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Annual Report
& Accounts 2014



Chairman's Message

The economic and industrial slowdown that started around 2011-12 continued into 2013-14. At the same time we have been faced with high inflation and customer resistance to price increases. Industrial growth has been lower than expected and GDP growth during 2013-14 was below 5% for the first time in almost a decade.

There is now a new and majority government at the centre, and the corporate sector and financial markets are positive about the future. However, while business sentiments seem high, actual and sustained recovery is likely to take time. Hence we need to be both watchful and nimble in order to not only ensure growth in all our businesses but the sustainability of such growth.

Our management team has met the challenges of 2013-14 effectively and this is reflected in our operational performance. They continue to work towards ensuring sustainable growth.

I thank my colleagues on the Board, employees and all other stakeholders for their continued support.



Basant Kumar Birla



BOARD OF DIRECTORS

Basant Kumar Birla, Chairman

Manjushree Khaitan, Executive Vice Chairperson

Krishna Gopal Maheshwari

Amitabha Ghosh

Vinay Sah

Pesi Kushru Choksey

Kashi Prasad Khandelwal

Sudip Banerjee

K. C. Jain

Whole-time Director

TEAM OF EXECUTIVES**CORPORATE OFFICE**

Arvind Kumar Singh

Chief Executive Officer - Business Operations

Tridib Kumar Das

Chief Financial Officer

Gautam Ganguli

Company Secretary

BIRLA TYRES

Ashwani Maheshwari

President

CEMENT

Animesh Banerjee

President

RAYON & TRANSPARENT PAPER

Roy Kurian Kuruvilla

President

Registered Office

8th Floor, Birla Building
9/1, R. N. Mukherjee Road, Kolkata - 700 001
Phone No. : 033-22435453/22429454/22135121
Fax No. : 033-22109455; CIN : L17119WB1919PLC003429
Website : www.kesocorp.com; E-mail : corporate@kesoram.net

Bankers

Axis Bank Ltd.
Bank of Baroda
DBS Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
ING Vysya Bank Ltd.
Karur Vysya Bank
Punjab National Bank
State Bank of Hyderabad
State Bank of India - *Lead Bank*
Standard Chartered Bank
Syndicate Bank
The South Indian Bank Ltd.
Union Bank of India
YES Bank Ltd.

Auditors

Messrs. Price Waterhouse

Share Transfer Agent

MCS Limited., (Unit: Kesoram Industries Ltd.)
77/2A, Hazra Road, Kolkata - 700 029
Phone No. : +91-033-24541892 to 93, 40724051-53
Fax No. : +91-033-24541961, 40724050
E-mail : mcskol@rediffmail.com

Shareholders seeking information on accounts published herein are requested to send their queries to the Company at least ten days before the date of the Meeting.

Members are requested to bring their copies of Annual Report to the meeting.

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NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Ninety-fifth Annual General Meeting of KESORAM INDUSTRIES LIMITED will be held at 11:00 A.M. on Tuesday, the 8th July, 2014 at “Kala-Kunj”, 48, Shakespeare Sarani, Kolkata -700017, to transact the following business:

General Business:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date, the Report of the Auditors thereon and the Report of the Board of Directors of the Company for the year ended 31st March, 2014.
2. To appoint a Director in place of K G Maheshwari (DIN 00078470), who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and to 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 Messrs. Price Waterhouse (Firm Regn. No. 301112E), Chartered Accountants, be and is hereby appointed as the Auditors of the Company, to hold office from the conclusion of the Ninety-fifth Annual General Meeting until the conclusion of the Ninety-eighth Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.”

Special Business:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as Ordinary Resolutions:

4. **“RESOLVED THAT** P K Choksey (DIN 00060508), an existing Independent Director, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013 be and is hereby appointed an Independent Director of the Company for a period of five years from the conclusion of Company’s Ninety-fifth Annual General Meeting to the conclusion of Company’s One hundredth Annual General Meeting.”
5. **“RESOLVED THAT** Amitabha Ghosh (DIN 00055962), an existing Independent Director, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013 be and is hereby appointed an Independent Director of the Company for a period of five years from the conclusion of Company’s Ninety-fifth Annual General Meeting to the conclusion of Company’s One hundredth Annual General Meeting.”
6. **“RESOLVED THAT** Kashi Prasad Khandelwal (DIN 00748523), an existing Independent Director, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013 be and is hereby appointed an Independent Director of the Company for a period of five years from the conclusion of Company’s Ninety-fifth Annual General Meeting to the conclusion of Company’s One hundredth Annual General Meeting.”

7. **“RESOLVED THAT** Sudip Banerjee (DIN 05245757), who was appointed an Additional Director on 29th April 2014, be and is hereby appointed an Independent Director of the Company under Section 152 (2) of the Companies Act, 2013 for an initial period of five years from the conclusion of Company’s Ninety-fifth Annual General Meeting to the conclusion of Company’s One hundredth Annual General Meeting.”

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

8. **“RESOLVED THAT** pursuant to Sections 73, 76 and other applicable provisions of the Companies Act, 2013 (“the Act”) and subject to compliance with the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Company be and is hereby accorded to the acceptance of deposits by the company from such persons at such rates and up to such amount as may be decided by the Board and are or may be prescribed or permissible under the Act and the said Rules;

RESOLVED FURTHER that the Board (or any Committee thereof) be and is hereby authorised to take all such necessary actions in the matter”.

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata - 700 001
29th April, 2014

By Order of the Board
Gautam Ganguli
Company Secretary

Notes:

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and a proxy need not be a Member of the Company. The Instrument of Proxy must be lodged with the Company not less than 48 hours before the Meeting.
A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 percent of the total Share Capital of the Company.
2. The Register of Members shall remain closed from 1st July, 2014 to 8th July, 2014 (*both days inclusive*).
3. The relevant Statement, pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of the items of Special Business is annexed hereto.
4. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting votes through the electronic voting system ("e-Voting") under an arrangement with The National Securities Depository Limited ("NSDL") as specified more fully in the instructions hereunder provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently.
5. The Notice of the Meeting will also be available on the Company's website <http://www.kesocorp.com> and the website of The National Securities Depository Limited ("NSDL") at <http://www.evoting.nsdl.com>.
6. Voting shall be reckoned in relation to a Member's holding of the Paid-up Equity Share Capital of the Company as at close of business on 6th June, 2014 ("Record Date").
7. **Members holding shares in physical form are requested to notify change of address**, if any, along with address proof i.e. Voter Identity Card, Electric/Telephone Bill, Driving License or a copy of the passport and Bank Statement to the **Share Department of the Company / Registrars and Share Transfer Agents** and, in case the shares are held in dematerialised form, then this information should be passed on to the respective Depository Participants and not to the **Share Department of the Company / Registrars and Share Transfer Agents**.
8. In case the mailing address mentioned on the envelope of this Annual Report is either without Pin Code or with incorrect Pin Code, Members are urged to advise the correct Pin Code to the **Share Department of the Company / Registrars and Share Transfer Agents** or the respective **Depository Participant(s)**, as the case may be, immediately, for speedier delivery in future.
9. (a) Members desirous of receiving Notices and/or documents from the Company through the **electronic** mode are urged to update their email addresses with their **Depository Participants**, where shares are held in electronic form or to the **Share Department of the Company / Registrars and Share Transfer Agents** where shares are held in physical form.
(b) Email addresses of Members as advised to the **Share Department of the Company/Registrars and Share Transfer Agents** where shares are held in physical mode or **registered with Depositories** where shares are held in the electronic mode will be deemed to be the Member's registered Email address for serving Company documents/notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs. Members intending to refresh/update their email addresses should do so as soon as possible.
10. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Department of the Company / Registrars and Share Transfer Agents** enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for your own convenience.

11. As per the provisions of the Act, 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 **Share Department of the Company / Registrars and Share Transfer Agents or from the Website or the Ministry of Corporate Affairs at www.mca.gov.in**

12. (a) Pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956, dividends for the financial year ended 31st March, 2007 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the **‘Investor Education and Protection Fund’** (“IEPF”) constituted by the Central Government.

Members, who have not encashed their *dividend warrant(s)* for the financial year ended 31st March, 2008 or any subsequent financial year(s) are urged to claim such amount from the Share Department/Share Transfer Agents.

