792.22	299434.35
Less : Excise Duty		46157.01	39138.42
Revenue from Operations (Net)		301635.21	260295.93
Other Income	2.19	12490.85	12711.64
Total Revenue		314126.06	273007.57
EXPENSES			
Cost of Materials Consumed	2.20	49327.27	52634.21
Purchases of Traded Goods	2.21	140.08	487.08
(Increase)/ Decrease in Inventories of Finished Goods, Work-In-Progress and Traded Goods	2.22	3915.75	(13190.64)
Employee Benefits Expense	2.23	22157.56	19307.47
Finance Costs	2.24	8559.44	6485.74
Other Expenses	2.25	200446.34	161773.98
		284546.44	227497.84
Profit before Tax, Depreciation and Amortisation		29579.62	45509.73
Depreciation and Amortisation Expense	2.26	13258.27	10439.17
Profit before Tax & Exceptional Items		16321.35	35070.56
Exceptional Items	2.27	1093.19	—
Profit before tax		15228.16	35070.56
Tax Expense :	2.28		
Current Tax		—	2244.60
Deferred Tax		2252.14	5844.37
Profit for the year		12976.02	26981.59
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)		16.85	35.04

Significant Accounting Policies **1**
The Notes are an integral part of the Financial Statements

As per our Report annexed.

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

CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Cash Flow from Operating Activities :		
Profit before Tax	15228.16	35070.56
Adjustments for :		
Depreciation & Amortisation	13258.27	10439.17
Investing Activities (Net)	(11120.88)	(11818.18)
Provision for Doubtful Debts	441.95	106.00
Excess Liabilities and Unclaimed Balances written back (Net)	(2268.07)	(505.55)
Excess Depreciation written back	(87.07)	(40.97)
Unrealised Loss/ (Gain) on Foreign Exchange	3462.30	1370.04
Finance Costs	8559.44	6485.74
Operating Profit before Working Capital changes	27474.10	41106.81
Adjustments for :		
(Inc)/ Dec in Trade Receivables	(416.80)	(3877.77)
(Inc)/ Dec in Inventories	5503.35	(15432.77)
(Inc)/ Dec in Loans and Advances & Other Assets	(628.63)	(4281.55)
Inc/ (Dec) in Trade Payables & Other Liability	8689.62	8038.18
Inc/ (Dec) in Provisions	(391.82)	1224.14
Cash generated from operations	40229.82	26777.04
Direct Taxes Paid	(4012.20)	(7187.80)
Net Cash from Operating Activities	36217.62	19589.24
Cash Flow from Investing Activities :		
Purchase of Tangible & Intangible Assets including		
CWIP/ Capital Advances	(16433.79)	(18468.46)
Sale of Tangible Assets	362.78	468.20
(Purchase)/Sale of Investments (Net)	(2587.65)	(18523.33)
(Inc)/ Dec in Other Bank Balances	(21401.06)	17132.86
(Inc)/ Dec in Advances to Related Parties	(6.39)	(4.69)
Interest Received	5120.83	7878.50
Dividend Received	572.23	463.83
Net Cash used in Investing Activities	(34373.05)	(11053.09)
Cash Flow from Financing Activities :		
Proceeds from Long-Term Borrowings	50312.22	19376.00
Repayments of Long-Term Borrowings	(26478.58)	(1888.12)
(Repayments)/Proceeds from Short-Term Borrowings	(11448.01)	(9414.88)
Interest Paid	(9333.01)	(8903.16)
Dividend Paid	(3464.08)	(4601.85)
Corporate Dividend Tax paid	(588.92)	(749.52)
Net Cash (from/used in) from Financing Activities	(1000.38)	(6181.53)
Net Increase in Cash and Cash Equivalents	844.19	2354.62
Cash and Cash Equivalents (Opening Balance)	5652.18	3297.56
Cash and Cash Equivalents (Closing Balance)	6496.37	5652.18

Notes :

- Above statement has been prepared in indirect method.
- Figures for the previous year have been re-grouped wherever considered necessary.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

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 8th day of May, 2014

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Directors

B. R. NAHAR

Managing Director

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ 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) the relevant provisions of the Companies Act, 1956, and Companies Act, 2013 (as applicable).

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) On assets of Cement Division acquired after 1st April, 1987, depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956. On other assets of Cement Division, depreciation is provided on the specified period basis as per the rates as prescribed in Schedule XIV to the Companies Act, 1956 .
 - ii) On the assets of other Divisions, depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956.
 - iii) On amount added on revaluation, depreciation is provided at the rates considered reasonable.
 - iv) On assets acquired under finance lease on or after 1st April, 2001, depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) Leasehold land is amortised over the period of the lease.
- c) Depreciation on assets built on leasehold land, which is transferable to the lessor on expiry of lease period, is amortised over the period of lease.

(₹ in lacs)

- d) Intangible assets are amortised over a period of three years. The amortization period and the amortization 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.

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 comprise 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 expenses based on actuarial valuation using projected unit credit method.
- d) Actuarial gains and losses are recognized immediately in the Statement of Profit & Loss as income or expense.
- e) Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit & Loss 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 option 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 the asset, and in

(₹ in lacs)

other cases, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term asset or liability.

- c) All other exchange differences are recognized 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. 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 recognized as income on the delivery of the CERs to the buyer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

1.11 Taxation

Provision for Current Income Tax is made in accordance with the Income Tax Act, 1961. The deferred tax charge or credit is recognised using substantively enacted tax rates subject to consideration of prudence on timing differences between book and tax profits. 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 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, 2014

		(₹ in lacs)	
		As at 31st March, 2014	As at 31st March, 2013
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, 2014		As at 31st March, 2013	
	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	7.78	59,94,680	7.78
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 bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No securities convertible into Equity/Preference shares 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, 2014

As at 31st March, 2013

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

198.74

Debenture Redemption Reserve

As per last Financial Statements

6275.00

4625.00

Add : Transferred from Surplus

1650.00

1650.00

7925.00

6275.00

Revaluation Reserve

As per last Financial Statements

735.50

757.50

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

–

0.82

735.50

756.68

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

2.04

21.18

733.46

735.50

General Reserve

As per last Financial Statements

215000.00

200000.00

Add : Transferred from Surplus

1300.00

15000.00

216300.00

215000.00

Foreign Currency Monetary Item Translation Difference Account

Exchange Gain / (Loss) during the year*

(2,579.14)

–

Less : Amortisation during the year (See Note No. 2.25 & 2.27)

(2,612.38)

–

33.24

–

* Includes ₹ 129.60 related to year ended 31st March, 2013

Surplus

As per last Financial Statements

14990.76

10950.76

Add : Profit for the year

12976.02

26981.59

27966.78

37932.35

Less : Appropriations

Debenture Redemption Reserve

1650.00

1650.00

Interim Dividend

–

1925.13

Corporate Dividend Tax on Interim Dividend

–

312.30

Proposed Final Dividend

4620.32

3465.24

Corporate Dividend Tax on Proposed Final Dividend

785.32

588.92

General Reserve

1300.00

15000.00

8355.54

22941.59

Net Surplus

19611.24

14990.76

244906.76

237305.08

2.3 : LONG-TERM BORROWINGS

	Non-current portion		Current Maturities	
	As at	As at	As at	As at
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
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>40000.00</u>	<u>50000.00</u>	<u>10000.00</u>	<u>–</u>
Term Loans (Secured)				
Rupee Loans from Bank	–	–	–	3975.00
Foreign Currency Loans from Banks	51630.90	39738.46	22188.53	1102.22
	<u>51630.90</u>	<u>39738.46</u>	<u>22188.53</u>	<u>5077.22</u>
Total Secured Borrowings	<u>91630.90</u>	<u>89738.46</u>	<u>32188.53</u>	<u>5077.22</u>
Amount disclosed under the head				
“Other Current Liability” (Note No. 2.9)			(32188.53)	(5077.22)
	<u>91630.90</u>	<u>89738.46</u>	<u>–</u>	<u>–</u>

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

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

The Debentures are secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking *pari-passu* with the term lenders.

b) Foreign Currency Loans from Banks are repayable as under:-

- ₹ 7907.43 (P.Y. ₹ 8266.68) repayable in remaining thirteen semi-annual instalments.

The above loan 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.

- ₹ 20972.00 (P.Y. ₹ 19001.50) repayable in April/May, 2014 in two equal instalments.
- ₹ 20972.00 (P.Y. ₹ Nil) includes ₹ 2247.00 repayable in September, 2015, ₹ 2247.00 repayable in September, 2016, ₹ 3745.00 repayable in September, 2017, ₹ 5243.00 repayable in September, 2018 and ₹ 7490.00 repayable in September, 2019.
- ₹ 14980.00 (P.Y. ₹ 13572.50) includes ₹ 4494.00 repayable in July/August, 2016 - and ₹ 10486.00 repayable in December, 2016/January, 2017.
- ₹ 8988.00 (P.Y. ₹ Nil) includes ₹ 1198.40 repayable in March, 2018, ₹ 2396.80 repayable in June, 2018, ₹ 1797.60 repayable in September, 2018 and ₹ 3595.20 repayable in December, 2018.

The above loans are secured/are to be 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, 2014</u>	<u>As at 31st March, 2013</u>
2.4 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Arising on account of :		
Depreciation	30435.81	26518.80
Less : Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-Tax Act	5019.86	4532.59
Others	1994.57	816.97
Deferred Tax Liabilities (Net)	<u>23421.38</u>	<u>21169.24</u>

During the year the Company has recognised Deferred Tax Assets of ₹ 226.60 on long term capital loss to the extent there is a certainty of reversal of the same in due course.

2.5 : OTHER LONG TERM LIABILITIES

Other Liabilities

Liabilities under Litigation	32895.95	29266.57
Less : Paid under protest	18280.10	15217.60
Trade and Security Deposits	12557.09	10509.71
Other Payables	495.13	489.73
	<u>27668.07</u>	<u>25048.41</u>

2.6 : PROVISIONS

	<u>Long-term</u>		<u>Short-term</u>	
	<u>As at 31st March, 2014</u>	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2014</u>	<u>As at 31st March, 2013</u>
Provision for Employee Benefits	1908.63	1932.90	1460.43	1828.00
Other Provisions				
Provisions for Taxation (Net of Payments)	805.81	1689.46	–	–
Proposed Dividend			4620.32	3,465.24
Corporate Dividend Tax			785.22	588.92
	<u>805.81</u>	<u>1689.46</u>	<u>5405.54</u>	<u>4054.16</u>
	<u>2714.44</u>	<u>3622.36</u>	<u>6865.97</u>	<u>5882.16</u>

(₹ in lacs)

As at 31st March, 2014

As at 31st March, 2013

2.7 : SHORT-TERM BORROWINGS

Working Capital Borrowings

From Banks

Rupee Loans (Secured)	3661.98	9589.40
Buyers' Credit and Packing Credit in Foreign Currency (Secured)	–	205.87
Buyers' Credit and Packing Credit in Foreign Currency (Unsecured)	1344.65	3159.37

From Others

Collateralised Borrowing and Lending Obligation (Secured)	6500.00	6500.00
	<u>11506.63</u>	<u>19454.64</u>

Deposits

Staff and Other Deposits (Unsecured)	<u>838.24</u>	<u>943.99</u>
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Other Loans & Advances

From Banks

Buyers' Credit in Foreign Currency (Secured)	1311.37	1624.57
Buyers' Credit in Foreign Currency (Unsecured)	2654.25	5765.76
	<u>3965.62</u>	<u>7390.33</u>
	<u>16310.49</u>	<u>27788.96</u>

The above amount includes

Secured Borrowings	11473.35	17919.84
Unsecured Borrowings	4837.14	9869.12
	<u>16310.49</u>	<u>27788.96</u>

- Working Capital Rupee Loans of ₹ 1882.36 (P.Y. ₹ 9589.40) 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
- Working Capital Rupee Loans of ₹ 1779.62 (P.Y. ₹ Nil) and Buyers Credit in Foreign Currency of ₹ 1311.37 (P.Y. ₹ 1624.57) 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	15474.23	12670.58
	<u>15474.23</u>	<u>12670.58</u>

2.9 : OTHER CURRENT LIABILITIES

Current maturities of Long-Term Debt (See Note No. 2.3)	32188.53	5077.22
Interest accrued but not due on Borrowings	1001.73	917.67
Unpaid and unclaimed dividends	121.58	120.42
Statutory Dues	2838.43	2344.97
Employees related Liabilities	1285.61	1148.34
Amount payable for Capital Goods	2357.13	2363.49
Trade and Security Deposits	27.91	18.96
Advances Received from Customers	5969.80	5551.84
Other Payables (include rebates and discounts)	4228.57	4080.14
	<u>50019.29</u>	<u>21623.05</u>

(₹ in lacs)

2.10 : FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost/Value as at 31st March, 2013	Additions during the year	Deductions during the year	Other Adjustment	Cost/Value as at 31st March, 2014	Upto 31st March, 2013	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Tangible Assets :											
Land											
Leasehold	1672.30	871.73	4.16	-	2539.87	1276.76	708.08	3.37	1981.47	558.40	395.54
Freehold	4172.19	690.81	-	-	4863.00	-	-	-	-	4863.00	4172.19
Sub Total :	5844.49	1562.54	4.16	-	7402.87 (a)	1276.76	708.08	3.37	1981.47	5421.40	4567.73
Buildings	17661.29	3269.76	5.28	552.56	21478.33 (a)	8045.12	389.07	2	8432.19	13046.14	9616.17
Plant & Machinery	236561.28	18105.19	1084.09	2640.17	256222.55	81472.94	11502.13	761.15	92213.92	164008.63	155088.34
Furniture & Fittings	1210.50	108.70	27.09	-	1292.11	818.26	46.24	20.60	843.90	448.21	392.24
Vehicles	1779.68	242.40	100.06	-	1922.02	838.8	146.38	81.30	903.88	1018.14	940.88
Office Equipment	3079.67	240.71	111.25	3.11	3212.24	1606.87	237.67	99.56	1744.98	1467.26	1472.80
Livestock	11.39	-	0.00	-	11.39	-	-	-	-	11.39	11.39
Railway Sidings	1361.76	9.84	-	-	1371.60	628.00	43.15	-	671.15	700.45	733.76
Total :	267510.06	23539.14	1331.93	3195.84	292913.11	94686.75	13072.72	967.98	106791.49	186121.62	172823.31
Intangibles Assets :											
Computer Software	520.30	91.23	-	-	611.53	60.97	187.22	-	248.19	363.34	459.33
Total :	520.30	91.23	-	-	611.53	60.97	187.22	-	248.19	363.34	459.33
Grand Total :	268030.36	23630.37	1331.93	3195.84	293524.64	94747.72	13259.94	967.98	107039.68	186484.96	173282.64
Previous Year :	219680.66	45453.52	1022.43	3918.61	268030.36	84857.62	10459.55	569.45	94747.72	173282.64	

- (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) 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, ₹ 3192.28 remain unamortised as on 31st March 2014.

