



BIRLA
CORPORATION
LIMITED
MP BIRLA GROUP

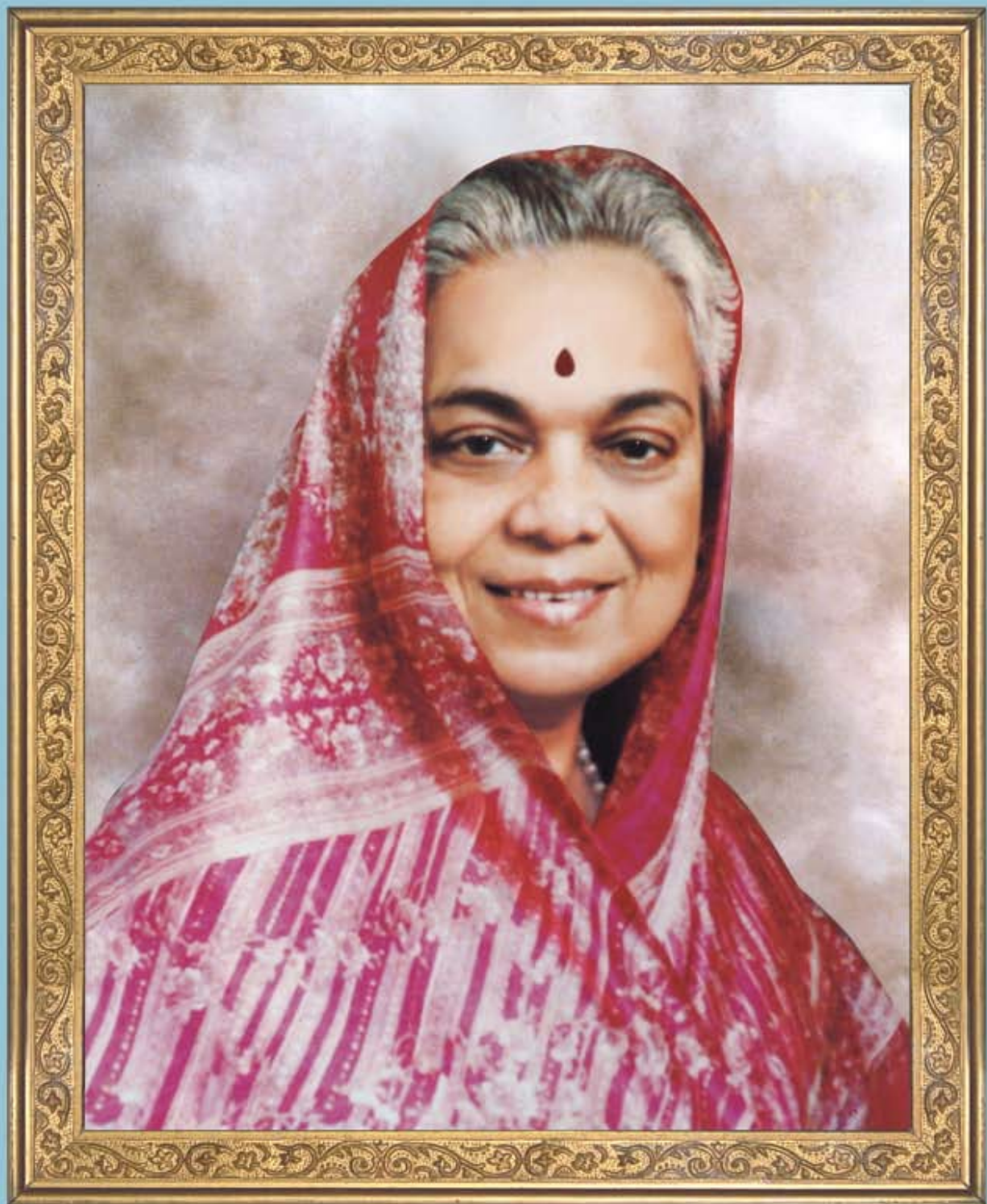


ANNUAL REPORT AND ACCOUNTS
2013-14



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
Member Director

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

CONTENTS

Notice	4
Financial Highlights	18
Sources and Application of Funds	19
Directors' Report & Management Discussion & Analysis	20
Corporate Governance Report	32
Auditors' Report	39
Balance Sheet	42
Statement of Profit & Loss	43
Cash Flow Statement	44
Notes to Financial Statements	45
Financial Information of Subsidiary Companies	72
Consolidated Financial Statements	73

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,