- (b) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st July 2013 (the date of the last Annual General Meeting) on the website of the Company www.kesocorp.com and also on the website of the Ministry of Corporate Affairs.

13. The last dates of claim for the following dividends are as follows:

<i>Dividend for the financial year ended</i>	<i>Date of declaration of Dividend</i>	<i>Last date for claiming unpaid Dividend</i>
31 st March, 2008	26 th June, 2008	25 th July, 2015
31 st March, 2009	31 st October, 2008(<i>Interim</i>)	30 th November, 2015
31 st March, 2009	26 th June, 2009	25 th July, 2016
31 st March, 2010	30 th October, 2009(<i>Interim</i>)	29 th November, 2016
31 st March, 2010	1 st July, 2010	30 th July, 2017
31 st March, 2011	10 th November, 2010(<i>Interim</i>)	8 th December, 2017
31 st March, 2011	5 th July, 2011	3 rd August, 2018
31 st March, 2012	11 th July, 2012	9 th August, 2019
31 st March, 2013	31 st July, 2013	2 nd September, 2020

14. a) Members desirous of getting any information in relation to the Company’s Annual Report 2013-14 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Meeting, to the Company Secretary to enable the Management to keep the information readily available at the Meeting.

- b) Members holding shares in **Electronic Form**, are requested to bring their **Depository ID Number** and

Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.

15. Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till such claim, as per Clause 5A II of the Listing Agreement with the Stock Exchanges, voting rights on such shares shall remain frozen.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter it was clarified vide Circular no. MRD/DOP/Cir-05/2009 dated May 20, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of PAN Card to the **Company/ Registrars and Share Transfer Agent** for registration of such transfer of shares. Hence, Members holding shares in the electronic form are requested to submit their PANs to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the **Company / Registrars and Share Transfer Agents, MCS Ltd.**
17. **As per requirements of Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report.**
18. A Member, holding shares in physical form or in dematerialised form, may choose to cast his/her vote electronically. The Company will consider votes casted through the e-Voting system while declaring the results of the voting.
19. For those Members opting for e-Voting, the process and manner of e-Voting will be as follows:
 - A. **For Members receiving information electronically: -**
 - i. Please read the e-mail carefully and open the attached PDF file specifying your Client ID (in case shares held in demat form) and folio no. (in case shares held in physical mode) as default password. The attachment contains your “User Id” and “Password” for e-Voting. Please note that the password is an initial password.
 - ii. Launch the Internet Browser by typing <http://www.evoting.nsdl.com> on the address bar. The home screen will be displayed, select the Member “login” name. Enter the login details viz. User Id and password are sent to you by email/post. On the first login, you need to change the password. In case you have earlier logged in at www.evoting.nsdl.com for exercising your vote in respect of a Ballot relating to any other Company and you have already changed your password, please use the changed password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - iii. On successful login, you have to select the “EVEN” (E Voting Event Number) for casting your vote.
 - iv. Cast your vote by selecting appropriate option and click on “submit” and also “confirm” when prompted. Upon confirmation, the message “vote cast successfully” will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - v. e-Voting period commences at 10 a.m. on Monday, the 30th June, 2014 and ends on Wednesday, the 2nd July 2014 at 6:00 p.m. During the e-Voting period, Members of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically. At the end of the e-Voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.

- vi. In case of any query, you may refer to the frequently asked questions (FAQ) for members and e-Voting user manual for shareholders available at the “downloads” section of www.evoting.nsdl.com or contact them on their telephone 022-24994600.
- vii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-Voting system in future.

B. The instructions for e-Voting for Members other than in (A) above-

- i. Initial “User Id” and “Password” are provided with the Notice. Please follow the steps (ii) to (vii) stated above to cast your vote through e-voting.
- 20. Any query relating to the Resolutions and e-Voting proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Company Secretary of the Company.
 - 21. Voting can be exercised only by the concerned Member or his/her duly constituted attorney or, in case of bodies corporate, its duly authorised person. A Member need not use all his/her votes.
 - 22. Members who do not have access to the e-voting facility will be entitled to vote at the AGM as per the extant law. The results of the voting shall be placed on the website of the Company and on the website of the NSDL within two days of passing of the Resolutions at the AGM and communicated to the Stock Exchanges where the Company’s shares are listed. The results of the voting process will also be displayed on the Company’s website www.kesocorp.com.
 - 23. The Company has appointed Salil Banerjee (ICSI CP Registration no. 1140), Practising Company Secretary, as a Scrutinizer for conducting the entire polling process (including e-Voting) in a fair and transparent manner.
 - 24. The Scrutinizer shall, no later than three (3) working days from the conclusion of the e-voting period, unblock the votes and submit his Report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.
 - 25. The Results shall be declared at the AGM. The Results declared together with the Scrutinizer’s Report shall be placed on the Company’s website www.kesocorp.com and on the website of NSDL within two (2) days of passing of the Resolutions and communicated to the Stock Exchange.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Numbers 4, 5 and 6

P K Choksey, Amitabha Ghosh and K P Khandelwal are existing Independent Directors of the Company under Clause 49 of the Listing Agreement.

Upon implementation of the Companies Act, 2013 (‘the Act’), the Board, at its Meeting held on 29th April, 2014, has formed an opinion that each of them are persons of integrity and possess relevant expertise and experience for being appointed Independent Directors of the Company. In the opinion of the Board, each of these persons fulfills the conditions specified in the Act and the Rules made thereunder and that they are each independent of the Management. They have also at the said Board Meeting filed declarations under Section 149(7) of the Act stating that they can function as Independent Directors within the meaning of Section 149(6) of the Act.

In view of the above position, approval of Members is sought, through Ordinary Resolutions, to formally appoint them

Independent Directors as per Section 149(10) of the Act for a period of five years from the conclusion of the Company's Ninety-fifth Annual General Meeting to the conclusion of the Company's One hundredth Annual General Meeting.

Brief particulars of P K Choksey, Amitabha Ghosh and K P Khandelwal are incorporated in the Report on Corporate Governance.

The Company and the Independent Directors shall abide by the provisions specified in Schedule IV of the Act, and shall be governed and guided by the guidelines of professional conduct, role and functions, duties, manner of appointment, reappointment, resignation or removal, separate meetings and evaluation mechanism as provided therein, Their appointment once made at the Meeting shall be formalised through a letter of appointment, which will set out:

- (a) the term of appointment;
- (b) the expectation of the Board from the appointed Director; the Board-level committee(s) in which the Director is expected to serve and its tasks;
- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
- (d) provision for Directors and Officers (D & O) insurance, if any ;
- (e) the Code of Business Ethics that the Company expects its Directors and employees to follow;
- (f) a list of actions that a Director should not do while functioning as such in the Company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other Meetings and profit related commission, if any.

Formal letters of appointment shall be issued to each Independent Director upon appointment. The terms and conditions of the appointment shall be open for inspection at the registered office of the Company by any Member during normal business hours, and shall also be posted on the Company's website.

The Board is of the opinion that it would be in the interest of the Company to appoint P K Choksey, Amitabha Ghosh and K P Khandelwal as Independent Directors and Resolutions 4, 5 and 6 have been proposed to this end. The Board commends the Resolutions to Members for acceptance. P K Choksey, Amitabha Ghosh and K P Khandelwal 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 of five years and could be eligible for appointment for one more consecutive term of five years.

P K Choksey, Amitabha Ghosh and K P Khandelwal should be deemed concerned or interested in the particular Resolutions seeking to appoint each of them as Independent Directors. No other Director / Key Managerial Personnel or any relative of the Directors or the Key Managerial Personnel have any concern or interest in the aforesaid Resolutions. The passing of aforesaid Resolutions also do not relate to or affect any other Company.

Item Number 7

Sudip Banerjee, an eminent Information Technology professional, was appointed an Additional Director of the Company at a Meeting of the Board of Directors held on 29th April, 2014. The appointment was made based upon a recommendation of the Board's Nomination and Remuneration Committee. The Board, at the said Meeting, also formed an opinion that Sudip Banerjee is a person of integrity and possesses relevant expertise and experience for being appointed an Independent Director of the Company. In the opinion of the Board, Sudip Banerjee fulfills the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management.

Sudip Banerjee has furnished to the Board the requisite declaration contemplated under Section 149(7) of the Act stating that he is an Independent Director within the meaning of Section 149(6) of the Act.