				(₹ in lacs)	
As at	As at	As at	As at	As at	As at
31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
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/dimuntion)			
-	-	Cost of Land & Building	51.06	51.06	
		Less : Accumulated depreciation/dimuntion	41.31	40.94	
		Net Block	9.75	10.12	
		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 Services 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 ₹ 0.03)	-	-	
15	15	Gangangiri Park Co-Operative Society Housing Society Ltd.	0.01	0.01	
10	10	Twin Star Venus Co-Operative Society Housing Society Ltd.	0.01	0.01	
			0.02	0.02	
		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	
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	1518.27	
		UNQUOTED			
24,000	24,000	Birla Buildings Ltd.	2.47	2.47	
50	50	Craig Jute Mills Ltd. (Face Value ₹ 3/- each) (Net of provision of ₹ *, Previous Year ₹ *)	-	-	
400	400	Eastern Economist Ltd.	0.40	0.40	
2250	2250	Elgin Mills Co. Ltd (Net of Provision of ₹ 0.14, Previous Year ₹ 0.14)	-	-	
600	600	Industry House Ltd.	0.40	0.40	
1	1	Lotus Court Ltd.	0.46	0.46	
52,000	52,000	Neosym Industry Ltd.	1.19	1.19	
520	-	Woodlands Multispeciality Hospital Ltd.	0.05	-	
			4.97	4.92	

(₹ in lacs)

As at 31st March, 2014	As at 31st March, 2013		As at 31st March, 2014	As at 31st March, 2013
2.11 : NON-CURRENT INVESTMENTS (Contd.)				
Number of Shares / Securities / Bonds / Units				
		INVESTMENT IN PREFERENCE SHARES - UNQUOTED		
100	100	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 [c]	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 Savings Certificate (d) (Face Value of ₹ 7500/-)	0.08	0.08
		INVESTMENT IN DEBENTURES - UNQUOTED		
-	52	1/2% Debentures of ₹ 100/- each in Woodlands Multispeciality Hospital Ltd.	-	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	275	6.30% Indian Railway Finance Corporation Ltd. 2017	262.35	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	8.40% ONGC Videsh Ltd. 2014	-	2480.03
			16585.59	19065.62
		INVESTMENT IN MUTUAL FUNDS - QUOTED		
62,50,000	62,50,000	Reliance Fixed Horizon Fund XXII Series 34 - Growth	625.00	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 Fixed Maturity Plan Series 99 Direct Plan - Growth	-	1500.00
-	1,00,00,000	UTI Fixed Term Income Fund Series XIII IV (546 Days) Direct Plan - Growth	-	1000.00
-	50,00,000	HDFC Fixed Maturity Plan 566D December 2012 (1) - Growth Series XXIV	-	500.00
-	75,00,000	UTI Fixed Term 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 Fixed Maturity Plan VII January 507D A Direct Plan - Growth	-	2000.00
-	3,00,00,000	JP Morgan India Fixed Maturity Plan Series 13 Direct Plan - Growth	-	3000.00
-	5,00,02,626	JP Morgan India Fixed Maturity Plan Series 12 Direct Plan - Growth	-	5000.26
-	26,00,000	HDFC Fixed Maturity Plan 526D December 2012 (1) - Growth Series XXIV	-	260.00
-	70,00,000	ICICI Pru Fixed Maturity Plan Series 65 - 488 Days Plan D Cumulative	-	700.00
-	1,00,00,000	ICICI Pru Fixed Maturity Plan Series 65 - 502 Days Plan C Cumulative	-	1000.00

				(₹ in lacs)	
As at	As at		As at	As at	
31st March, 2014	31st March, 2013		31st March, 2014	31st March, 2013	
2.11 : NON-CURRENT INVESTMENTS (Contd.)					
Number of Shares / Securities /					
Bonds / Units					
-	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 Fixed Term Income Fund Series XIV - IV (408 Days) Direct Plan - Growth	-	200.00	
-	1,00,02,277	Kotak Fixed Maturity Plan Series 98 - Growth	-	1000.23	
			625.00	27935.49	
UNQUOTED					
7,200	7,200	UTI Master Share Unit Scheme-Dividend Plan-Payout	0.60	0.60	
-	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	
-	51,32,759	DWS Premier Bond Fund Direct Plan - Growth	-	1000.00	
1,76,04,728	-	HDFC Floating Rate Income Fund Long Term Plan Direct Plan - Growth	3925.00	-	
-	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	
1,77,85,703	-	ICICI Pru Banking and PSU Debt Fund Direct Plan - Growth	2500.00	-	
-	1,43,72,468	ICICI Pru Institutional Short Term Plan - Cumulative	-	3103.79	
-	1,05,48,418	IDFC Super Saver Income Fund 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	
			6425.60	31225.30	
		TOTAL NON-CURRENT INVESTMENTS	35202.55	89793.14	
		Aggregate Book Value of Quoted Non-Current Investments	27817.29	57607.81	
		Aggregate Book Value of Unquoted Non-Current Investments	7385.26	32185.33	
			35202.55	89793.15	
		Aggregate Market Value of Quoted Non Current Investments	33903.86	63138.08	
		Aggregate provision made for diminution in value of Non-Current Investments	0.86	0.86	

* Amount is below the rounding off norms 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 the 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.
- ₹ 60,00,000 of 7.80% GOI 2021 earmarked against Rule 3A of The Companies (Acceptance & Deposit) Rules 1975.
- Deposited with Government Departments as Security.
- 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, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Capital Advances				
Secured, considered good	322.29	165.14	-	-
Unsecured, considered good	1828.77	918.37	-	-
	<u>2151.06</u>	<u>1083.51</u>	<u>-</u>	<u>-</u>
Security Deposits				
Unsecured, considered good	2818.63	2641.73	52.23	56.21
	<u>2818.63</u>	<u>2641.73</u>	<u>52.23</u>	<u>56.21</u>
Loans and Advances to Related Parties (Unsecured, considered good)	218.24	212.21	3.77	3.41
	<u>218.24</u>	<u>212.21</u>	<u>3.77</u>	<u>3.41</u>
Other Loans and Advances (Unsecured, considered good)				
Advance Tax and TDS (Net of provisions)	4239.92	4199.14	-	-
MAT Credit Entitlement	7697.77	4610.00	-	-
Advance against supply of Goods and Services	-	-	3748.20	4898.11
Prepaid Expenses	78.56	38.11	237.80	243.50
Advance to Employees	34.68	33.41	134.13	174.09
Balances with Government & Statutory Authorities	738.10	474.70	3861.37	4314.32
Other Deposits and Advances	1164.21	211.12	68.91	5.80
	<u>13953.24</u>	<u>9566.48</u>	<u>8050.41</u>	<u>9635.82</u>
Other Loans and Advances (Considered doubtful)				
Other Deposits and Advances (Considered doubtful)	152.03	147.80	-	-
Less: Provision	<u>152.03</u>	<u>147.80</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>19141.17</u>	<u>13503.93</u>	<u>8106.41</u>	<u>9695.44</u>

Loans and Advances to Related Parties include :	Balance		Maximum Outstanding	
	As at March 31, 2014	As at March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
(i) Lok Cements Limited, Subsidiary	218.24	211.96	218.24	211.96
(ii) Birla Corporation Cement Manufacturing PLC, Subsidiary	3.77	3.39	3.77	3.39
(iii) Talavadi Cements Limited, Subsidiary	-	-	409.54	15.78
(iv) Birla Jute Supply Company Limited, Subsidiary	-	0.02	-	0.02
(v) Budge Budge Floorcoverings Limited, Subsidiary	-	-	-	0.79
(vi) M P Birla Group Services Private Limited, Subsidiary	-	-	-	0.14
(vii) Birla Odessa Industries Private Limited, Associates	-	0.12	0.16	0.12
(viii) Birla Readymix Private Limited, Associates	-	0.13	0.16	0.13

2.13 : OTHER ASSETS	Non-Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Long Term Trade Receivable (See Note No. 2.16)	-	-	-	-
Fixed Deposits maturing after 12 months from Balance Sheet date ⁽¹⁾	64.28	59.64	-	-
Interest accrued on Deposits	12.63	30.45	1928.47	671.03
Interest accrued on Investments	1992.64	1480.37	981.01	956.09
Unamortised Ancillary Finance Costs	879.65	1313.27	255.88	277.75
Incentive and Subsidy Receivable	143.65	97.95	9718.76	8695.63
Less : Provision	<u>143.65</u>	<u>97.95</u>	<u>-</u>	<u>-</u>
Asset held for disposal	-	-	143.44	131.13
Others	68.67	69.72	289.04	89.75
Less : Provision	<u>11.37</u>	<u>11.45</u>	<u>-</u>	<u>-</u>
	<u>3006.50</u>	<u>2942.00</u>	<u>13316.60</u>	<u>10821.38</u>

⁽¹⁾ Includes ₹ 64.28 (Previous Year ₹ 59.64) marked lien in favour of Government Authorities.

				(₹ in lacs)
As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013	

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]

INVESTMENT IN BONDS - QUOTED

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

250	-	8.40% ONGC Videsh Ltd. 2014	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
			2480.03	8197.97

INVESTMENTS IN MUTUAL FUNDS

QUOTED

3,00,00,000	-	Reliance Fixed Horizon Fund -XXVI Series 6 Direct Plan - Growth	3000.00	-
3,50,00,000	-	HDFC Fixed Maturity Plan 366D March 2014 (2) Series 31 Regular - Growth	3500.00	-
1,99,99,990	-	Sundaram Fixed Maturity Plan FJ – 365 days Regular - Growth	2000.00	-
1,32,69,990	-	DSP Blackrock Fixed Maturity Plan Series 151 12 M Regular Plan - Growth	1327.00	-
2,00,00,000	-	UTI Fixed Term Income Fund Series XVII XX (369 Days) Direct Plan - Growth	2000.00	-
1,50,00,000	-	DWS Fixed Maturity Plan Series 55 Direct Plan - Growth	1500.00	-
2,00,00,000	-	HDFC Fixed Maturity Plan 369D March 2014 (2) Series 29 Regular - Growth	2000.00	-
2,00,00,000	-	ICICI Pru Fixed Maturity Plan Series 73 369 Days Plan H Direct Plan - Growth	2000.00	-
1,50,00,000	-	Tata Fixed Maturity Plan Series 46 Secheme S Direct Plan - Growth	1500.00	-
1,82,70,847	-	Reliance Yearly Interval Fund Series 4 Direct Plan - Growth	2000.00	-
60,00,000	-	Reliance Fixed Horizon Fund XXII Series 29 - Growth	600.00	-
80,00,000	-	Reliance Interval Fund II Series I Direct Plan - Growth	800.00	-
3,99,99,999	-	ICICI Pru Fixed Maturity Plan Series 70 372 Days Plan L Direct Plan - Growth	4000.00	-
50,00,000	-	IDBI Fixed Maturity Plan Series III 366 Days M Direct Plan - Growth	500.00	-
30,00,000	-	UTI Fixed Term Income Fund Series XVI VII (366 Days) Direct Plan - Growth	300.00	-
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 Term Plan Series 2 - Growth	1500.00	-
1,50,00,000	-	Kotak Fixed Maturity Plan Series 99 Direct Plan - Growth	1500.00	-
1,50,00,000	-	DSP Blackrock Fixed Maturity Plan Series 103 - 12M Direct Plan - Growth	1500.00	-
1,00,00,000	-	UTI Fixed Term Income Fund Series XIII IV (546 Days) Direct Plan - Growth	1000.00	-
50,00,000	-	HDFC Fixed Maturity Plan 566D December 2012 (1) - Growth Series 24	500.00	-
75,00,000	-	UTI Fixed Term Income Fund Series XIII III (549 Days) - Growth	750.00	-
80,00,000	-	Reliance Fixed Horizon Fund XXII Series 33 - Growth	800.00	-
2,00,00,000	-	L&T Fixed Maturity Plan VII January 507D A Direct Plan - Growth	2000.00	-
3,00,00,000	-	JP Morgan India Fixed Maturity Plan Series 13 Direct Plan - Growth	3000.00	-
5,00,02,626	-	JP Morgan India Fixed Maturity Plan Series 12 - Growth Direct Plan [b]	5000.26	-
26,00,000	-	HDFC Fixed Maturity Plan 526D December 2012(1) - Growth Series 24	260.00	-

