



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

ANNUAL REPORT AND ACCOUNTS 2010-11



Madhav Prasadji Birla
(1918-1990)

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



Priyamvadaji Birla
(1928-2004)

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



Rajendraji S Lodha
(1942-2008)

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

DIRECTORS



Shri Harsh V. Lodha
Chairman



Shri N. K. Kejriwal



Shri Pracheta Majumdar



Shri Vikram Swarup



Shri Anand Bordia



Shri B. B. Tandon



Shri D. N. Ghosh



Shri Deepak Nayyar



Shri M. K. Sharma



Shri B. R. Nahar
Executive Director & CEO

BOARD OF DIRECTORS

Shri Harsh V. Lodha
Chairman

Shri N. K. Kejriwal

Shri Pracheta Majumdar

Shri Vikram Swarup

Shri Anand Bordia

Shri B. B. Tandon

Shri D. N. Ghosh

Shri Deepak Nayyar

Shri M. K. Sharma

Shri B. R. Nahar
Executive Director & Chief Executive Officer

CHIEF FINANCIAL OFFICER

Shri P. K. Chand

ACTING COMPANY SECRETARY

Shri Girish Sharma

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

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

CORPORATE OFFICE

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

REGISTERED OFFICE

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

SENIOR MANAGEMENT TEAM

Shri G. Jayaraman
Executive President

Shri P. S. Marwah
President
Satna Cement Works
Birla Vikas Cement
Raebareli Cement Works
Vindhyachal Steel Foundry

Shri V. K. Hamirwasia
President
Birla Cement Works
Chandaria Cement Works

Shri P. C. Mathur
Joint President
Durgapur Cement Works
Durga Hitech Cement

Shri K. K. Sharma
President
Management Audit

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

Shri G. R. Verma
Joint President
Birla Jute Mills

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NOTICE

To the Shareholders

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

ORDINARY BUSINESS :

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

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

By Order of the Board

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

Notes :

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

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



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

Shri Anand Bordia

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

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

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

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

Shri Pracheta Majumdar

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

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

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

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

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

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

By Order of the Board

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

Important Communication to Shareholders

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

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

FINANCIAL HIGHLIGHTS

(₹ in lacs)

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

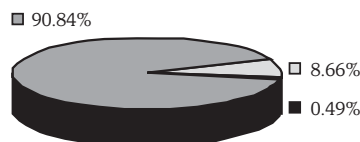
SOURCES AND APPLICATION OF FUNDS

(₹ in lacs)

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

Statement of Sales by Activities 2010-2011

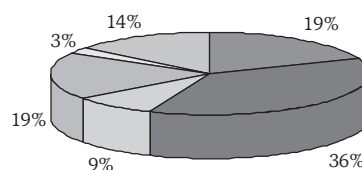
(₹ in lacs)



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

Revenue Distribution 2010-2011

(₹ in lacs)



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

Contribution to National Exchequer 2010-2011

(₹ in lacs)