In view of the above position, approval of Members is sought through an Ordinary Resolution to appoint him as an Independent Director for an initial term of five years from the conclusion of the Company's Ninety-fifth Annual General Meeting to the conclusion of the Company's One hundredth Annual General Meeting.

Brief particulars of Sudip Banerjee are contained in the Report of Corporate Governance.

The Company and Sudip Banerjee as Independent Director shall also abide by the Code for Independent Directors specified in Schedule IV of the Act, and shall be governed and guided in the manner similar to other independent Directors of the Company as stated in Item no.6 above.

Formal letter of appointment shall be issued to Sudip Banerjee as an Independent Director upon his appointment. The terms and conditions of the appointment shall be open for inspection at the Registered Office of the Company by any Member during normal business hours and shall also be posted on the Company's website.

The Board is of the opinion that it would be in the interest of the Company to appoint Mr. Sudip Banerjee as an Independent Director and the Resolution under Item Number 7 has been proposed to this end. The Board commends the Resolution to Members for acceptance.

Sudip Banerjee, not being a retiring Director in terms of Section 152 of the Act, his name has been proposed by a Member along with a deposit of ₹ 1 lakh as provided under Section 160 of the Act. This deposit shall be refunded should he get elected as a Director or secures more than 25% of the total valid votes cast on such Resolution.

Sudip Banerjee should be deemed concerned or interested in the Resolution. No other Director / Key Managerial Personnel nor any relative of the Directors or the Key Managerial Personnel have any concern or interest in the aforesaid Resolution. The passing of aforesaid resolution also does not relate to or affect any other Company.

Item Number 8

The Company, till 31st March, 2014, accepted deposits from employees, ex-employees and employees of group companies. The balance as at 31st March, 2014 was ₹ 5.11 crores.

In view of the implementation of the provisions of the Companies Act, 2013 ("the Act") relating to deposits, the regime within which the Company was accepting deposits has radically altered.

The Company would nevertheless wish to continue acceptance of deposits within the prescribed revised dispensations and upon compliance of Section 73, 76 and other applicable provisions, if any, of the Act and the Rules framed thereunder. The Special Resolution incorporated under Item Number 8 of the accompanying Notice is essentially an enabling one seeking a mandate from Members to accept fixed deposits under the Act.

The Board commends the Resolution for acceptance.

As on 31st March, 2014, B K Birla along with his wife Sarala Birla have deposits totalling Rs. 194.50 lakhs with the Company. No Director except B K Birla and Manjushree Khaitan / Key Managerial Personnel or any relative of the Directors except as stated above or the Key Managerial Personnel have any concern or interest in the aforesaid Resolution. The passing of the aforesaid Resolution also does not relate to or affect any other Company.

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata - 700 001
29th April, 2014

By Order of the Board

Gautam Ganguli
Company Secretary

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31st MARCH, 2014

The Board presents its Ninety-fifth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

₹ / Crores

Particulars	31 st March, 2014	31 st March, 2013
Total Revenue	5,205.45	5,841.86
Profit/(Loss) before Interest, Depreciation, Tax and other Amortisations [“EBIDTA”]	410.63	443.10
Less :		
Depreciation and Amortisation Expenses (Net of transfer from Revaluation Reserve)	318.10	305.93
Finance Costs	572.83	514.36
Tax Expenses – Net	35.25	(47.96)
	926.18	772.33
Loss for the year	515.55	329.23
Balance at the beginning of the year	293.88	628.46
Add : Loss for the year	(515.55)	(329.23)
Amount available for appropriation	(221.67)	299.23
Appropriations :		
(i) Proposed Dividend	—	4.57
(ii) Tax on Proposed Dividend	—	0.78
(iii) Balance Carried Forward	(221.67)	293.88
	(221.67)	299.23

DIVIDEND

In view of the loss during the Financial Year, the Board does not recommend a dividend for the year.

RIGHTS SHARES

Proceeds from the issue of Rights Shares are being utilised in the manner stated in the Letter of Offer.

GENERAL REVIEW

The Company took in its stride significant operating adversities during the year under report to record a positive Earning Before Interest, Depreciation, Tax and other Amortisations (“EBIDTA”) of ₹ 410.63 Crores during the year. The Company continues to strive for recovery and improvement driven by a series of initiatives across the organisation. Some of these initiatives have begun to bear fruit, while more are being actioned on.

Brief commentaries on the performance of the Tyre, Cement and Rayon Businesses :

Tyre

The year under report saw the Tyre Business steadily improve profitability. EBIDTA was at a positive ₹ 212 Crores as compared to EBIDTA of ₹ 73 Crores in the previous year. Net Revenue at ₹ 3092 Crores declined by approximately 12%.

The continued improvements in EBIDTA over the year compared to the previous year was on account of a variety of operational initiatives, both on the revenue as well as cost and productivity fronts, through the value chain that the business encompasses.

The Business continues to have the distinction of being certified for ISO - 9001, TS-16949, ISO-14001, SA-8000, OSHAS18001 and TPM.

With operations of the Tyre Business showing continuous improvement, the Board views the Business's future prospects with confidence.

Cement

The Cement Business saw a challenging year. EBIDTA declined to ₹ 277 Crores in 2013-14 as compared to ₹ 434 Crores in the previous year. Sales in value terms declined to ₹ 1,702 Crores in 2013-14 as compared to ₹ 1,857 Crores in the previous year, representing a decline of 8%. This was in spite of the fact that sales in volume terms were almost constant at 5.04 million MT in 2013-14 as compared to 5.14 million MT the year before. Average price per MT declined by almost 12% in 2013-14 as compared to the previous year, driven by poor demand and significant capacity accretion in the cement industry, especially in the areas serviced by the Company.

A number of initiatives were taken on the operating front. This resulted in alleviating some of the burden on account of low pricing, but was not able to result in a complete recovery of profitability margins.

The challenge before the Cement Business during the current year would be to enhance margins for increased profitability. This goal is being seriously pursued through modulated inputs in all sectors of the Business. Special focus is being given to increasing market penetration into areas beyond traditional markets and customer segments.

Rayon

The Rayon Business, after reporting a positive EBIDTA in 2012-13, turned marginally EBIDTA negative in 2013-14. The viscose filament yarn industry in the country was impacted by low demand in the international market and imports from China. The Company's Rayon Business maintained its market share by improving and further diversifying its product range. Over the year, the Rayon Business worked on a project to install a Continuous Spun Yarn (CSY) production facility. Once this facility is in full operation in 2014-15, there should be significant value accretion to the Business.

Spun Pipes and Heavy Chemicals

Kesoram Spun Pipes and Foundries and Hindustan Heavy Chemicals facilities continued to be under suspension of work during the year under report.

CORPORATE SOCIAL RESPONSIBILITY

The Company continues to be deeply conscious of its obligations to society. Numerous welfare programmes designed to cater to the needs of the populace around its facilities were undertaken during the year. A few such initiatives were as follows :

- medical camps including conducting comprehensive health checks on local villagers ;
- distribution of blankets in winter across all facilities to the less privileged ;
- installation of facilities for water purification to improve accessibility to potable water ;
- training villagers in water conservation methodologies ;
- animal husbandry camps including setting up of model dairy farms ;
- imparting of vocational training spanning sections of the population around most facilities. These programmes are enabling a large number of unemployed or underemployed beneficiaries transform themselves into self respecting earning family members. Tailoring, stitch craft and needlework training, imparting computer literacy, pickle and *papad* making, feature prominently amongst the vocational training initiatives taken.

The Cement Business received an award during the year 2013-14 from the Government of Andhra Pradesh for outstanding Corporate Social Responsibility activity.

In the urban areas, the Tyre Business continued its close association with the local traffic police to foster observance of road safety norms amongst school children and young adults.

As required under the Companies Act, 2013 ("the Act"), the Board, at its Meeting held on 29th April, 2014, constituted a Corporate Social Responsibility ("CSR") Committee consisting of Manjushree Khaitan, Amitabha Ghosh and K C Jain. The Committee will work within the parameters of Section 135 of the Act to take the Company's CSR commitment forward.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 and, based upon representations from the Management, the Board, to the best of its knowledge and belief, confirms that :

- in the preparation of the Annual Accounts, applicable Accounting Standards have been followed and there are no material departures ;
- it has selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the Financial Year ended on that date ;
- 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 ; and
- the Annual Accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE

A Management Discussion & Analysis and a Report on Corporate Governance together with the corresponding Compliance Certificate are attached as part of this Annual Report.