(₹ in lacs)

As at 31st March, 2014	As at 31st March, 2013		As at 31st March, 2014	As at 31st March, 2013
2.14 : CURRENT INVESTMENTS (Contd.)				
Number of Shares / Securities / Bonds / Units				
70,00,000	-	ICICI Pru Fixed Maturity Plan Series 65 488 Days Plan D - Growth	700.00	-
1,00,00,000	-	ICICI Pru Fixed Maturity Plan Series 65 502 Days Plan C Cumulative [b]	1000.00	-
2,50,00,000	-	Reliance Fixed Horizon Fund XXI 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 Fixed Term Income Fund Series XIV IV (408 Days) Direct Plan - Growth	200.00	-
1,00,02,277	-	Kotak Fixed Maturity Plan Series 98 - Growth	1000.23	-
-	1,02,40,000	Peerless Fixed Maturity Plan Series 1 Direct Plan - Growth	-	1024.00
-	1,00,00,000	DSP Blackrock Fixed Maturity Plan Series 90 - 12 M Direct Plan - Growth	-	1000.00
-	1,00,00,000	UTI Fixed Term Income Fund Series XIV- VI (366 Days) Direct Plan - Growth	-	1000.00
-	55,20,000	UTI Fixed Term Income Fund 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 Fixed Maturity Plan 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 Fixed Maturity Plan VII March 367D A Direct Plan - Growth	-	1500.00
-	50,00,000	UTI Fixed Term Income Fund Series XIV V (366 Days) Direct Plan - Growth	-	500.00
-	50,00,000	DSP Blackrock Fixed Maturity Plan Series 87 - 12 M Direct Plan - Growth	-	500.00
-	30,00,000	IDFC Fixed Maturity Plan Series 12 Direct Plan - Growth	-	300.00
-	30,00,000	JM Fixed Maturity Plan Series XXIII Plan A Direct Plan - Growth	-	300.00
-	1,00,00,000	Kotak Fixed Maturity Plan Series 96 Direct Plan - Growth	-	1000.00
-	27,50,000	Religare Fixed Maturity Plan Series XVII Plan E (369 Days) Direct Plan - Growth	-	275.00
-	75,00,000	ICICI Pru Fixed Maturity Plan Series 66-366 Days Plan D Direct Plan - Growth	-	750.00
-	54,90,250	HDFC Fixed Maturity Plan 369D December 2012 (1) - Growth Series 23	-	549.03
-	29,99,550	UTI Fixed Income Interval Fund Annual Interval Plan Series IV - Inst. - Growth	-	300.00
-	1,00,00,000	SBI Debt Fund Series 366 Day - 17 - Growth	-	1000.00
-	1,58,01,471	UTI Fixed Income Interval Fund Annual Interval Plan Series II- Inst. - Growth	-	2000.00
-	27,60,663	HDFC Fixed Maturity Plan 392D March 2012 (2) - Growth	-	276.07
-	75,00,000	HDFC Fixed Maturity Plan 390D March 2012 (1) - Growth	-	750.00
-	25,00,000	SBI Debt Fund Series 13 Months 13 - Growth	-	250.00
-	27,51,875	HDFC Fixed Maturity Plan 400D March 2012 (1) - Growth	-	275.19
-	75,00,000	IDFC Fixed Maturity Plan Thirteen Months Series 7 - Growth	-	750.00
-	30,00,562	HDFC Fixed Maturity Plan 400D Feb 2012 (1) - Growth	-	300.06
-	52,09,418	Kotak Fixed Maturity Plan Series 84 - Growth	-	520.94
-	20,00,000	DSP Blackrock Fixed Maturity Plan Series 37 - 13M - Growth	-	200.00
-	55,08,098	DSP Blackrock Fixed Maturity Plan Series 38 - 12.5M - Growth	-	550.81
-	40,00,841	DSP Blackrock Fixed Maturity Plan Series 43 - 12M - Growth	-	400.08
-	25,00,000	Kotak Fixed Maturity Plan 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 Fixed Maturity Plan Series XIII Plan D - 386 Days - Growth Plan	-	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 Pru Fixed Maturity Plan Series 63 1 Year Plan E Cumulative	-	500.34
-	40,00,000	HSBC Fixed Term Series 86 - Growth	-	400.00
			55237.49	26975.04

				(₹ in lacs)	
As at	As at		As at	As at	
31st March, 2014	31st March, 2013		31st March, 2014	31st March, 2013	
2.14 : CURRENT INVESTMENTS (Contd.)					
Number of Shares / Securities / Bonds / Units					
		UNQUOTED			
1,06,54,696	-	IDFC Dynamic Bond Fund Direct Plan - Growth	1500.00	-	
91,46,118	-	IDFC Banking Debt Fund-Direct - Growth	1000.00	-	
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	-	
51,32,759	-	DWS Premier Bond Fund Direct Plan - Growth	1000.00	-	
52,63,544	52,63,544	HDFC Floating Rate Income Fund Long Term Plan Direct Plan - Growth	1075.00	1075.00	
2,42,80,802	-	HDFC Medium Term Opportunities Fund - Growth	3000.00	-	
3,12,25,248	-	HDFC Medium Term Opportunities Fund Direct Plan - Growth [c]	4000.00	-	
3,29,92,058	-	HDFC Short Term Opportunities Fund Direct - Growth	4200.21	-	
1,21,40,243	-	IDFC Super Saver Income Fund Medium Term Direct Plan - Growth	2500.00	-	
1,66,64,742	-	IDFC Super Saver Income Fund Short Term Direct Plan - Growth	4000.00	-	
17,73,186	-	JM Short Term Fund Direct Plan - Growth	300.00	-	
4,05,03,429	-	L&T Short Term Opportunities Fund Direct Plan - Growth	4622.60	-	
22,86,948	-	Reliance Short Term Fund Direct Plan - Growth	500.00	-	
1,57,092	-	Religare Invesco Short Term Fund Direct Plan - Growth (Formerly Religare Short Term Fund Direct Plan - Growth)	2500.00	-	
2,96,88,126	-	SBI Short Term Fund Direct Plan - Growth	4000.00	-	
74,18,067	-	UTI Short Term Income Fund Institutional Option - Growth	1000.00	-	
86,87,245	-	UTI Short Term Income Fund Direct Plan - Growth	1216.03	-	
39,406	-	L&T Cash Fund Direct Plan - Growth	400.00	-	
			40313.84	1075.00	
		TOTAL CURRENT PORTION OF LONG-TERM INVESTMENTS AS PER AS-13	98031.36	36248.01	
		OTHER CURRENT INVESTMENTS			
		INVESTMENTS IN MUTUAL FUNDS			
		UNQUOTED			
-	50,00,713	L & T Short Term Income Fund - Growth	-	500.07	
-	35,87,426	JM Money Manager Fund Regular Plan - Growth	-	531.90	
87,525	-	ICICI Liquid Fund Direct Plan - Growth	166.00	-	
			166.00	1031.97	
		TOTAL OTHER CURRENT INVESTMENTS	166.00	1031.97	
		TOTAL CURRENT INVESTMENTS	98197.36	37279.98	
		Aggregate Book Value of Quoted Current Investments	57717.52	35173.01	
		Aggregate Book Value of Unquoted Current Investments	40479.84	2106.97	
			98197.36	37279.98	
		Aggregate Market Value of Quoted Current Investments	61361.85	36040.20	
		Aggregate Book Value of Total (Non-Current and Current) Quoted Investments	85534.81	92780.82	
		Aggregate Book Value of Total (Non-Current and Current) Unquoted Investments	47865.10	34292.30	
			133399.91	127073.13	
		Aggregate Market Value of Total (Non-Current and Current) Quoted Investments	95265.71	99178.28	
		Aggregate provision made for diminution in value of Total Investments	0.86	0.86	

- 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'.
- b) Lien Marked in favour of Banks.
- c) 70,00,000 units of HDFC Medium Term Opportunities Fund Direct Plan - Growth have been pledged as margin money against foreign exchange future contracts.

	(₹ in lacs)	
2.15 : INVENTORIES	As at 31st March, 2014	As at 31st March, 2013
(As valued and certified by the Management)		
Raw Materials (including Goods-in-transit ₹ 552.42, Previous Year ₹ 930.54)	4733.15	5307.86
Work-In-Progress	6878.11	10081.39
Finished Goods (including Goods-in-transit ₹ 252.39, Previous Year ₹ 208.20)	11401.23	12113.70
Stores and Spares etc. (including Goods-in-transit ₹ 118.32, Previous Year ₹ 328.04)	28498.22	29511.11
	51510.71	57014.06

Details of Inventories :

	Finished Goods		Work-in-Progress	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Cement	7404.21	8370.69	6323.04	9458.32
Jute	3537.86	3475.85	350.60	538.74
Others	459.16	267.16	204.47	84.33
	11401.23	12113.70	6878.11	10081.39

2.16 : TRADE RECEIVABLES

	Non-Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Outstanding for a period exceeding six months				
Secured, considered good	-	-	451.16	326.12
Unsecured, considered good	-	-	505.94	507.70
Doubtful	830.79	503.84	-	-
	830.79	503.84	957.10	833.82
Provision for doubtful receivables	830.79	503.84	-	-
	-	-	957.10	833.82
Other Receivables				
Secured, considered good	-	-	1700.43	2110.25
Unsecured, considered good	-	-	4813.61	4552.22
	-	-	6514.04	6662.47
Amount disclosed under the head "Other Assets" (Note No. 2.13)	-	-	-	-
	-	-	7471.14	7496.29

2.17 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks :

In Current/Cash Credit Account	3517.09	1948.14
In Fixed Deposit Accounts with original maturity of less than three months	-	138.00
Cheques/Drafts on hand and Remittances in transit	2964.34	3548.82
Cash in hand	14.94	17.22
	6496.37	5652.18

Other Bank Balances

Balance in Unpaid Dividend Account	121.58	120.42
Earmarked balances with Banks - Fixed Deposit	1500.00	100.00
Balances with Bank held as margin money/ security	241.94	239.42
Fixed Deposit with Banks with maturity period of more than 12 months	-	490.00
Other Fixed Deposit with Banks	41748.38	21261.00
	43611.90	22210.84
	50108.27	27863.02

(₹ in lacs)

**For the year ended
31st March, 2014** **For the year ended
31st March, 2013**

2.18 : REVENUE FROM OPERATIONS (GROSS)

Sale of Products (including Export Sales of ₹ 7361.93, Previous Year ₹ 4686.79)	341666.21	294347.20
Own Consumption	1544.85	1167.06
	343211.06	295514.26

Other Operating Revenues

Incentives & Subsidies	3205.56	3119.58
Export Benefits	213.65	173.53
Miscellaneous Sale	950.71	390.73
Insurance and Other Claims (Net)	211.24	236.25
	4581.16	3920.09

347792.22 **299434.35**

Details of Sale of Products

Cement	319573.11	286178.16
Jute	22007.57	7903.79
Others	85.53	265.25

341666.21 **294347.20**

2.19 : OTHER INCOME

Interest Income

On Investments		
Long-term	2814.77	3302.92
Current	-	211.72
On Banks Deposits (Net of Capitalisation of ₹ Nil, Previous Year ₹ 58.51)	3877.93	3675.46
On Other Deposits, etc.	204.94	120.40

Dividend Income

On Long-term investments	110.94	105.83
On Current investments	461.29	358.00

Net gain / (loss) on sale of Investments

On Long-term investments	3497.71	1494.04
On Current investments	241.54	2547.93

Other Non Operating Income

Excess Liabilities and Unclaimed Balances written back	718.91	505.55
Excess Provision written back	65.16	-
Excess Depreciation written back	87.07	40.97
Insurance and Other Claims (Net)	179.13	173.13
Adjustments to the carrying amount of Investments (Net of Provision of ₹ NIL, Previous Year ₹ 0.05)	-	27.63
Miscellaneous Income	231.46	148.06

12490.85 **12711.64**

	(₹ in lacs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
2.20 : COST OF MATERIALS CONSUMED		
Raw Material Consumed	49327.27	52634.21
	49327.27	52634.21
Details of Raw Material Consumed		
Limestone	19949.91	22902.05
Clinker	8277.17	15026.17
Gypsum	8494.83	7733.12
Slag	4021.98	3970.69
Fly Ash	8664.72	6633.50
Jute	10800.65	4221.33
Others	2203.01	1655.19
	62412.27	62142.05
Less: Lime Stone (Own raising)	13085.00	9507.84
	49327.27	52634.21
2.21 : PURCHASE OF TRADED GOODS		
Traded Goods - Jute Goods	140.08	487.08
	140.08	487.08
2.22 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	12113.70	5533.17
Work-In-Progress	10081.39	3456.41
Traded Goods	-	14.87
	22195.09	9004.45
Inventories at the end of the year		
Finished Goods	11401.23	12113.70
Work-In-Progress	6878.11	10081.39
Traded Goods	-	-
	18279.34	22195.09
	3915.75	(13190.64)
2.23 : EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	18693.20	15326.01
Contribution to Provident and Other Funds	1439.38	1354.51
Gratuity Expenses	942.84	1571.34
Contribution to Superannuation Fund	339.86	350.56
Staff Welfare Expenses	747.92	731.13
	22163.20	19333.55
Less: Amount Capitalised	5.64	26.08
	22157.56	19307.47
2.24 : FINANCE COSTS		
Interest Expenses		
To Debenture Holders	4462.50	4458.32
" Banks on Term Loans, etc.	2141.02	1476.37
" Banks on Working Capital Loans	707.02	866.47
On Deposits & Others	998.46	871.68
	8309.00	7672.84
Other Borrowing Costs		
Other Financial Charges	294.77	399.61
Applicable net (gain)/loss on foreign currency transactions and translations	813.30	829.64
	9417.07	8902.09
Less : Amount Capitalised	857.63	2416.35
	8559.44	6485.74

(₹ in lacs)

2.25 : OTHER EXPENSES

MANUFACTURING EXPENSES

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Stores, Spare Parts & Packing Materials Consumed	29197.09	21734.92
Power & Fuel (net of capitalisation ₹ Nil, Previous Yr ₹ 86.73)	76740.28	61759.47
Royalty & Cess	4047.70	2921.31
Repairs to Buildings	1881.41	1543.64
Repairs to Machinery	3343.72	2491.33
Repairs to Other Assets	310.58	148.41
Freight & Material Handling on Inter Unit Transfer	11515.87	11398.65
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	(163.00)	734.72
Other Manufacturing Expenses	3995.01	2790.28
	130868.66	105522.73

SELLING AND ADMINISTRATION EXPENSES

Brokerage & Commission on Sales	1779.26	1265.06
Transport & Forwarding Expenses	55241.83	45042.71
Insurance	323.76	338.76
Rent	939.50	757.80
Rates & Taxes	672.61	1304.25
Development Cess on Cement	55.10	48.14
Advertisement	1994.80	1359.07
Prior Period Items	160.51	26.87
Charity & Donation	208.62	650.77
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	24.00	21.00
Tax Audit Fees	5.75	5.00
Limited Review	10.00	9.10
Travelling Expenses	0.72	2.00
Issue of Certificates	18.58	8.18
Cost Auditors -		
Audit Fees	3.00	2.25
Travelling Expenses	0.21	0.38
Loss on sale/discard of Fixed Assets (Net)	88.24	25.75
Net (Gain)/Loss on Foreign currency transaction and translation (Net of capitalisation of ₹ 1881.91, Previous year ₹ 1229.12)	1024.39	
Add: Amortisation of Foreign Currency Monetary Item Translation Difference Account	595.84	
Provision for Doubtful Debts/Advances	441.95	
(Net of Prov For Doubtful Debts Written Back ₹ Nil, PY ₹ 15.45)		
Directors' Fees	10.40	9.70
Other Expenses	5978.61	4918.08
	69577.68	56251.25
	200446.34	161773.98

2.26 : DEPRECIATION AND AMORTISATION EXPENSES

On Tangible Assets	13072.72	10398.58
On Intangible Assets	187.22	60.97
On Investment Property	0.37	0.80
	13260.31	10460.35
Less: Transferred from Reserve on Revaluation	2.04	21.18
	13258.27	10439.17

2.27 : EXCEPTIONAL ITEM

On account of prepayment of Foreign currency loan (a)	2642.34	-
On account of write back of liability relating to rebate of sales tax (b)	(1549.15)	-
	1093.19	-

- (a) Amortization of Foreign Currency Monetary Item Translation Difference Account of ₹ 2016.54 (Previous Year ₹ NIL) and Up front fees ₹ 625.80 (Previous Year ₹ NIL) on account of prepayment of Foreign Currency Loans of USD 70 million which have been refinanced at a lower rate.
- (b) Write back of liability pursuant to the ruling of the Hon'ble Supreme Court according to which cement manufacturing units located outside the state of Uttar Pradesh are eligible to get "rebate of Sales Tax" granted by the state government for using fly ash generated in Uttar Pradesh as raw material.

(₹ in lakhs)

2.28 : TAX EXPENSE

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Current Tax for the year	3087.77	6875.00
Less : MAT Credit Entitlement	3087.77	4610.00
Less : Income Tax refund related to earlier years	-	20.40
Current Tax	-	2244.60
Deferred Tax	2252.14	5844.37
	2252.14	8088.97

2.29 Contingent Liabilities not provided for –

	2013-14	2012-13
(a) Claims/Disputes/Demands not acknowledged as debts –		
i) Demand notice for levying sales tax on packing material at the rate applicable on cement. Writ petition has been filed and the matter is pending before Hon'ble High Court, Chandigarh.	161.07	161.07
ii) Demand for Water Supply Charges under Rajasthan Irrigation & Drainage Act, 1954. Writ petition has been filed before the Hon'ble High Court, Rajasthan which has granted stay in the matter.	147.16	147.16
iii) Additional U. P. Sales Tax demanded by enhancing the value of cement. The case has been decided by Tribunal in Company's favour. Department has filed revision petition before Hon'ble High Court, Allahabad against order of the Tribunal. The High Court has remanded the case to UP Trade Tax Tribunal.	146.40	146.40
iv) Demand for interest on delayed payment of Entry Tax raised by the U.P. Trade Tax Department, Allahabad. Writ petition has been filed before the Hon'ble High Court, Allahabad which has granted stay in the matter.	132.11	132.11
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 has been granted in the matter.	138.36	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.	2478.76	2304.32
vii) Stamp Duty for registration/execution of deed of certain Limestone Mining Lease. The matter is pending before the Hon'ble Supreme Court.	604.80	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 M. P. High Court, Jabalpur.	1160.00	1160.00
xi) Demand under Income Tax Act, 1961 for Assessment Year 2011 - 12, the matter is pending before Commissioner of Income Tax (Appeals).	2612.01	Nil
xii) Demand for Interest on Entry Tax under U.P. VAT Act. Case is pending before Hon'ble Supreme Court.	2912.01	2474.03
xiii) 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
xiv) M. P. VAT on freight charges incurred in the state of Madhya Pradesh. Appeal filed and pending before the Hon'ble M. P. High Court, Jabalpur.	433.27	159.44
xv) Demand for Education cess by the Municipal Corporation, Satna. Appeal filed and pending before Hon'ble M. P. High Court, Jabalpur.	118.29	97.41
xvi) 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.	386.64	124.40
xvii) 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	450.00
xviii) Cenvat Credit taken on Steel Items has been disallowed by the Commissioner, Central Excise, Jaipur vide order dated 27.02.2014. The company is contemplating to file appeal before Custom Excise & Service Tax Appellate Tribunal, New Delhi.	448.67	Nil
xix) 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 - ₹ 130.86, ₹ 699.85, ₹ 72.06, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96, ₹ 221.20 (Previous Year ₹ 123.36, ₹ 648.42, ₹ 169.48, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96 and ₹ 274.44) respectively.		

(₹ in lacs)

- (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, ₹ 6790.62 [Paid under protest ₹ 4099.71] (Previous Year ₹ 6115.51 [Paid under protest ₹ 3912.68]) in respect of demand of Royalty on Limestone including interest thereon, ₹ 1783.18 [Paid under protest ₹ 370.00] (Previous Year ₹ 390.59 [Paid under protest ₹ 20.00]) in respect of MODVAT/CENVAT claims, ₹ 3614.35 [Paid under protest ₹ 1579.91] (Previous Year ₹ 2498.70 [Paid under protest ₹ 382.36]) 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 ₹ 12.99 [Paid under protest ₹ 2.00]) in respect of Service Tax, ₹ 4506.15 [Paid under protest ₹ 3651.51] (Previous Year ₹ 9159.30 [Paid under protest ₹ 1905.68]) in respect of Income Tax, ₹ 23.50 [Paid under protest ₹ 22.27] (Previous Year ₹ 34.76 [Paid under protest ₹ 23.27]) in respect of Excise Duty have not been provided for as the matters are subjudice and ₹ 0.33 [Paid under protest ₹ 0.33] (Previous Year ₹ 0.33 [Paid under protest ₹ 0.33]) in respect of Other claims.
- (c) Bills discounted with Banks remaining outstanding - ₹ 789.81 (Previous Year ₹ 600.23).
- (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 ₹ 408.01 and ₹ NIL (Previous Year ₹ 834.96 and ₹ 301.82) respectively.

2.30 Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 6529.97 (Previous Year ₹ 2496.72).

2.31 Derivative Instruments and Unhedged Foreign Currency Instruments

- (a) Outstanding Forward/Future Contracts booked for the purpose of hedging receivables/firm commitments are USD/INR 34.79 (Previous Year USD/INR 2.13) and payables/firm commitments are USD/INR 357.66 and EURO/INR 14.31 and EURO/USD NIL (Previous Year USD/INR 282.00, EURO/INR NIL and EURO/USD 6.55). Outstanding Interest rate Swap Contract booked for the purpose of Hedging LIBOR against payable are USD 313830 (Previous Year "Nil")
- (b) Unhedged foreign currency receivables are USD 3.12 and EURO 0.89 (Previous Year USD 8.53 and EURO 0.23) and payables are USD 972.64 and EURO 2.67 (Previous Year USD 681.38 and EURO 2.00).

2.32 Dues to Micro, Small and Medium Enterprises

The Company has made payments to Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006, within the appointed date during the year and there are no MSMEs to whom the Company owes dues on account of principal amount with interest at the Balance Sheet date, hence no additional disclosures have been made. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.33. Employee Benefits Expense

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

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

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(i) Provident Fund	70.35	59.56
(ii) Superannuation Fund	339.86	350.56
(iii) Pension Fund	450.39	407.40

- (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	
	2013-14	2012-13	2013-14	2012-13
(ii) The amounts recognised in the Balance Sheet are as follows :				
Present value of funded obligations	9892.71	9490.50	-	-
Fair value of plan assets	9146.78	8187.38	-	-
Liabilities in respect of funded obligation	745.93	1303.12	-	-
Present value of unfunded obligations	-	-	93.23	110.32
Liabilities in respect of unfunded obligation	-	-	93.23	110.32
Total Liabilities	745.93	1303.12	93.23	110.32

(₹ in lacs)

	Gratuity		Pension	
	2013-14	2012-13	2013-14	2012-13
(iii) The amounts recognised in the Statement of Profit & Loss Account are as follows :				
Current service cost	465.29	445.28	-	-
Interest on obligation	709.35	648.07	8.21	3.79
Expected return on plan assets	(708.04)	(638.77)	-	-
Net actuarial losses/(gains) recognised during the year	476.24	1116.76	(9.84)	70.42
Losses/(Gains) on curtailments and settlements	-	-	-	-
Total, included in 'Employee Benefit Expense'	942.84	1571.34	(1.63)	74.21
Actual return on plan assets	711.21	691.37	-	-
(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	9490.50	8021.97	110.32	53.12
Service cost	465.29	445.28	-	-
Interest cost	709.35	648.07	8.21	3.79
Actuarial losses/(gains)	479.41	1169.36	(9.84)	70.42
Benefits paid	(1251.84)	(794.18)	(15.46)	(17.01)
Closing defined benefit obligation	9892.71	9490.50	93.23	110.32
(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	8187.38	7502.19	-	-
Expected return	708.04	638.77	-	-
Actuarial gains/(losses)	3.17	52.60	-	-
Contribution by employer	1500.03	788.00	-	-
Benefits paid	(1251.84)	(794.18)	-	-
Closing fair value of plan assets	9146.78	8187.38	-	-
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	
	2013-14	2012-13	2013-14	2012-13
(vii) Principal actuarial assumptions at the Balance Sheet date are as follows :				
Discount rate at 31st March	8.75% p.a.	8.00% p.a.	8.75% p.a.	8.00% 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 (2006-08) Modified ultimate	-	-
Salary Escalation	5% to 8%	5% to 7%	-	-
Withdrawal Rate	2%	2% to 5%	-	-

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

	2013-14	2012-13	2011-12	2010-11	2009-10
Gratuity					
Defined benefit obligation	9892.71	9490.5	8021.97	7390.64	7113.39
Plan assets	9146.78	8187.38	7502.19	7311.85	6773.92
Surplus/(Deficit)	(745.93)	(1303.12)	(519.78)	(78.79)	(339.47)
Experience gain/(loss) adjustments on plan liabilities	(329.45)	(129.55)	(991.55)	-	-
Experience gain/(loss) adjustments on plan Assets	3.17	52.60	43.61	82.45	47.69
Pension					
Defined benefit obligation	93.23	110.32	53.12	42.08	53.59
Experience gain/(loss) adjustments on plan liabilities	6.27	(70.42)	(25.43)	(2.96)	1.73

(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 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 ₹ 1000.00 (Previous Year ₹ 1500.00) to its gratuity fund in 2014-15.

(xii) In respect of provident funds in the nature of defined benefit plans contribution amounting to ₹ 618.02 (Previous Year ₹ 580.44) and the accrued past service liability of ₹ NIL (Previous Year ₹ 188.33) as valued by the actuary is recognised as an expense and included in 'Employee Benefit Expense'.

2.34 Charity & Donation includes political donation ₹ 100.00 (Previous Year ₹ Nil) paid to Bharatiya Janata Party and ₹ 100.00 (Previous Year ₹ Nil) paid to Indian National Congress.

2.35 The Board of Directors of the Company at its meeting held on 25th July, 2013 had approved the Scheme of Amalgamation to amalgamate Talavadi Cements Limited, a 98% subsidiary with Birla Corporation Limited with an appointed date of 1st April, 2013. The Scheme is presently pending for the approval of the Hon'ble High Court, Kolkata.

2.36 Based on the recommendation of Inter Ministerial Group, Bikram Coal Block in the state of Madhya Pradesh has been de-allocated by the Ministry of Coal vide letter dated 7th January, 2014. Pursuant to writ petition filed by the company challenging the same, Hon'ble High Court, Jabalpur has permitted the company to move the court in case any steps are taken by the government for re-allocation of the block and stayed encashment of bank guarantee. The case is pending for further hearing.