DIRECTORS

P K Mallik, an Independent Director, passed away on 26th February, 2014. A former President of the Institute of Chartered Accountants of India, his contributions to the deliberations of the Board and its Committees in the two decades that he was a Director have been immense and immeasurable. The Board wishes to place on record its sincere appreciation for P K Mallik's wise counsel and sagacious advice during his tenure on the Board.

K G Maheshwari, Non Independent Director, retires by rotation and, being eligible, offers himself for reappointment.

The Board confirms that it has the required number of Independent Directors as envisaged under Section 149(4) of the Act. P K Choksey (DIN 00060508), Amitabha Ghosh (DIN 00055962) and K P Khandelwal (00748523) who constitute the Independent Directors and have filed the requisite declarations with the Company as per Section 149(7) of the Act to the effect that they qualified as Independent Directors within the meaning of Section 149(6) of the Act. Appropriate Resolutions are being proposed at the forthcoming Annual General Meeting to appoint them for a five year term as contemplated under Section 149(10) of the Act.

Vinay Sah (DIN 02425847), Nominee Director of Life Insurance Corporation of India, continues on the Board as a "Nominee Director" within the meaning of the Explanation to Section 149(7) of the Act. As per the extant Clause 49 of the Listing Agreement, however, he continues to be an Independent Director.

The Board appointed Sudip Banerjee (DIN 05245757), a veteran Information Technology professional, as an Additional Director on 29th April, 2014 based upon a recommendation from its Nomination and Remuneration Committee. Sudip Banerjee has had an illustrious twenty five year career with Wipro Technologies Limited. He has also been Chief Executive Officer of L & T Infotech. Having filed the required declarations with the Company under Section 149(7) that he qualified as Independent Director, an appropriate Resolution is being proposed at the forthcoming Annual General Meeting to appoint Sudip Banerjee as Independent Director for an initial period of five years.

AUDITORS

Price Waterhouse (Firm Regn. No. 301112E), Chartered Accountants, ("PW") Auditors of the Company, retire at the forthcoming Annual General Meeting. They offer themselves for re-appointment from the conclusion of the Ninety-fifth Annual General Meeting till the conclusion of the Ninety-eighth Annual General Meeting as per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

COST AUDIT

As required under Cental Government Circular Number 15/2011 dated 11th April, 2011, the Board wishes to record that Mani & Co. were appointed as Cost Auditors for the Cement and Tyre Businesses and B. Ray & Associates as Cost Auditors for Rayon Business for the year under report.

Mani & Co. were nominated as the Lead Auditors. In that capacity, they were responsible for the Compliance Report as envisaged under the Companies (Cost Accounting Records) Rules, 2011. All Reports for the Financial Year 2012–13 were completed and uploaded on the website of the Ministry of Corporate Affairs on 13th August, 2013 as against the due date of 27th September, 2013.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read together with the Companies (Particulars of Employees) Rules, 1975, forms a part of this Report. However, based upon the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Report and Accounts that are being circulated to members do not include the Statement of Particulars of Employees under Section 217(2A). Any Member interested in obtaining a copy may write to the Company Secretary at the Registered Office and a copy thereof will be promptly forwarded.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A Statement containing the information, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed.

APPRECIATION

The Board gratefully acknowledges the understanding and support received by the Company from its employees. It also places on record its deep gratitude for the unstinted support the Company has received from the Banks, Institutions, the Central Government, the various State Governments and the local authorities during the year.

Specific acknowledgement is also made for the confidence and understanding shown by the Members in the Company.

Place: Kolkata
Date : 29th April, 2014

K. C. Jain
Whole-time Director

Arvind Kumar Singh
Chief Executive Officer
– Business Operations

Tridib Kumar Das
Chief Financial Officer

Gautam Ganguli
Company Secretary

B. K. Birla	<i>Chairman</i>
Manjushree Khaitan	<i>Executive</i> <i>Vice Chairperson</i>
K. G. Maheshwari P. K. Choksey Amitabha Ghosh K. P. Khandelwal Vinay Sah Sudip Banerjee	<i>Directors</i>

MANAGEMENT DISCUSSION & ANALYSIS

Overview

The Company as a whole saw a mixed year. Operating profits in the Tyre Business saw an increase, while the Cement Business and Rayon Business saw decreased operating profits in 2013-14 as compared to 2012-13. Overall, this resulted in a marginal decline in operating profitability. Finance costs saw a significant increase of ₹ 58.34 Crores in 2013-14 as compared to 2012-13, resulting in an increased Cash Loss, as can be seen from the table below:

		₹/Crores	
S. No.	Particulars	2013-14	2012-13
1.	EBIDTA		
a)	Cement	277	434
b)	Tyres	212	73
c)	Rayon	-6	5
d)	Total EBIDTA before Corporate Expenses	483	512
e)	Corporate Expenses	72	69
f)	Total EBIDTA	411	443
2.	Financial Costs including Interest	573	514
3.	Cash Profit (EBDT)	-162	-71

Looking ahead, we are working at a number of initiatives to improve our operating performance.

Other than for operations, the area of focus has been and continues to be improving the Balance Sheet. As of 31st March, 2014, we carry a debt of ₹ 4,569 Crores from the banking and financial system in our books. This is down by ₹ 207 Crores as compared to the debt figure in our books of ₹ 4,775 Crores as on 31st March 2013. We recognise that we have much more to do and are committed to strengthening our Balance Sheet.

We have, over the year, besides focusing on business profitability, sought to tighten our working capital cycle considerably. Net current assets are down by over ₹ 50 Crores as on 31st March 2014, as compared to a year earlier. This continues to be an area of significant focus for the Company.

Kesoram Industries Limited comprises of three Businesses, each of which are discussed subsequently.

Tyre Business

In the year under report, the Tyre Business's EBIDTA rose from ₹ 73 Crores in 2012-13 to ₹ 212 Crores in 2013-14. The last two years have shown a consistent increase in Operating Profits, as shown in the table below:

₹ /Crores

Particulars	2013-14	2012-13	2011-12
EBIDTA – Tyre Business	212	73	-428

The improvement in the operating results has been driven by initiatives relating to both the revenue front, in terms of continuously focusing on customer and market segments which resulted in higher sale realisations per tonne of material sold, as well as initiatives relating to the cost front, in terms of wastage removal and productivity increases.

While the improvement over the last two years is heartening, we recognise the need to further and substantially raise the operating performance of the Business. The Company has made significant investments into the Tyre Business in the recent past. We are still far from a healthy utilisation of the manufacturing capacity that we have invested in. The major initiatives on the anvil for the Tyre Business are now focused at increasing our levels of capacity utilisation by expanding our market presence - both in India as well as externally.

Cement Business

Our Cement Business remains a vibrant and profitable business, even though Operating Profits have declined over the last couple of years, as shown below:

₹ /Crores

Particulars	2013-14	2012-13	2011-12
EBIDTA – Cement Business	277	434	543

The year under report has seen depressed market conditions. Cement prices have remained weak through the country especially in the markets that we service in South and West India. This has been driven by lack of growth in the construction sector coupled with enhanced capacity of cement production. We believe that while our operating performance has shown a decline, we continue to compare favourably on a competitive basis on all operating parameters. Our Cement Business's performance is poised to return to profitability levels that we have shown ourselves capable of achieving, as soon as market conditions turn more favourable. In the meantime, we continue to seek improvements in our operations. We are working at expanding our market presence both in terms of geographical reach as well as deeper penetration in the markets we traditionally service. In addition, we are working on a number of initiatives on the cost front.

Rayon Business

Our Rayon Business manufactures Viscose Rayon Filament Yarn and Transparent Paper. Our Rayon is marketed under the brand name “Kesoram Rayon” and our Transparent Paper is marketed under the brand name “Kesophane”. This Business saw a challenging year. Markets remained depressed, both in terms of volume offtake as well as in terms of pricing. The table below shows our Operating Profits over three years.