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

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

2.39 a) The Company's Unit Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.

b) The Company's Units Birla Vinoleum, Birlapur and Auto Trim Division, Birlapur, are under Suspension of Operations since 18th February, 2014.

c) In respect of mining matter of Chanderia, Central Building Research Institute (CBRI) which was directed to conduct the study of impact of mining on Chittorgarh fort by the Hon'ble Supreme Court, has sought extension of time up to 30th September, 2014 for completion of study as it could not complete the study within 31st March, 2014. Hon'ble Supreme Court has fixed the next date of hearing on 13th October, 2014.

2.40 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)

2.41 Segment Reporting

A) Primary Segment Information

	2013-14					2012-13				
	Cement	Jute	Others	Inter Segment Elimination	Total	Cement	Jute	Others	Inter Segment Elimination	Total
BUSINESS SEGMENT										
Segment Revenue										
(a) External Sales	274021.24	21799.51	1233.30		297054.05	247481.72	7819.40	1074.72		256375.84
(Including Own Consumption)										
(b) Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue	274021.24	21799.51	1233.30		297054.05	247481.72	7819.40	1074.72		256375.84
Segment Result	18341.83	(239.08)	(238.86)	-	17863.89	34244.77	(1193.51)	(313.45)	-	32737.81
(Profit before Interest & Tax)										
Less: (i) Interest	-	-	-	-	8559.44	-	-	-	-	6485.74
(ii) Unallocated corporate expenses net of unallocated income					(5923.71)					(8818.49)
Profit before Tax					15228.16					35070.56
Provision for Current Tax					-					2244.60
Provision for Deferred Tax					2252.14					5844.37
Profit after tax					12976.02					26981.59
OTHER INFORMATION										
Segment Assets	271611.50	13224.06	2792.86		287628.42	270392.21	12587.16	2843.82		285823.19
Unallocated corporate assets					199084.02					166726.00
Total					486712.44					452549.19
Segment Liabilities	46374.82	1885.10	228.11		48488.03	47153.95	1921.97	247.30		49323.22
Unallocated corporate liabilities					185616.76					158220.00
Total					234104.79					207543.22
Capital Expenditure	16641.38	1269.73	29.30		17940.41	20316.22	309.63	4.75		20630.60
Common Capital Expenditure					195.26					636.45
Total					18135.67					21267.05
Depreciation	12349.72	403.42	167.29		12920.43	9786.41	305.36	173.85		10265.62
Common Depreciation					337.84					173.55
Total					13258.27					10439.17

B) Secondary Segment Information

The Company operates mainly in the Indian market and the export turnover being 2.15 % (Previous year 1.59 %) 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.

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

(₹ in lacs)

2.42 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 Pvt. Ltd.

Birla Odessa Pvt. Ltd.

- ii) Key Management Personnel

Shri Bachh Raj Nahar, *Managing Director*

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

	2013-2014			2012-2013		
	Subsidiaries	Associates	Key Mgmt. Personnel	Subsidiaries	Associates	Key Mgmt. Personnel
Purchases of goods/services	114.43	-	-	104.68	-	-
Payment of rent	8.64	-	-	8.64	-	-
Receipt of rent	0.03	-	-	0.03	-	-
Advances given	507.24	0.07	-	52.88	0.28	-
Advances recovered	500.60	0.32	-	48.44	0.03	-
Advances received	-	-	-	-	-	-
Advances repaid	-	-	-	-	-	-
Remuneration, Perquisites & Others	-	-	257.68	-	-	237.10
Balance outstanding at year end :						
Creditors	7.78	-	-	7.78	-	-
Advances given	222.01	-	-	215.37	0.25	-

(₹ in lacs)

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

	2013 - 2014				2012 - 2013			
	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	2833.73	5.74	121.28	1.88	2602.68	4.94	86.38	2.00
Indigenous	46493.54	94.26	6330.38	98.12	50031.53	95.06	4224.29	98.00
	49327.27	100.00	6451.66	100.00	52634.21	100.00	4310.67	100.00

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

	2013-2014	2012-2013
(a) C.I.F. Value of Imports during the year –		
Raw Materials	2017.13	1618.55
Spare Parts	420.65	241.53
Capital Goods	1039.02	1727.95
(b) Expenditure in Foreign Currency –		
Interest (including Capitalised Current Year ₹ 83.09 Lacs, Previous Year ₹ 83.23 Lacs)	2835.66	1106.80
Travelling	81.09	35.30
Professional Service (including Capitalised Current Year ₹ Nil, Previous Year ₹ 123.08 Lacs)	76.47	141.09
Others	11141.09	4131.77
(c) Earnings in Foreign Currency –		
Export of goods on F.O.B. basis	7118.79	4532.08
(Including exports in Indian Currency - ₹ 2003.91, Previous Year ₹ 1493.55)		

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

Signature to Notes 1 to 2.45

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 8th day of May, 2014

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

HARSH V. LODHA

PRACHETA MAJUMDAR

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

B. R. NAHAR

Chairman

Wholetime Director designated
as Chief Management Advisor

Directors

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	(199.28)	227.79	27.07	-	11.47	11.47	-	(10.29)	(0.97)	(9.32)	-
2	Birla Jute Supply Company Limited	INR	6.00	77.48	84.25	0.77	-	-	-	-	5.44	1.70	3.74	-
3	Talvadi Cements Limited	INR	600.00	234.24	899.01	64.77	0.10	-	0.10	-	38.33	8.17	30.16	-
4	Lok Cements Limited	INR	100.07	(22.77)	297.17	219.87	-	-	-	-	(7.46)	-	(7.46)	-
5	Birla Corporation Cement Manufacturing PLC	Ethiopian Birr	52.80	(22.40)	38.34	7.94	-	-	-	-	(10.01)	-	(10.01)	-
6	Birla Cement (Assam) Limited	INR	5.00	(1.10)	3.97	0.07	-	-	-	-	(0.09)	-	(0.09)	-
7	M.P Birla Group Services Pvt Ltd	INR	2.00	(0.84)	1.22	0.06	0.03	-	0.03	-	(0.12)	-	(0.12)	-

Exchange Rate as on 31st March, 2014 : 1 Ethiopian Birr = ₹ 3.1061

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')** and its subsidiaries and Associates (collectively referred to as "Group"), which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and 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 the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 (the Act) read with general circular 15/2013 dated 13th September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013. 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 judgment, 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 & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 subsidiaries and associates as noted below, the aforesaid consolidated financial statements 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 Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014 ;
 - (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 ₹ 1551.75 Lacs as at 31st March, 2014, total revenue of ₹ 157.31 lacs and net cash flow amounting to ₹ 26.00 lacs for the year ended on that date and financial statements of two associates in which the share of loss of the group is ₹ 0.01 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 8th day of May, 2014

Rajiv Singhi
Partner
Membership No. 053518

BALANCE SHEET as at 31st March, 2014

			(₹ in lacs)
	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	2.1	7700.89	7700.89
Reserves and Surplus	2.2	245207.12	237597.39
		252908.01	245298.28
Minority Interest	2.3		
Equity		11.96	11.96
Non Equity		(10.64)	(11.24)
		1.32	0.72
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.4	91630.90	89738.46
Deferred Tax Liabilities (Net)	2.5	23507.33	21256.12
Other Long-Term Liabilities	2.6	27668.71	25049.05
Long-Term Provisions	2.7	2715.17	3623.13
		145522.11	139666.76
CURRENT LIABILITIES			
Short-Term Borrowings	2.8	16310.49	27788.96
Trade Payables	2.9	15466.93	12663.78
Other Current Liabilities	2.10	50029.83	21632.81
Short-Term Provisions	2.7	6866.18	5882.33
		88673.43	67967.88
TOTAL		487104.87	452933.64
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.11	186645.65	173370.90
Intangible Assets	2.11	378.62	474.61
Capital Work-In-Progress		14174.28	22857.31
Intangible Assets under Development		24.78	12.92
		201223.33	196715.74
Non-Current Investments		34257.81	88848.41
Long-Term Loans and Advances	2.12	19396.42	13388.10
Other Non-Current Assets	2.13	3321.30	3256.80
		258198.86	302209.05
CURRENT ASSETS			
Current Investments		98208.83	37414.45
Inventories	2.14	51560.11	57069.63
Trade Receivables	2.15	7471.14	7496.29
Cash and Bank Balances	2.16	50234.42	28200.76
Short-Term Loans and Advances	2.12	8113.19	9704.00
Other Current Assets	2.13	13318.32	10839.46
		228906.01	150724.59
TOTAL		487104.87	452933.64

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 8th day of May, 2014

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

HARSH V. LODHA

PRACHETA MAJUMDAR

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

B. R. NAHAR

Chairman

Wholtime Director designated
as Chief Management Advisor

Directors

Managing Director

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(₹ in lacs)

	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations (Gross)	2.17	347792.22	299434.35
Less: Excise duty		46157.01	39138.42
Revenue from Operations (Net)		301635.21	260295.93
Other Income	2.18	12522.21	12762.66
Total Revenue		314157.42	273058.59
EXPENSES			
Cost of Materials Consumed	2.19	49218.76	52535.45
Purchases of Traded Goods	2.20	140.08	487.08
(Increase)/ Decrease in Inventories of Finished Goods,			
Work-in-Progress and Traded Goods	2.21	3915.75	(13190.63)
Employee Benefits Expense	2.22	22157.89	19309.55
Finance Costs	2.23	8559.57	6485.74
Other Expenses	2.24	200522.37	161801.93
		284514.42	227429.12
Profit before Tax, Depreciation and Amortisation		29643.00	45629.47
Depreciation and Amortisation Expenses	2.25	13305.86	10490.99
Profit before Tax & Exceptional Items		16337.14	35138.48
Exceptional Items	2.26	1093.19	-
Profit before Tax		15243.95	35138.48
Tax Expense:	2.27		
Current Tax		9.82	2266.08
Deferred Tax		2251.22	5843.41
Profit for the year before share of results of associates and minority interest		12982.91	27028.99
Less : Minority Interest		0.60	0.72
Less : Share of Loss in Associates		0.01	0.10
Profit for the year		12982.30	27028.17
Earnings Per Share [Nominal value ₹ 10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year		77005347	77005347
Basic and Diluted earnings per share		16.86	35.10
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

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Managing Director

CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Cash Flow from Operating Activities :		
Profit before Tax	15243.95	35138.48
Adjustments for :		
Depreciation & Amortisation	13305.86	10490.99
Investing Activities (Net)	(11152.27)	(11868.97)
Provision for doubtful debts	441.95	106.00
Excess Liabilities and unclaimed balances written back (Net)	(2268.07)	(505.85)
Excess Depreciation written back	(87.07)	(40.97)
Foreign Exchange Fluctuations	3462.30	1370.04
Finance Costs	8559.57	6485.74
Operating Profit before Working Capital Changes	27506.22	41175.46
Adjustments for :		
(Inc)/ Dec in Trade Receivables	(416.80)	(3877.77)
(Inc)/ Dec in Inventories	5509.52	(15426.61)
(Inc)/ Dec in Loans and Advances & Other Assets	(1007.15)	(4282.61)
Inc/ (Dec) in Trade Payables & Other Liability	8689.89	8038.25
Inc/ (Dec) in Provisions	(391.84)	1224.07
Cash generated from operations	39889.84	26850.79
Direct Taxes Paid	(4007.18)	(7209.15)
Net Cash from Operating Activities	35882.66	19641.64
Cash Flow from Investing Activities :		
Purchase of Tangible & Intangible Assets including		
CWIP/ Capital Advances	(16477.16)	(18482.69)
Sale of Tangible Assets	362.75	467.37
(Purchase)/Sale of Investments (Net)	(2456.36)	(18448.72)
(Inc)/ Dec in Other Bank Balances	(21227.41)	16981.33
Interest received	5149.32	7888.76
Dividend received	572.95	469.20
Net Cash used in Investing Activities	(34075.91)	(11124.75)
Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	50312.23	19376.01
Repayments of Long Term Borrowings	(26478.58)	(1888.12)
(Repayments)/Proceeds from Short Term Borrowings	(11448.01)	(9414.88)
Interest Paid	(9333.14)	(8903.16)
Dividend Paid	(3464.08)	(4601.85)
Corporate Dividend Tax paid	(588.92)	(749.53)
Net Cash used in Financing Activities	(1000.50)	(6181.53)
Net Increase in Cash and Cash Equivalents	806.25	2335.36
Cash and Cash Equivalents (Opening Balance)	5716.12	3380.76
Cash and Cash Equivalents (Closing Balance)	6522.37	5716.12

Notes :

- Above statement has been prepared in indirect method.
- Figures for the previous year have been re-grouped wherever considered necessary.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

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 8th day of May, 2014

GIRISH SHARMA
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Chairman

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Managing Director

Notes to Financial Statements for the year ended 31st March, 2014

(₹ 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 respect of foreign subsidiary being non-integral operation, Assets and Liabilities are translated at the closing rate. Income & Expenses are translated at average rate. Any exchange difference arising on such translation is recognized 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, 2014

		(₹ in lacs)	
		<u>As at 31st March, 2014</u>	<u>As at 31st March, 2013</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, 2014</u>		<u>As at 31st March, 2013</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	7.78	59,94,680	7.78
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 bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No securities convertible into Equity/Preference shares 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)

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

199.31

Add : Project Capital Subsidy received during the year

-

-

199.31

199.31

Debenture Redemption Reserve

As per last Financial Statements

6275.00

4625.00

Add : Transferred from Surplus

1650.00

1650.00

7925.00

6275.00

Revaluation Reserve

As per last Financial Statements

735.50

757.50

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

-

0.82

735.50

756.68

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

2.04

21.18

733.46

735.50

Foreign Currency Translation Reserve

As per last Financial Statements

4.79

4.42

Add : Addition during the year

1.77

0.37

6.56

4.79

General Reserve

As per last Financial Statements

215035.84

200035.84

Add : Transferred from Surplus

1300.00

15000.00

216335.84

215035.84

Foreign Currency Monetary Item Translation Difference Account

Exchange Gain/(Loss) during the year*

(2579.14)

-

Less : Amortisation during the year (Refer Note No. 2.24 & 2.26)

(2612.38)

-

*Includes ₹ 129.60 related to year ended 31.03.2013

33.24

-

Surplus

As per last Financial Statements

15028.55

10941.97

Add : Profit for the year

12982.30

27028.17

28010.85

37970.14

Less: Appropriations

Debenture Redemption Reserve

1650.00

1650.00

Interim Dividend

-

1925.13

Corporate Dividend Tax on Interim Dividend

-

312.30

Proposed Final Dividend

4620.32

3465.24

Corporate Dividend Tax on Proposed Final Dividend

785.22

588.92

General Reserve

1300.00

15000.00

8355.54

22941.59

Net Surplus

19655.31

15028.55

245207.12

237597.39

(₹ in lacs)

**2.3 : MINORITY INTEREST
IN EQUITY**

Talavadi Cements Ltd.

1,19,600 Equity Shares (2012-13 : 1,19,600) held by minority
having 1.99% (2012-13 : 1.99%) interest

As at 31st March, 2014

As at 31st March, 2013

11.96

11.96

IN NON-EQUITY

Talavadi Cements Ltd.

Balance brought forward.

(10.64)

(11.24)

1.32

0.72

2.4 : LONG-TERM BORROWINGS

Non-current portion

Current Maturities

As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
-----------------------------------	-----------------------------------	-----------------------------------	-----------------------------------

**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	-
	<u>40000.00</u>	<u>50000.00</u>	<u>10000.00</u>	<u>-</u>

Term Loans (Secured)

Rupee Loans from Bank	-	-	-	3975.00
Foreign Currency Loans from Banks	51630.90	39738.46	22188.53	1102.22
	<u>51630.90</u>	<u>39738.46</u>	<u>22188.53</u>	<u>5077.22</u>
Total Secured Borrowings	91630.90	89738.46	32188.53	5077.22

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

91630.90 **89738.46** (32188.53) (5077.22)

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

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

The Debentures are secured by first charge on the movable and immovable fixed assets of the Company's Cement Division, ranking *pari-passu* with the term lenders.

b) Foreign Currency Loans from Banks are repayable as under:-

- ₹ 7907.43 (P.Y ₹ 8266.68) repayable in remaining thirteen semi-annual instalments.

The above loan 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.

- ₹ 20972.00 (P.Y. ₹19001.50) repayable in April / May, 2014 in two equal instalments.

- ₹ 20972.00 (P.Y. ₹ Nil) includes ₹ 2247.00 repayable in September, 2015, ₹ 2247.00 repayable in September, 2016, ₹ 3745.00 repayable in September, 2017, ₹ 5243.00 repayable in September, 2018 and ₹ 7490.00 repayable in September, 2019.

- ₹ 14980.00 (P.Y. ₹ 13572.50) includes ₹ 4494.00 repayable in July / August, 2016 and ₹ 10486.00 repayable in December, 2016 / January, 2017.

- ₹ 8988.00 (P.Y. ₹ Nil) includes ₹ 1198.40 repayable in March, 2018, ₹ 2396.80 repayable in June, 2018, ₹ 1797.60 repayable in September, 2018 and ₹ 3595.20 repayable in December, 2018.

The above loans are secured/are to be 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, 2014</u>		<u>As at 31st March, 2013</u>	
2.5 : DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities				
Arising on account of :				
Depreciation		30521.76		26605.68
Less : Deferred Tax Assets				
Arising on account of :				
Section 43B of Income-Tax Act	5019.86		4532.59	
Others	<u>1994.57</u>	<u>7014.43</u>	<u>816.97</u>	<u>5349.56</u>
Deferred Tax Liabilities (Net)		<u>23507.33</u>		<u>21256.12</u>

During the year the Company has recognised Deferred Tax Assets of ₹ 226.60 lacs on long term capital loss to the extent there is a certainty of reversal of the same in due course.

2.6 : OTHER LONG-TERM LIABILITIES

Trade Payables

For Goods and Services	0.27	0.27
	<u>0.27</u>	<u>0.27</u>

Other Liabilities

Liabilities under Litigation	32895.95	29266.57
Less : Paid under protest	<u>18280.10</u>	<u>15217.60</u>
Trade and Security Deposits	12557.46	10510.08
Other Payables	495.13	489.73
	<u>27668.44</u>	<u>25048.78</u>
	<u>27668.71</u>	<u>25049.05</u>

2.7 : PROVISIONS

	<u>Long-term</u>		<u>Short-term</u>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>31st March, 2014</u>	<u>31st March, 2013</u>	<u>31st March, 2014</u>	<u>31st March, 2013</u>
Provision for Employee Benefits	1909.36	1933.67	1460.64	1828.17
Other Provisions				
Provisions for Taxation (Net of Payments)	805.81	1689.46	-	-
Proposed Dividend	-	-	4620.32	3465.24
Corporate Dividend Tax	-	-	785.22	588.92
	<u>805.81</u>	<u>1689.46</u>	<u>5405.54</u>	<u>4054.16</u>
	<u>2715.17</u>	<u>3623.13</u>	<u>6866.18</u>	<u>5882.33</u>

(₹ in lacs)

As at 31st March, 2014

As at 31st March, 2013

2.8 : SHORT-TERM BORROWINGS

Working Capital Borrowings

From Banks

Rupee Loans (Secured)	3661.98	9589.40
Buyers Credit and Packing Credit in Foreign Currency (Secured)	-	205.87
Buyers Credit and Packing Credit in Foreign Currency (Unsecured)	1344.65	3159.37

From Others

Collateralised Borrowing and Lending Obligation (Secured)	6500.00	6500.00
	<u>11506.63</u>	<u>19454.64</u>

Deposits

Staff and Other Deposits (Unsecured)	<u>838.24</u>	<u>943.99</u>
--------------------------------------	---------------	---------------

Other Loans & Advances

From Banks

Buyers Credit in Foreign Currency (Secured)	1311.37	1624.57
Buyers Credit in Foreign Currency (Unsecured)	<u>2654.25</u>	<u>5765.76</u>
	<u>3965.62</u>	<u>7390.33</u>
	<u>16310.49</u>	<u>27788.96</u>

The above amount includes

Secured Borrowings	11473.35	17919.84
Unsecured Borrowings	<u>4837.14</u>	<u>9869.12</u>
	<u>16310.49</u>	<u>27788.96</u>

- i) Working Capital Rupee Loans of ₹1882.36 (P.Y. ₹ 9589.40) 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.
- ii) Working Capital Rupee Loans of ₹ 1779.62 (P.Y. ₹ Nil) and Buyers Credit in Foreign Currency of ₹ 1311.37 (P.Y. ₹ 1624.57) are secured against lien on certain Units of Mutual Funds.
- iii) Collateralised Borrowing and Lending Obligation is secured by deposit of certain Government Securities.

2.9 : TRADE PAYABLES

For Goods and Services	15466.93	12663.78
	<u>15466.93</u>	<u>12663.78</u>

2.10 : OTHER CURRENT LIABILITIES

Current maturities of Long-Term Debt (See Note No. 2.4)	32188.53	5077.22
Interest accrued but not due on Borrowings	1001.73	917.67
Unpaid and unclaimed dividends	121.58	120.42
Statutory Dues	2842.59	2348.17
Employees related Liabilities	1289.65	1150.79
Amount payable for Capital Goods	2357.13	2366.72
Trade and Security Deposits	27.91	18.96
Advances Received from Customers	5969.80	5551.84
Other Payables (include rebates and discounts)	<u>4230.91</u>	<u>4081.02</u>
	<u>50029.83</u>	<u>21632.81</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, 2013	during the year	during the year	Other Adjustment	as at 31st March, 2014	Upto 31st March, 2013	Provided during the year	Adjustments during the year	Upto 31st March, 2014	31st March, 2014	31st March, 2013
Tangible Assets:											
Land											
Leasehold	1672.30	871.73	4.16	-	2539.87	1276.76	708.08	3.37	1981.47	558.40	395.54
Freehold	4172.60	690.81	-	-	4863.41	-	-	-	-	4863.41	4172.60
Sub Total :	5844.90	1562.54	4.16	-	7403.28 (a)	1276.76	708.08	3.37	1981.47	5421.81	4568.14
Buildings	17882.00	3269.76	5.28	552.56	21699.04 (a)	8168.45	396.40	2.00	8562.85	13136.19	9713.55
Plant & Machinery	237588.94	18129.19	1084.09	2640.17	257274.21	82052.86	11542.22	761.15	92833.93	164440.28	155536.08
Furniture & Fittings	1217.98	108.70	27.09	-	1299.59	824.83	46.29	20.63	850.49	449.10	393.15
Vehicles	1779.69	242.40	100.06	-	1922.03	838.80	146.38	81.30	903.88	1018.15	940.89
Office Equipment	3087.85	240.71	111.25	3.11	3220.42	1613.91	237.79	99.56	1752.14	1468.28	1473.94
Livestock	11.39	0.00	0.00	-	11.39	-	-	-	-	11.39	11.39
Railway Sidings	1361.76	9.84	-	-	1371.60	628.00	43.15	-	671.15	700.45	733.76
Total :	<u>268774.51</u>	<u>23563.14</u>	<u>1331.93</u>	<u>3195.84</u>	<u>294201.56</u>	<u>95403.61</u>	<u>13120.31</u>	<u>968.01</u>	<u>107555.91</u>	<u>186645.65</u>	<u>173370.90</u>
Intangible Assets:											
Goodwill	15.28	-	-	-	15.28	-	-	-	-	15.28	15.28
Computer Software	520.30	91.23	-	-	611.53	60.97	187.22	-	248.19	363.34	459.33
Total :	<u>535.58</u>	<u>91.23</u>	<u>-</u>	<u>-</u>	<u>626.81</u>	<u>60.97</u>	<u>187.22</u>	<u>-</u>	<u>248.19</u>	<u>378.62</u>	<u>474.61</u>
Grand Total :	<u>269310.09</u>	<u>23654.37</u>	<u>1331.93</u>	<u>3195.84</u>	<u>294828.37</u>	<u>95464.58</u>	<u>13307.53</u>	<u>968.01</u>	<u>107804.10</u>	<u>187024.27</u>	<u>173845.51</u>
Previous Year :	<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>	

- (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) 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, ₹ 3192.28 remain unamortised as on 31st March 2014.

(₹ 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 ₹ 64.28 (Previous Year ₹ 59.64) marked lien in favour of Government Authorities.

2.14 : INVENTORIES

(As valued and certified by the Management)

Raw Materials (Including Goods in transit ₹ 552.42, Previous Year ₹ 930.54)

Work-in-Progress

Finished Goods (Including Goods in transit ₹ 252.39, Previous Year ₹ 208.20)

Stores and Spares etc. (Including Goods in transit ₹ 118.32, Previous Year ₹ 328.04)

	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Capital Advances				
Secured, considered good	322.29	165.14	-	-
Unsecured, considered good	1828.77	918.37	-	-
	<u>2151.06</u>	<u>1083.51</u>	<u>-</u>	<u>-</u>
Security Deposits				
Secured, considered good	0.18	0.18	-	-
Unsecured, considered good	2818.73	2641.83	52.23	56.21
	<u>2818.91</u>	<u>2642.01</u>	<u>52.23</u>	<u>56.21</u>
Loans and Advances to Related Parties (Unsecured, considered good)	-	0.25	-	-
	<u>-</u>	<u>0.25</u>	<u>-</u>	<u>-</u>
Other Loans and Advances (Unsecured, considered good)				
Advance Tax (including TDS) (Net of provisions)	4253.78	4214.47	-	-
MAT Credit Entitlement	7727.24	4640.26	-	-
Advance against supply of Goods and Services	-	-	3748.55	4909.09
Prepaid Expenses	79.27	38.11	238.64	243.91
Advance to Employees	34.72	33.45	134.13	174.09
Balances with Government & Statutory Authorities	769.48	506.08	3870.15	4314.32
Other Deposits and Advances	1561.96	229.96	69.49	6.38
	<u>14426.45</u>	<u>9662.33</u>	<u>8060.96</u>	<u>9647.79</u>
Other Loans and Advances (Considered Doubtful)				
Other Deposits and Advances (Considered doubtful)	152.03	147.80	-	-
Less: Provision	(152.03)	(147.80)	-	-
	<u>19396.42</u>	<u>13388.10</u>	<u>8113.19</u>	<u>9704.00</u>

	Balance		Maximum Outstanding	
	As at March 31, 2014	As at March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
(i) Birla Odessa Industries Private Limited, Associates	-	0.12	0.16	0.12
(ii) Birla Readymix Private Limited, Associates	-	0.13	0.16	0.13

	Non-Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Long Term Trade Receivable (See Note No. 2.15)	-	-	-	-
Fixed Deposits maturing after 12 months from Balance Sheet date ⁽¹⁾	64.28	59.64	-	-
Interest accrued on Deposits	12.63	30.45	1928.47	671.03
Interest accrued on Investments	1992.64	1480.37	981.97	973.97
Unamortized Ancillary Finance Costs	879.65	1313.27	255.88	277.75
Incentive and Subsidy Receivable	143.65	97.95	9718.76	8695.63
Less : Provision	(143.65)	(97.95)	-	-
Asset held for disposal	-	-	143.44	131.13
Others	383.47	384.52	289.80	89.95
Less : Provision	(11.37)	(11.45)	-	-
	<u>3321.30</u>	<u>3256.80</u>	<u>13318.32</u>	<u>10839.46</u>