₹ /Crores

Particulars	2013-14	2012-13	2011-12
EBIDTA – Rayon Business	-6	5	-6

We continue to work on a series of initiatives across this Business. One of the most significant initiatives that we have taken is a project to upgrade our manufacturing facilities by way of installation of a Continuous Spun Yarn (CSY) project. The implementation of this Project, which we expect to be in commercial production in 2014-15, will enable us to competitively address the value added fine denier market, the benefits of which will accrue to the operating performance of the Business.

Internal Control System and its adequacy

We have an internal control system that is sound and well structured. We are always seeking ways to further strengthen the various subsystems that integrate into the internal control system. Our Internal Audit activity closely involves itself in this exercise by regularly reviewing the efficacy of the subsystems and improving on them.

Material Developments in Human Resources

People processes and practices implemented in the organisation during the previous year to make these much more effective and forward looking have now stabilised. We now have a human resource pool consisting of 15,479 employees (as at 31st March, 2014) with varied skill sets that dovetail into our business requirements. We continue to emphasise on training and further upgradation of technical and managerial skills of our human resource pool. This will serve as a bellwether for the future.

B. K. Birla | *Chairman*

Manjushree Khaitan | *Executive Vice Chairperson*

K. C. Jain
Whole-time Director

Arvind Kumar Singh
*Chief Executive Officer
– Business Operations*

Tridib Kumar Das
Chief Financial Officer

Gautam Ganguli
Company Secretary

K. G. Maheshwari
P. K. Choksey
Amitabha Ghosh
K. P. Khandelwal
Vinay Sah
Sudip Banerjee | *Directors*

Place: Kolkata
Date : 29th April, 2014

REPORT ON CORPORATE GOVERNANCE

1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is founded upon and structured on a rich legacy of principles and practices that predicates dealings with stakeholders based on fairness, transparency and ethical behaviour. It seeks to assiduously build mutual trust and confidence as the basis for all working relationships with stakeholders. Implicit in this philosophy is also the recognition and demonstration of a two way communication between the Company and its stakeholders. While the Company welcomes constructive ideas and encourages dissent, it also acts fearlessly and with conviction.

2. BOARD OF DIRECTORS

Composition of the Board, Directorships & Committee positions held in other companies and shares held as on 31st March, 2014 :

As on 31st March, 2014, the Company had eight Directors. The Board is comprised of fifty percent Non-executive Independent Directors. Details of Board composition are as follows :

Directors	Category	No. of Other Directorships held (excluding *)	No. of other Board Committees** (excluding*)		Shareholding in the Company
			As a Member	As Chairman/Chairperson	
Syt. Basant Kumar Birla <i>Chairman</i>	Non-executive	4	None	None	402496
Smt. Manjushree Khaitan <i>Executive Vice-Chairperson</i>	Executive	1	1	None	598356
Shri Krishna Gopal Maheshwari	Non-executive	1	None	None	1164
Shri Pesi Kushru Choksey	Non-executive Independent	1	2	None	500
Shri Amitabha Ghosh	Non-executive Independent	10	7	4	Nil
Shri Prasanta Kumar Mallik ***	Non-executive Independent	—	—	—	200
Shri Vinay Sah <i>[Representing the Life Insurance Corporation of India (Investor)]</i>	Non-executive Independent	None	None	None	Nil
Shri Kashi Prasad Khandelwal	Non-executive Independent	2	3	None	Nil
Shri Kamal Chand Jain <i>Whole-time Director</i>	Executive	2	2	None	Nil

* Kesoram Industries Limited, Private Companies, Companies under Section 25 of the Companies Act, 1956 (“the Act”) and foreign companies.

** Only two Committees viz., the Audit Committee and the Shareholders’ / Investors’ Grievance Committee have been considered for this purpose.

*** Deceased on 26th February, 2014.

● The following persons are related as per the provisions of the Companies Act, 1956 (“the Act”) :

- ▶ Syt. Basant Kumar Birla and Smt. Manjushree Khaitan ;
- ▶ Syt. Basant Kumar Birla and Shri Krishna Gopal Maheshwari

● **Attendance of Directors at Meetings held during the Financial Year 2013-14**

Four Board Meetings were held during the Financial Year ended 31st March, 2014 - on 27th April, 2013, 31st July, 2013, 12th November, 2013 and 14th February, 2014.

The attendance of each Director at these Meetings and at the Ninety Fourth Annual General Meeting (“AGM”) held on 31st July, 2013 was as follows:

Members	Attendance	
	No. of Board Meetings	AGM
Syt. Basant Kumar Birla	4	Yes
Smt. Manjushree Khaitan	4	Yes
Shri Krishna Gopal Maheshwari	1	No
Shri Pesi Kushru Choksey	2	Yes
Shri Amitabha Ghosh	3	Yes
Late Prasanta Kumar Mallik	3	Yes
Shri Vinay Sah	4	Yes
Shri Kashi Prasad Khandelwal	4	Yes
Shri Kamal Chand Jain	4	Yes

● Details of Meeting Fees paid to the Directors during the Financial Year 2013-14

Sl. No.	Name of the Directors	Sitting fees paid for	
		Board Meetings (₹)	Committee Meetings (₹)
1	Syt. Basant Kumar Birla	80000	—
2	Smt. Manjushree Khaitan	—	—
3	Shri Krishna Gopal Maheshwari	20000	—
4	Shri Pesi Kushru Choksey	40000	30000
5	Shri Amitabha Ghosh	60000	20000
6	Late Prasanta Kumar Mallik	60000	140000
7	Shri Vinay Sah*	80000	20000
8	Shri Kashi Prasad Khandelwal	80000	170000
9	Shri Kamal Chand Jain**	No Fee	—
	Total:	420000	380000

* Fees paid to Life Insurance Corporation of India (“LIC”).

** Drew a remuneration of ₹ 341.70 lakhs during the Financial Year. Since there was no profit during the Financial Year, application to the Central Government for approval to this remuneration has been made. Such approval is awaited.

Besides Sitting Fees, Non-executive Directors are also entitled to a commission on profits. Since there was no profit during the Financial Year 2013-14, no commission is payable.

Apart from the above, no other pecuniary relationships or transactions *vis-a-vis* the Company exist with any Director.

● Code of Conduct

The Company has a Code of Conduct applicable to all Board Members and Senior Management staff for avoidance of conflict of interest between each of the above individuals and the Company. Each Board Member and Senior Management staff declare their compliance with the Code of Conduct as at the end of each Financial Year. The required declarations in respect of the Financial Year 2013-14 have been received. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

The Code of Conduct is available on the website of the Company.

3. AUDIT COMMITTEE**Terms of Reference**

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. The terms of reference also conform to the requirements of Section 292A of the Act.

Composition, Names of Members and Chairman

As on 31st March, 2014 the Audit Committee had four non-Executive Independent Directors as Members. P K Mallik, who passed away on 26th February, 2014, was Chairman of the Committee.

The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Late Prasanta Kumar Mallik – <i>Chairman</i>	3
Shri Pesi Kushru Choksey	2
Shri Amitabha Ghosh	2
Shri Vinay Sah	2
Shri Kashi Prasad Khandelwal	4

Four Meetings were held during the Financial Year ended 31st March, 2014 – 26th April, 2013, 30th July, 2013, 11th November, 2013 and 14th February, 2014.

The quorum for an Audit Committee Meeting is two Members personally present. The Company Secretary acts as the Secretary to the Audit Committee.

The following were invited to Audit Committee Meetings:

- a) the Statutory Auditors.
- b) the Internal Auditors.
- c) the Cost Auditors, as and when necessary.
- d) Kamal Chand Jain, Whole-time Director, Arvind Kumar Singh, Chief Executive Officer, Business Operations, Tridib Kumar Das, Chief Financial Officer, U. S. Asopa, Chief of Treasury and Accounts, Suresh Sharma, Head-Secretarial & Investor Services and Pankaj Jindal, Team Member-Treasury Operations.

The late Prasanta Kumar Mallik, who was Chairman of the Audit Committee till his demise on 26th February, 2014, was a past President of The Institute of Chartered Accountants of India and possessed expert knowledge in finance, accounting and audit.

Pesi Kushru Choksey, Amitabha Ghosh and Kashi Prasad Khandelwal, Members of the Committee are all senior Chartered Accountants with expert knowledge in finance, accounting and audit. Vinay Sah is a senior Executive of the Life Insurance Corporation of India and is financially literate.

The Chairman of the Audit Committee attended the last Annual General Meeting (“AGM”) held on 31st July, 2013.