	As at March 31, 2014	As at March 31, 2013
Raw Materials (Including Goods in transit ₹ 552.42, Previous Year ₹ 930.54)	4780.49	5361.12
Work-in-Progress	6878.11	10081.39
Finished Goods (Including Goods in transit ₹ 252.39, Previous Year ₹ 208.20)	11401.23	12113.70
Stores and Spares etc. (Including Goods in transit ₹ 118.32, Previous Year ₹ 328.04)	28500.28	29513.42
	<u>51560.11</u>	<u>57069.63</u>

(₹ in lacs)

Details of Inventories :

	Finished Goods		Work-in-Progress	
	As at	As at	As at	As at
	31st March,2014	31st March,2013	31st March,2014	31st March,2013
Cement	7404.20	8370.69	6323.04	9458.32
Jute	3537.86	3475.85	350.60	538.74
Others	459.17	267.16	204.47	84.33
	11401.23	12113.70	6878.11	10081.39

2.15 : TRADE RECEIVABLES

	Non-Current		Current	
	As at	As at	As at	As at
	31st March,2014	31st March,2013	31st March,2014	31st March,2013
Outstanding for a period exceeding six months				
Secured, considered good	-	-	451.16	326.12
Unsecured, considered good	-	-	505.94	507.70
Doubtful	830.79	503.84	-	-
	830.79	503.84	957.10	833.82
Provision for doubtful receivables	830.79	503.84	-	-
	-	-	957.10	833.82
Other Receivables				
Secured, considered good	-	-	1700.43	2110.25
Unsecured, considered good	-	-	4813.61	4552.22
	-	-	6514.04	6662.47
Amount disclosed under the head "Other Assets" (See Note No. 2.13)	-	-	-	-
	-	-	7471.14	7496.29

2.16 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks

In Current Account	3542.93	2011.87
In Fixed Deposit Accounts with original maturity of less than three months	-	138.00
Cheques/drafts on hand and Remittances in transit	2964.34	3548.82
Cash in hand	15.10	17.43
	6522.37	5716.12

Other Bank Balances

Balance in Unpaid Dividend Account	121.58	120.42
Earmarked balances with Banks - Fixed Deposit	1500.00	100.00
Balances with Bank held as margin money/ security	265.07	239.42
Fixed Deposit with Banks with maturity period for more than 12 months	77.02	561.30
Other Fixed Deposit with Banks	41748.38	21463.50
	43712.05	22484.64
	50234.42	28200.76

(₹ in lacs)

**For the year ended
31st March, 2014** **For the year ended
31st March, 2013**

2.17 : REVENUE FROM OPERATIONS (GROSS)

Sale of Products (including Export Sales ₹ 7361.93, Previous Year ₹ 4686.79)
Own Consumption

341666.21	294347.20
1544.85	1167.06
<u>343211.06</u>	<u>295514.26</u>

Other Operating Revenues

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

3205.56	3119.58
213.65	173.53
950.71	390.73
211.24	236.25
<u>4581.16</u>	<u>3920.09</u>

<u>347792.22</u>	<u>299434.35</u>
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Details of Sale of Products

Cement
Jute
Others

319573.11	286178.16
22007.57	7903.79
85.53	265.25

<u>341666.21</u>	<u>294347.20</u>
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2.18 : OTHER INCOME

Interest Income

On Investments
Long-Term
Current

2814.77	3302.92
-	211.72

On Bank Deposits
On Other Deposits, etc.

3889.50	3702.29
204.94	120.40

Dividend Income

On Long-Term investments
On Current investments

110.94	105.83
462.01	363.37

Net gain/ (loss) on sale of Investments

On Long-Term investments
On Current investments

3508.89	1509.64
249.45	2550.84

Other Non Operating Income

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

718.91	505.85
65.16	-
87.07	40.97
179.13	173.13
-	27.63
231.44	148.07

<u>12522.21</u>	<u>12762.66</u>
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2.19 : COST OF MATERIALS CONSUMED

Raw Material Consumed

49218.76	52535.45
<u>49218.76</u>	<u>52535.45</u>

Details of Raw Material Consumed

Limestone
Clinker
Gypsum
Slag
Fly Ash
Jute
Others

19949.91	22902.05
8277.17	15026.17
8494.83	7733.12
4021.98	3970.69
8550.29	6633.50
10800.65	4221.33
2208.93	1556.43
<u>62303.76</u>	<u>62043.29</u>

Less : Lime Stone (Own raising)

13085.00	9507.84
<u>49218.76</u>	<u>52535.45</u>

(₹ in lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
2.20 : PURCHASE OF TRADED GOODS		
Traded Goods - Jute Goods	140.08	487.08
	140.08	487.08
2.21 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	12113.70	5533.17
Work-in-Progress	10081.39	3456.41
Traded Goods	-	14.88
	22195.09	9004.46
Inventories at the end of the year		
Finished Goods	11401.23	12113.70
Work-in-Progress	6878.11	10081.39
Traded Goods	-	-
	18279.34	22195.09
	3915.75	(13190.63)
2.22 : EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	18696.22	15328.68
Contribution to Provident and Other Funds	1439.49	1354.59
Gratuity Expenses	940.04	1570.67
Contribution to Superannuation Fund	339.86	350.56
Staff Welfare Expenses	747.92	731.13
	22163.53	19335.63
Less: Amount Capitalised	5.64	26.08
	22157.89	19309.55
2.23 : FINANCE COSTS		
Interest Expenses		
To Debenture Holders	4462.50	4458.32
" Banks on Term Loans, etc.	2141.02	1476.37
" Banks on Working Capital Loans	707.02	866.47
On Deposits & Others	998.59	871.68
	8309.13	7672.84
Other Borrowing Costs		
Other Financial Charges	294.77	399.61
Applicable net (gain)/loss on foreign currency transactions and translations	813.30	829.64
	9417.20	8902.09
Less : Amount Capitalised	857.63	2416.35
	8559.57	6485.74

(₹ in lacs)

2.24 : OTHER EXPENSES

MANUFACTURING EXPENSES

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Stores, Spare Parts & Packing Materials Consumed	29197.09	21734.92
Power & Fuel (net of capitalisation ₹ Nil, Previous Year ₹ 86.73)	76740.28	61759.47
Royalty & Cess	4047.70	2921.31
Repairs to Buildings	1881.41	1543.77
Repairs to Machinery	3343.72	2491.33
Repairs to Other Assets	310.58	148.41
Freight & Material Handling on Inter Unit Transfer	11515.87	11398.65
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	(163.00)	734.72
Other Manufacturing Expenses	3995.01	2790.28

130868.66

105522.86

SELLING AND ADMINISTRATION EXPENSES

Brokerage & Commission on Sales	1779.26	1265.06
Transport & Forwarding Expenses	55241.83	45042.71
Insurance	324.35	339.27
Rent	934.57	752.60
Rates & Taxes	673.19	1304.75
Development Cess on Cement	55.10	48.14
Advertisement	1994.80	1359.07
Prior Period Items	160.51	26.87
Charity & Donation	208.62	650.77
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	25.12	22.11
Tax Audit Fees	5.80	5.06
Limited Review	10.00	9.10
Travelling Expenses	0.72	2.00
Issue of Certificates	18.58	8.26
Cost Auditors -		
Audit Fees	3.00	2.25
Travelling Expenses	0.21	0.38
Loss on sale/discard of Fixed Assets (Net)	88.24	25.77
Net (Gain)/Loss on Foreign currency transaction and translation (Net of capitalisation of ₹ 1881.91, Previous Year ₹ 1229.12)	1024.35	349.41
Add: Amortisation of Foreign Currency Monetary Item Translation Difference Account	595.84	1620.19
Provision for doubtful debts/advances (Net of Prov. for Doubtful Debts Written Back ₹ Nil, Previous Year ₹ 15.45)	441.95	106.00
Directors' Fees	10.40	9.70
Other Expenses	6057.27	4949.79

69653.71

56279.07

200522.37

161801.93

2.25 : DEPRECIATION AND AMORTIZATION EXPENSES

On Tangible Assets	13120.31	10450.40
On Intangible Assets	187.22	60.97
On Investment Property	0.37	0.80
	13307.90	10512.17
Less: Transferred from Reserve on Revaluation	2.04	21.18

13305.86

10490.99

2.26 : EXCEPTIONAL ITEM

On account of prepayment of Foreign currency loan (a)	2642.34	-
On account of write back of liability relating to rebate of sales tax (b)	(1549.15)	-
	1093.19	-

- (a) Amortization of Foreign Currency Monetary Item Translation Difference Account of ₹ 2016.54 (Previous Year ₹ NIL) and Up front fees ₹ 625.80 (Previous Year ₹ NIL) on account of prepayment of Foreign Currency Loans of USD 70 million which have been refinanced at a lower rate.
- (b) Write back of liability pursuant to the ruling of the Hon'ble Supreme Court according to which cement manufacturing units located outside the state of Uttar Pradesh are eligible to get "rebate of Sales Tax" granted by the state government for using fly ash generated in Uttar Pradesh as raw material.

CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
2.27 : TAX EXPENSE		
Current Tax for the year	3096.65	6892.87
Less : MAT Credit Entitlement	(3086.83)	(4606.39)
Less : Income Tax related to earlier years	-	(20.40)
Current Tax	9.82	2266.08
Deferred Tax	2251.22	5843.41
	2261.04	8109.49

2.28 Contingent Liabilities not provided for –

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

	2013-14	2012-13
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	132.11
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 has been granted in the matter.	138.36	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.	2478.76	2304.32
vii) Stamp Duty for registration/execution of deed of certain Limestone Mining Lease. The matter is pending before the Hon'ble Supreme Court.	604.80	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 M. P. High Court, Jabalpur.	1160.00	1160.00
xi) Demand under Income Tax Act, 1961 for Assessment Year 2011 - 12, the matter is pending before Commissioner of Income Tax (Appeals).	2612.01	Nil
xii) Demand for Interest on Entry Tax under U.P. VAT Act. Case is pending before Hon'ble Supreme Court.	2912.01	2474.03
xiii) 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
xiv) M. P. VAT on freight charges incurred in the state of Madhya Pradesh. Appeal filed and pending before the Hon'ble M. P. High Court, Jabalpur.	433.27	159.44
xv) Demand for Education cess by the Municipal Corporation, Satna. Appeal filed and pending before Hon'ble M. P. High Court, Jabalpur.	118.29	97.41
xvi) 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.	386.64	124.40
xvii) 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	450.00
xviii) Cenvat Credit taken on Steel Items has been disallowed by the Commissioner, Central, Excise, Jaipur vide order dated 27.02.2014. The company is contemplating to file appeal before Custom, Excise & Service Tax Appellate Tribunal, New Delhi.	448.67	Nil
xix) 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 - ₹ 130.86, ₹ 703.99, ₹ 72.06, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96, ₹ 221.20 (Previous Year ₹ 123.36, ₹ 648.42, ₹ 169.48, ₹ 4.91, ₹ 0.56, ₹ 99.15, ₹ 82.96 and ₹ 274.44) respectively.		

(₹ in lacs)

- (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, ₹ 6790.62 [Paid under protest ₹ 4099.71] (Previous Year ₹ 6115.51 [Paid under protest ₹ 3912.68]) in respect of demand of Royalty on Limestone including interest thereon, ₹ 1783.18 [Paid under protest ₹ 370.00] (Previous Year ₹ 390.59 [Paid under protest ₹ 20.00]) in respect of MODVAT/CENVAT claims, ₹ 3614.35 [Paid under protest ₹ 1579.91] (Previous Year ₹ 2498.70 [Paid under protest ₹ 382.36]) 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 ₹ 12.99 [paid under protest ₹ 2.00]) in respect of Service Tax, ₹ 4506.15 [Paid under Protest ₹ 3651.51] (Previous Year ₹ 9159.30 [paid under protest ₹ 1905.68]) in respect of Income Tax, ₹ 23.50 [Paid under protest ₹ 22.27] (Previous Year ₹ 34.76 [Paid under protest ₹ 23.27]) in respect of Excise Duty have not been provided for as the matters are subjudice and ₹ 0.33 [Paid under protest ₹ 0.33] (Previous Year ₹ 0.33 [Paid under protest ₹ 0.33]) in respect of Other claims.
- (c) Bills discounted with Banks remaining outstanding - ₹ 789.81 (Previous Year ₹ 600.23).
- (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 ₹ 408.01 and ₹ NIL (Previous Year ₹ 834.96 and ₹ 301.82) respectively.

2.29 Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for ₹ 6529.97 (Previous Year ₹ 2496.72).

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 34.79 (Previous Year USD/INR 2.13) and payables/firm commitments are USD/INR 357.66 and EURO/INR 14.31 and EURO/USD NIL (Previous Year USD/INR 282.00 and EURO/INR NIL and EURO/USD 6.55). Outstanding Interest rate Swap Contract booked for the purpose of Hedging LIBOR against payable are USD 313830 (Previous Year "Nil").
- (b) Unhedged foreign currency receivables are USD 3.12 and EURO 0.89 (Previous Year USD 8.53 and EURO 0.23) and payables are USD 972.64 and EURO 2.67 (Previous Year USD 681.38 and EURO 2.00).