4. REMUNERATION COMMITTEE

As on 31st March, 2014, the Remuneration Committee consisted of two non-executive Independent Directors as Members *viz.* P K Choksey and K P Khandelwal. The late P K Mallik, Independent Director, was also a Member of this Committee till his demise.

The Committee met once during the Financial Year 2013-14 on 11th November, 2013. P K Choksey chaired this Meeting. The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Late Prasanta Kumar Mallik	1
Shri Pesi Kushru Choksey	1
Shri Kashi Prasad Khandelwal	1

The Committee essentially discharges the role assigned to it under Part II, Section II of Schedule XIII of the Act. As a part of this role, it approves, as per parameters set out in the law, the remuneration structure for Whole-time Director(s) in the event of the Company having no profits/inadequate profits during a Financial Year.

5. SHAREHOLDER RELATED COMMITTEES

The Company has two Shareholder related Committees:

- i) Share Transfer and Finance Committee of Directors
- ii) Shareholders'/Investors' Grievance Committee of Directors

Details of these Committees are as follows :

● **Share Transfer and Finance Committee**

As on 31st March, 2014, the Share Transfer and Finance Committee of Directors consisted of K P Khandelwal, Independent Director and K C Jain, Whole-time Director. The late P K Mallik, Independent Director, was a Member and also the Chairman of the Committee till his demise.

The Committee met on nine occasions during the Financial Year 2013-14.

Members	No. of Meetings attended
Late Prasanta Kumar Mallik	8
Shri Pesi Kushru Choksey	9
Shri Kashi Prasad Khandelwal	2

The terms of reference of the Committee consist of considering for approval individual requests for transfer and transmission of shares in the physical form of 10,000 shares and above, issue of duplicate certificates and other shareholder related issues. It also deals with matters relating to finance.

● Shareholders'/Investors' Grievance Committee of Directors

As on 31st March, 2014, the Shareholders'/Investors' Grievance Committee of Directors consisted of K P Khandelwal, Independent Director and K C Jain, Whole-time Director. The late P K Mallik, Independent Director was a Member and also Chairman of this Committee till his demise.

The Committee met thrice during the Financial Year 2013-14 - on 21st November, 2013, 15th January, 2014 and 27th March, 2014. Late P K Mallik attended the first two Meetings. K P Khandelwal attended all three Meetings. K C Jain attended the Meeting held on 27th March, 2014.

The terms of reference of the Committee consist of review of Shareholder/Investor grievances.

● Shareholder complaints received and redressed during the Financial Year 2013-14:

Nature of Grievances	Complaints received from				Total complaints received during 2013-14	Total complaints re-dressed	No. of complaints outstanding as on 31 st March 2014
	Investors directly	Stock Exchanges	SEBI 'SCORES'	R O C			
Non-receipt of Dividend/Interest Redemption Warrant/NECs	15	Nil	4	Nil	19	19	Nil
Non-receipt of Share / Debenture Certificate(s)	20	Nil	Nil	Nil	20	20	Nil
Non-receipt of Duplicate Share/ Debenture Certificates	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related	Nil	1	Nil	Nil	1	1	Nil
Non-receipt of Annual Reports	18	2	1	2	23	23	Nil
Status of Application lodged for Rights Issue	10	Nil	Nil	Nil	10	10	Nil
Reason for Non- Allotment of Shares in Rights Issue	6	Nil	Nil	Nil	6	6	Nil
Change of Name on Securities	1	Nil	Nil	Nil	1	1	Nil
TOTAL	70	3	5	2	80	80	Nil

● Details of outstanding shares in the Unclaimed Suspense Account

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on 1 st April, 2013	4,042	1,55,393
Shareholders approached for transfer/delivery during 2013-14	29	873
Shares transferred/delivered during the year 2013-14	13	494
Shareholders approached for transfer / delivery pending compliance of verification process	16	379
Balance as on 31 st March, 2014	4,029	1,54,899

6. COMPLIANCE OFFICER

Gautam Ganguli, Company Secretary, is the Compliance Officer under the Listing Agreement.

7. GENERAL BODY MEETINGS

● **Details of last three AGMs**

AGMs	Date of AGMs	Location	Time
94 th AGM	31 st July, 2013	“Kala-Kunj”, 48, Shakespeare Sarani, Kolkata-700017	11:00A.M.
93 rd AGM	11 th July, 2012	“Kala-Kunj”, 48, Shakespeare Sarani, Kolkata-700017	11:00A.M.
92 nd AGM	5 th July, 2011	“Kala-Kunj”, 48, Shakespeare Sarani, Kolkata-700017	11:00A.M.

● **Special Resolutions passed at previous three AGMs**

a) AGM on 31st July, 2013:

No special resolution was passed at the last AGM.

b) AGM on 11th July, 2012:

One special resolution was proposed and passed:

Approval to the re-appointment and remuneration of K C Jain effective 1st April, 2012 for a period of three years.

c) AGM on 5th July, 2011:

Two Special Resolutions were proposed and passed:

- approval to the appointment and remuneration of K C Jain as a Whole-time Director effective 15th April, 2011 ;
- ratification and payment of remuneration to K C Jain and Deepak Tandon, Whole-time Directors for the Financial Year 2010-11 as well as the period from 1st April, 2011 to 14th April, 2011 as the remuneration paid to them was in excess of the limits specified under Schedule XIII of the Act.

- No Special Resolution was passed last year through Postal Ballot.

- Three Special Resolutions are presently proposed to be conducted exclusively through Postal Ballot :

- To renew the existing consent of the general body already accorded under Section 293(1)(d) of the Act to borrow amounts not exceeding ₹ 6000 crores under Section 180(1)(c) of the Companies Act, 2013.
- To renew the existing consent of the general body accorded under Section 293(1)(a) of the Act to create charge on the Company's assets in favour of lenders to synchronise with the proposed borrowing Resolution referred to in (i) above.
- To issue Secured Redeemable Non-Convertible Debentures during the Financial Year 2014-15 of an amount not exceeding ₹ 1,000 crores on private placement basis.

8. DISCLOSURES IN RELATION TO THE APPOINTMENTS AND RE-APPOINTMENTS OF DIRECTORS

As required under Clause 49(IV)(G)(i) of the Listing Agreement, brief profiles of Krishna Gopal Maheshwari, P. K. Choksey, Amitabha Ghosh, Kashi Prasad Khandelwal and Sudip Banerjee are appended :

i) **Krishna Gopal Maheshwari**, (91), was appointed a Director in July, 1963. He holds an intermediate degree in Arts. He is an industrialist and has more than six decades of rich experience in the fields of business and management. He is also a Director in Hyderabad Industries Limited, Jay Shree Traders Pvt. Ltd., Universal Chemical & Industries Pvt. Ltd., Universal Laboratories Pvt. Ltd., Riviera Investors Pvt. Ltd. and Universal Fine Chemicals Pvt. Ltd. He is not a Member of any Board Committee. His shareholding in the Company has been disclosed under paragraph 2 above.

ii) **P. K. Choksey**, (91), was appointed a Director in August, 1984. An eminent Chartered Accountant, he is a former Senior Partner of Price Waterhouse, Chartered Accountants. He is also an Independent Director of Zensar Technologies Limited and a Member of that Company's Audit Committee and Shareholders Grievance Committee. His shareholding in the Company has been disclosed under paragraph 2 above.

iii) **Amitabha Ghosh**, (83), was originally appointed a Director in February, 1984. A Chartered Accountant, with additional professional qualifications in Banking, he is a former Chairman and Managing Director of Allahabad Bank and a former Governor of Reserve Bank of India.

He is presently an Independent Director on the Boards of Orient Paper & Industries Ltd., Peninsula Land Ltd., Shreyas Relay Systems Ltd., Zenith Fibres Ltd., and Shreyas Shipping & Logistics Ltd.

He is the Chairman of the Audit Committees of Peninsula Land Ltd., Orient Paper & Industries Ltd., and Shreyas Shipping & Logistics Limited. He has no shareholding in the Company.

iv) **Kashi Prasad Khandelwal** (63), was appointed a Director in April, 2012. He is a practising Chartered Accountant with a Diploma in Information System Audit (DISA) and Computerised Accounting and Auditing Technologies (CAAT) from The Institute of Chartered Accountants of India. He is a Financial Audit Consultant of the World Bank and is associated with the Emergency Monrovia Urban Sanitation (EMUS) Project in Liberia. He is an Independent director of Balasore Alloys Limited and is also a Member of that Company's Audit Committee. He has no shareholding in the Company.

v) **Sudip Banerjee** (54), was appointed an Additional Director at a Meeting of the Board held in April, 2014. An Honours graduate in Economics, he has also obtained a Management Diploma from The All India Management Association. A respected professional in the area of Information Technology, he had an illustrious twenty five year career with Wipro Technologies Limited. He is also a former Chief Executive Officer of L & T Infotech Limited. He is at present an Independent Director of IFB Industries Limited. He has no shareholding in the Company.

9. DISCLOSURES**i) Disclosure on materially significant Related Party transactions :**

Details of Related Party transactions during the Financial Year 2013-14 have been set out under Note no. 43 of the Notes to the Financial Statements. None of these transactions have any conflict or potential conflict with the interest of the Company at large.

ii) **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 requirements of the Listing Agreement as well as the regulations and guidelines prescribed by Securities and Exchange Board of India (“SEBI”) except one disclosure under clause 31(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on any matter relating to the Capital Markets during the last three years.

iii) The Company does not presently have a formal Whistle blower policy. However, no employee is denied access to the Audit Committee should a specific request to this effect be received.

iv) The adoption of the other non-mandatory requirements set out in Clause 49 of the Listing Agreement is under consideration.

10. MEANS OF COMMUNICATION

● Financial results, Annual Report etc.:

The quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to the Stock Exchanges where the Company’s shares are listed and then published in various leading national newspapers, viz. Financial Express / Business Standard (English – all editions) and Dainik Statesman / Ekdin (Bengali editions). The Results are also posted on the Company’s website www.kesocorp.com. All official releases and other related information are also displayed on this website.

The quarterly Unaudited Financial Results and the Annual Financial Results along with the Report on Segment Revenue, Results and Capital Employed, Balance Sheet, Statement of Profit & Loss, Directors’ Report, Auditor’s Report, Cash Flow Statement, Corporate Governance Report, Management Discussion and Analysis and the Shareholding Pattern etc. can also be accessed by investors from the Company’s website www.kesocorp.com

● Management Discussion and Analysis :

The Management Discussion and Analysis, as reviewed by the Audit Committee, is part of this Annual Report.

11. GENERAL SHAREHOLDER INFORMATION

● Next AGM

Time	11.00 A.M.
Day	Tuesday
Date	8 th July, 2014
Venue	“Kala-Kunj”, 48, Shakespeare Sarani, Kolkata-700 017

● **The Company's Financial Year :**

The Financial Year of the Company is from 1st April to 31st March.

● **Date of Book Closure :**

1st July, 2014 to 8th July, 2014 (*both days inclusive*)

● **Stock Exchange related information**

a. **Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on :

- BSE Limited("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
- National Stock Exchange of India Limited("NSE"), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.
- The Calcutta Stock Exchange Ltd.("CSE"), 7, Lyons Range, Kolkata-700001.
- Societe de la Bourse de Luxembourg, Societe Anonyme/R.C.B. 6222, B.P.165, L-2013 Luxembourg (for GDRs).

b. **Stock Codes for:**

BSE	502937
NSE	KESORAMIND
CSE	10000020
Luxembourg Stock Exchange	492532205

There are no arrears in payment of Listing Fees.

c. **ISIN No. for the Company's Equity Shares in Demat Form:** INE087A01019.

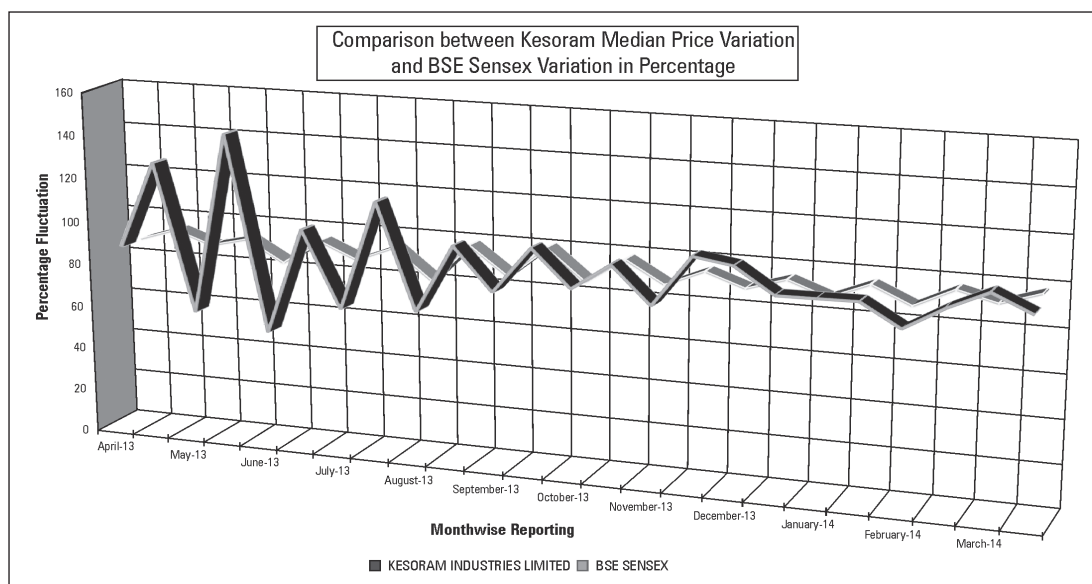
d. **Depository Connectivity:** National Securities Depository Limited and Central Depository Services (India) Limited.

e. Stock Market Price Data :
Figures in ₹/Share

Month	CSE		BSE		NSE	
	High	Low	High	Low	High	Low
April, 2013	N.T.	N.T.	121.65	76.10	121.80	75.10
May, 2013	N.T.	N.T.	128.35	70.30	128.50	70.25
June, 2013	N.T.	N.T.	73.90	61.15	72.80	61.80
July, 2013	N.T.	N.T.	72.05	50.25	71.75	50.35
August, 2013	N.T.	N.T.	59.45	50.75	59.00	51.00
September, 2013	N.T.	N.T.	62.40	62.25	63.00	52.55
October, 2013	N.T.	N.T.	65.90	58.75	65.95	58.55
November, 2013	N.T.	N.T.	69.60	57.30	69.65	57.20
December, 2013	N.T.	N.T.	81.50	60.00	81.60	59.90
January, 2014	N.T.	N.T.	81.50	60.55	81.45	60.75
February, 2014	N.T.	N.T.	69.00	59.40	69.00	59.05
March, 2014	N.T.	N.T.	77.50	63.00	77.40	62.90

N.T. – No Trading

During the year there was no trading on the Luxembourg Stock Exchange either.

f. Performance in comparison to broad based indices such as BSE SENSEX, CRISIL INDEX etc.

g. Registrars and Share Transfer Agents:

MCS Limited (Unit: Kesoram Industries Ltd.),
 77/2A, Hazra Road, Kolkata-700 029
 Phone Nos.: +91-33-24541892-93, 40724051-53
 Fax No.: +91-33-24541961, 40724050
 e-mail : mcskol@rediffmail.com

h. Share Transfer System :

Subject to documentation being in order, transfer requests of Equity Shares in the physical form lodged with the Company/Registrars are processed no later than fifteen days from the date of receipt. Individual share transfer requests in physical form upto 10,000 shares are dealt with and approved at the level of Company Executives. Individual requests for transfers of shares in physical form in excess of 10,000 shares are referred to the Share Transfer and Finance Committee for consideration.

i. Distribution of shareholding as on 31st March, 2014

(i) According to category of holding

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Promoters	20	0.03	5,29,37,641	48.23
Mutual Funds / UTI	15	0.02	4,26,689	0.39
Financial Institutions & Banks	45	0.06	14,93,314	1.36
Foreign Institutional Investors	23	0.03	46,55,694	4.24
Insurance Companies	6	0.01	45,51,228	4.15
NRI/OCB's	408	0.52	45,88,347	4.18
Enemy Property	34	0.04	8,099	0.01
Private Body Corporates	1,257	1.62	1,06,63,832	9.71
Individuals	75,979	97.67	2,34,01,931	21.31
GDRs	1	—	70,41,875	6.42
Total	77,788	100.00	10,97,68,650	100.00