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 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, 2014	For the year ended 31st March, 2013
(i) Provident Fund	70.35	59.56
(ii) Superannuation Fund	339.86	350.56
(iii) Pension Fund	450.49	407.53

- (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	
	2013-14	2012-13	2013-14	2012-13
(ii) The amounts recognised in the Balance Sheet are as follows :				
Present value of funded obligations	9920.03	9522.87	-	-
Fair value of plan assets	9195.74	8238.59	-	-
Liabilities in respect of funded obligation	724.29	1284.28	-	-
Present value of unfunded obligations	-	-	93.23	110.32
Liabilities in respect of unfunded obligation	-	-	93.23	110.32
Total Liabilities	724.29	1284.28	93.23	110.32

(₹ in lacs)

	Gratuity		Pension	
	2013-14	2012-13	2013-14	2012-13
(iii) The amounts recognised in the Statement of Profit and Loss are as follows :				
Current service cost	466.55	446.65	-	-
Interest on obligation	712.03	650.65	8.21	3.79
Expected return on plan assets	(714.43)	(644.38)	-	-
Net actuarial losses/(gains) recognised during the year	475.89	1117.75	(9.84)	70.42
Losses/(Gains) on curtailments and settlements	-	-	-	-
Total, included in 'Employee Benefit Expenses'	940.04	1570.67	(1.63)	74.21
Actual return on plan assets	717.60	696.98	-	-
a) Amount not recognised as an asset, because of the limit prescribed in Accounting Standard- 15 (Revised 2005) i.e Employee Benefits ₹ 25.36 (Previous Year ₹ 22.11).				
(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	9522.86	8054.12	110.32	53.12
Service cost	466.55	446.65	-	-
Interest cost	712.03	650.65	8.21	3.79
Actuarial losses/(gains)	475.20	1168.17	(9.84)	70.42
Benefits paid	(1256.62)	(796.73)	(15.46)	(17.01)
Closing defined benefit obligation	9920.02	9522.86	93.23	110.32
(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	8238.59	7552.51	-	-
Expected return	714.43	644.38	-	-
Actuarial gains/(losses)	(0.69)	50.43	-	-
Contribution by employer	1500.03	788.00	-	-
Benefits paid	(1256.62)	(796.73)	-	-
Closing fair value of plan assets	9195.74	8238.59	-	-
a) Fair value of plan assets does not include any amount for Companies own financial instruments or any property occupied by, or other assets used by, the Company to the extent of the information available.				
(vi) The major categories of plan assets as a percentage of total plan assets are as follows :				
Qualifying insurance policy	100%	100%	-	-
(vii) Principal actuarial assumptions at the Balance Sheet date are as follows :				

	2013-14		2012-13	
	Holding Co.	Subsidiary (Budge Budge Floorcoverings Limited)	Holding Co.	Subsidiary (Budge Budge Floorcoverings Limited)
(a) Gratuity				
Discount rate at 31st March	8.75% p.a.	9.00% p.a.	8.00% p.a.	8.00% p.a.
Expected return on plan assets at 31st March	8.50% p.a.	8.00% p.a.	8.50% p.a.	8.00% p.a.
Mortality Rate	IAL (2006-08)	LIC (1994-96)	IAL (2006-08)	LIC (1994-96)
	Modified ultimate	ultimate	Modified ultimate	ultimate
Salary Escalation	5% to 8%	5%	5% to 7%	5%
Withdrawal Rate	2%	1% to 2% depending on age	2% to 5%	1% to 3% depending on age
(b) Pension				
Discount rate at 31st March	8.75% p.a.	-	8.00% p.a.	-

(₹ in lacs)

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

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
<u>Gratuity</u>					
Defined benefit obligation	9892.71	9490.50	8021.97	7390.64	7113.39
Plan assets	9146.78	8187.38	7502.19	7311.85	6773.92
Surplus/(Deficit)	(745.93)	(1303.12)	(519.78)	(78.79)	(339.47)
Experience gain/(loss) adjustments on plan liabilities	(329.45)	(129.55)	(991.55)	-	-
Experience gain/(loss) adjustments on plan assets	3.17	52.61	43.61	82.45	47.69
<u>Pension</u>					
Defined benefit obligation	93.23	110.32	53.12	42.08	53.59
Experience gain/(loss) adjustments on plan liabilities	6.27	(70.42)	(25.43)	(2.96)	1.73

- (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 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 ₹ 1000.00 (Previous Year ₹ 1500.00) to its gratuity fund in 2014-15.
- (xii) In respect of provident funds in the nature of defined benefit plans contribution amounting to ₹ 618.02 (Previous Year ₹ 580.44) and the accrued past service liability of ₹ NIL (Previous Year ₹ 188.33) as valued by the actuary is recognised as an expense and included in 'Employee Benefit Expense'.

- 2.33** Charity & Donation includes political donation ₹ 100.00 (Previous Year ₹ Nil) paid to Bharatiya Janata Party and ₹ 100.00 (Previous Year ₹ Nil) paid to Indian National Congress.
- 2.34** The Board of Directors of the Company at its meeting held on 25th July, 2013 had approved the Scheme of Amalgamation to amalgamate Talavadi Cements Limited, a 98% subsidiary with Birla Corporation Limited with an appointed date of 1st April, 2013. The Scheme is presently pending for the approval of the Hon'ble High Court, Kolkata.
- 2.35** Based on the recommendation of Inter Ministerial Group, Bikram Coal Block in the state of Madhya Pradesh has been de-allocated by the Ministry of Coal vide letter dated 7th January, 2014. Pursuant to writ petition filed by the company challenging the same, Hon'ble High Court, Jabalpur has permitted the company to move the court in case any steps are taken by the government for re-allocation of the block and stayed encashment of bank guarantee. The case is pending for further hearing.
- 2.36** There being uncertainties in realisation from Insurance Claims, the same are accounted for on settlement/realisation.
- 2.37** Certain Trade Receivables, Loans and Advances and Creditors are subject to confirmation.
- 2.38** (a) The Company's Unit Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.
(b) The Company's Units Birla Vinoleum, Birlapur and Auto Trim Division, Birlapur, are under Suspension of Operations since 18th February, 2014.
(c) In respect of mining matter of Chanderia, Central Building Research Institute (CBRI) which was directed to conduct the study of impact of mining on Chittorgarh fort by the Hon'ble Supreme Court, has sought extension of time up to 30th September, 2014 for completion of study as it could not complete the study within 31st March, 2014. Hon'ble Supreme Court has fixed the next date of hearing on 13th October, 2014.
(d) Company's wholly owned subsidiary Budge Budge Floorcoverings is under Suspension of Operations since 29th October, 2003.
- 2.39** 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.
- 2.40** 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	(0.50)	-
Total		1.00	0.92	(1.00)	-

(₹ in lacs)

2.41 Segment Reporting

A) Primary Segment Information

	2013-14					2012-13				
	Cement	Jute	Others	Inter Segment Elimination	Total	Cement	Jute	Others	Inter Segment Elimination	Total
BUSINESS SEGMENT										
Segment Revenue										
(a) External Sales (including Own Consumption)	274021.24	21799.51	1233.30		297054.05	247481.72	7819.40	1074.72		256375.84
(b) Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue	274021.24	21799.51	1233.30		297054.05	247481.72	7819.40	1074.72		256375.84
Segment Result (Profit before Interest & Tax)	18337.81	(240.23)	(251.97)	-	17845.61	34279.60	(1186.34)	(339.40)	-	32753.86
Less: (i) Interest					8559.57					6485.72
(ii) Unallocated corporate expenses net of unallocated income					(5957.91)					(8870.34)
Expenditure net off unallocable income										
Profit before Tax					15243.95					35138.48
Current Tax					9.82					2266.08
Deferred Tax					2251.22					5843.41
Profit after tax					12982.91					27028.99
OTHER INFORMATION										
Segment Assets	272620.30	13231.29	3001.44		288853.03	271024.99	12595.04	3061.56		286681.59
Unallocated corporate assets					198251.84					166252.05
Total					487104.87					452933.64
Segment Liabilities	46381.13	1877.53	229.69		48488.35	47167.26	1915.09	250.14		49332.49
Unallocated corporate liabilities					185707.19					158302.15
Total					234195.54					207634.64
Capital Expenditure	16684.83	1269.65	29.30		17983.78	20318.32	309.63	4.75		20632.70
Common Capital Expenditure					195.26					636.45
Total					18179.04					21269.15
Depreciation	12385.28	403.46	179.28		12968.02	9821.00	305.18	190.31		10316.49
Common Depreciation					337.84					173.50
Total					13305.86					10489.99

B) Secondary Segment Information

The company operates mainly in the Indian market and the export turnover being 2.15 % (Previous year 1.59 %) 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 statement.

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

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

(₹ in lacs)

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

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

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

Particulars	2013-2014		2012-2013	
	Associates	Key Management Personnel	Associates	Key Management Personnel
Advances given	0.07	-	0.28	-
Advances recovered	0.32	-	0.03	-
Remuneration, Perquisites & Others	-	257.68	-	237.10
Balance outstanding at year end :				
Advances given	-	-	0.25	-

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

Signatures 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 8th day of May, 2014

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

HARSH V. LODHA

Chairman

PRACHETA MAJUMDAR

Wholetime Director designated
as Chief Management Advisor

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

Directors

B. R. NAHAR

Managing Director

NOTES

(₹ in lacs)



BIRLA CORPORATION LIMITED

CIN-L01132WB1919PLC003334

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

E-mail: investorsgrievance@birlacorp.com

Website: www.birlacorporation.com

Phone: (033) 6616 6726/6737/6738

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-FOURTH ANNUAL GENERAL MEETING of the Company being held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata- 700 026 on Thursday, the 21st August, 2014 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. Shareholder/Proxyholder is requested to bring their copies of the Annual Report and Accounts with them to the Meeting.



BIRLA CORPORATION LIMITED

ELECTRONIC VOTING

The Company is providing electronic voting (e-voting) facility for the Resolutions contained in the Notice convening the Annual General Meeting on Thursday, the 21st August, 2014. The procedure for e-voting has been mentioned in the aforesaid Notice. Your USER ID and Password for e-voting purposes are given below :

Electronic Voting Event Number (EVEN)	User ID	Password



BIRLA CORPORATION LIMITED

CIN-L01132WB1919PLC003334

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

E-mail: investorsgrievance@birlacorp.com Website: www.birlacorporation.com Phone: (033) 6616 6726/6737/6738

94TH ANNUAL GENERAL MEETING

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

DP ID No.* & Client ID No.*/Folio No. :

I/We, being the Member(s) of shares of Birla Corporation Limited, hereby appoint

(1) Name : Address :

E-mail ID : Signature :, or failing him

(2) Name : Address :

E-mail ID : Signature :, or failing him

(3) Name : Address :

E-mail ID : Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 94th Annual General Meeting of the Company to be held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata- 700 026 on Thursday, the 21st August, 2014 at 10.30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	For	Against
01.	Consider and adopt :		
a)	Audited Financial Statements, Reports of the Directors and Auditors for the year ended 31st March, 2014		
b)	Audited Consolidated Financial Statements for the year ended 31st March, 2014		
02.	Declaration of Dividend on Ordinary Shares		
03.	Re-appointment of Shri Harsh V. Lodha, who retires by rotation		
04.	Appointment of Auditors and fixing their remuneration		
05.	Appointment of Shri Vikram Swarup as an Independent Director		
06.	Appointment of Shri Anand Bordia as an Independent Director		
07.	Appointment of Shri B.B. Tandon as an Independent Director		
08.	Appointment of Shri D.N. Ghosh as an Independent Director		
09.	Appointment of Dr. Deepak Nayyar as an Independent Director		
10.	Re-appointment of Shri B.R. Nahar as Managing Director		
11.	Change in terms of Shri Pracheta Majumdar, Whole-time Director designated as Chief Management Advisor		
12.	Special Resolution u/s. 180(1)(c) of the Companies Act, 2013 for borrowing money up to ₹ 3000 crores over and above the aggregate of paid up capital and free reserves of the Company		
13.	Special Resolution u/s. 180(1)(a) of the Companies Act, 2013 for creation of mortgage/charge on Company's assets		
14.	Approval of Remuneration of Cost Auditor		
15.	Special Resolution u/s. 94(1) of the Companies Act, 2013 for keeping Register of Members and other Registers at the office of the Registrar and Share Transfer Agent		

* Applicable for investors holding shares in electronic form.

Signed this day of 2014. Signature of Shareholder.....

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**2. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 94th Annual General Meeting.

4. Please complete all details including details of member(s) in above box before submission.



Shri B R Nahar, Managing Director, Birla Corporation Limited (left), and Shri J P Baruah, Managing Director, Assam Mineral Development Corporation; after the signing of the Shareholders' Agreement at Guwahati, for the joint venture one-million ton cement plant in Assam.



The launching of Birla Samrat ULTIMATE, the premium brand of Portland Pozzolana Cement, at Indore, Madhya Pradesh.



Shri B R Nahar, Managing Director (fourth from left), and Shri A Saraogi, Chief Financial Officer (third from left); after signing the External Commercial Borrowing Agreement with the Hongkong & Shanghai Banking Corporation Ltd and the Commonwealth Bank of Australia, in Kolkata.



The new Central Control Room at Durgapur Cement Works, Durgapur.



A view of the 1.5 MW solar power generating unit at Satna Cement Works, Satna.



The high-speed dressing machine for shuttleless looms at Birla Jute Mills, Birlapur.

CSR Initiatives



Supply of drinking water by the Company for the tribal inhabitants of villages near Durgapur.



Demonstration of the sprinkler system, distributed among farmers, in villages, near Sagmaniya limestone mines, Satna.



Eye screening and surgery camp, in association with Priyamvada Birla Aravind Eye Hospital, at Durgapur.



BIRLA SAMRAT
UNIQUE
CEMENT
MP BIRLA GROUP

BIRLA SAMRAT
ULTIMATE
CEMENT
MP BIRLA GROUP

MAZBOOT HAR PAL



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