(ii) According to the number of Equity Shares held :

No. of Equity Shares held	No of Share holders	% of Shareholder	No. of Shares	% of Shares
1-100	61,835	79.49	19,20,481	1.75
101-200	6,266	8.05	9,90,670	0.90
201-500	5,338	6.86	18,64,524	1.70
501-1000	1,998	2.57	15,72,568	1.43
1001-5000	1,817	2.34	39,99,064	3.64
5001-10000	264	0.34	19,19,693	1.75
10001 - above	270	0.35	9,75,01,650	88.83
Total	77,788	100.00	10,97,68,650	100.00

j. Dematerialisation and Rematerialisation :

Requests for Dematerialisation and Rematerialisation should be sent either to the Company's Registrars and Share Transfer Agents or to the Share Department at Birla Building, 8th Floor, 9/1 R N Mukherjee, Road, Kolkata-700 001.

k. Dematerialisation of shareholding :

The Company's Equity Shares are compulsorily traded in the dematerialisation form. 10,82,60,376 Equity Shares of the Company representing 98.63% of the total Equity Shares issued were held in dematerialised form as on 31st March, 2014. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

l. Outstanding GDRs :

70,41,875 Equity shares of the Company were held as Global Depository Receipts as on 31st March, 2014.

m. Insider Trading :

The Company's Code of Procedure & Conduct formulated as per the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, is in full force and effect.

n. Plant Locations :

Section	Factory Location	City Office	Run under the name & style of
Cement	Sedam, Dist. Gulbarga Karnataka-585222 Phone : +91-8441-276005/277403, Fax : +91-8441-276139 E-mail: communication@vasavadattacement.com Storage and Packing Unit : i) Survey No.296/7/4, IDA Bollaram Village, Jinnaram Mandel, Medak Dist. - 502325, Andhra Pradesh. ii) T-3 MIDC Chincholi, Taluk : Mohal Solapur-413255, Maharastra State Phone : +91-217-2357060	10-3-316/2, Crystal Towers, 2nd Floor, Above Andhra Bank, Masab Tank, Hyderabad 500028, A. P. Phone : +91-40-23342296/8056 Fax : +91-40-23344109/7821 E-mail: hyderabad@vasavadattacement.com	Vasavadatta Cement
	Basantnagar, Dist.Karimnagar Andhra Pradesh-505187 Phone :+91-8728-228122/228125/ 228156 Fax : +91-8728-228160 E-mail : communication@kesoramcement.com	10-3-316/2, Crystal Towers, 2nd & 3rd Floors, Above Andhra Bank, Masab Tank, Hyderabad 500028, A. P. Phone : +91-40-23348896/7843/ 7613 Fax : +91-40-23344109/23347821 E-mail : hyderabad@kesoramcement.com	Kesoram Cement

Plant Locations (Contd)

Section	Factory Location	City Office	Run under the name & style of
Automobile Tyres and Tubes	i. At P.O. Chhanpur, Via.Kuruda, Dist. Balasore, Orissa, Pin.756056 Phone :+ 91-6782-255259/780/620 Fax : +91-6782-255225 E-mail: btbls@birlatyres.org ii. Gram Khedimubarakpur, Tehsil -Laksar, Dist.-Haridwar, Uttarakhand-247 663 Phone : +91-1332- 256000/256001 Fax :+91-1332- 255226 E-mail :bthdr@birlatyres.org	7 th Floor, Birla Building 9/1, R. N. Mukherjee Road, Kolkata-700001 Phone :+91-33-2262 4411-13, 22624355-57 Fax :+91-33-2262 4359 E-mail: ho@birlatyre. com	Birla Tyres
Rayon & Transparent Paper	P.O. Nayasara, Rly. Station: Kuntighat, On Howrah-Katwa Route, Dist.Hooghly, West Bengal-712513 Phone : +91-33-26846431-34/ 26846457 Fax :+91-33-26846461 E-mail: works@kesoramrayon.com	“Industry House”, 11 th Floor 10, Camac Street, Kolkata-700017 Phone : +91-33-22824721-24 Fax : +91-33-22828879 E-mail: rayon@kesoramrayon.com	Kesoram Rayon
Spun Pipes & Foundries (under suspension of work)	P.O Adconagar, Bansberia, Dist.Hooghly, West Bengal-712121 Phone : +91-33-26346465	“Industry House” 10, Camac Street, Kolkata-700017 Phone : +91-33-22822476 Fax :+91-33-22829370	Kesoram Spun Pipes & Foundries
Heavy Chemicals (under suspension of work)	19, B. T. Road, Khardah, P.O. Baram Dharma Sopan, Kolkata-700116 Phone :+91-33-25535183	“Industry House” 10, Camac Street, Kolkata-700017	Hindusthan Heavy Chemicals

o. Address for Correspondence
(i) For routine matters:

Any assistance regarding share transfer and transmission, change of address, non-receipt of dividend, duplicate / missing Share Certificate, demat and other matters, investors are welcome to get in touch with the Share Department of the Company at the address given below:

Kesoram Industries Ltd.

8th floor, Birla Building,

9/1, R. N. Mukherjee Road,

Kolkata-700001

Phone No. : +91-33-22101545

Fax No. : +91-33-22109455

E-mail : sharedepartment@kesoram.net

Or,

Registrars & Share Transfer Agents :

MCS Limited (Unit: Kesoram Industries Ltd.),

77/2A, Hazra Road,

Kolkata-700 029

Phone Nos.: +91-33-24541892-93/40724051-53

Fax No.: +91-33-24541961/40724050

E-mail : mcskol@rediffmail.com

(ii) For Redressal of Complaints and Grievances:

The Company Secretary

Kesoram Industries Limited

8th Floor, Birla Building,

9/1, R.N. Mukherjee Road,

Kolkata-700001.

Telephone Nos. +91-33-22435453/22429454, 22135121

Fax No.+91-33-2210-9455

E-mail : corporate@kesoram.net

12. COMPLIANCE CERTIFICATE FROM A PRACTISING COMPANY SECRETARY :

The Company has obtained a Certificate from a practising Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

B. K. Birla | *Chairman*

Manjushree Khaitan | *Executive
Vice Chairperson*

K. C. Jain
Whole-time Director

Arvind Kumar Singh
*Chief Executive Officer
– Business Operations*

Tridib Kumar Das
Chief Financial Officer

Gautam Ganguli
Company Secretary

**K. G. Maheshwari
P. K. Choksey
Amitabha Ghosh
K. P. Khandelwal
Vinay Sah
Sudip Banerjee** | *Directors*

Place: Kolkata

Date : 29th April, 2014

DECLARATION

All the Board members and the Senior Management personnel have affirmed their compliance of the 'Code of Conduct for Members of the Board and Senior Management' for the period from 1st April, 2013 to 31st March, 2014 in terms of Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges.

For **Kesoram Industries Ltd.**

Place : Kolkata

Dated : 28th April, 2014



K. C. Jain

Whole-time Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To the Members of
Kesoram Industries Limited**

We have examined all relevant records of Kesoram Industries Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreements of the said Company with stock exchanges in India for the financial year ended on 31st March, 2014. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation thereof and was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced and explanations furnished, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

Date : 29th April, 2014
Kolkata

CS Kamal Kumar Sharma
Company Secretaries
Membership No.FCS 3337
Certificate of Practice No.4057

INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN RESPECT OF BOARD OF DIRECTORS) RULES, 1988
I. CONSERVATION OF ENERGY:

- (a) Energy conservation measures taken:
- i) Installation of VFD to boiler primary air fans, root blowers, stacker and dust collector fans, TP dryer fans, feed water system, coal feeding system, process cooling tower pump and mist condenser in calcination evaporator.
 - ii) Installation of solar lighting system in CPP, VAM chiller, stop mororize chiller and one centrifugal compressor in utility.
 - iii) Replacement of C-Line ESP fan with high efficiency fan.
 - iv) Optimization of hot water circulation & recovery, banbury dust collector purge cycle timings, chilled water consumption, steam circulation and air driers in IR compressor running.
 - v) Conversion of ESP to Bag House and two fan to three fan circuit for line 1 & 2 in cement.
 - vi) Use of alternate fuels.
 - vii) Integration of belt provided at CSP-1 top to feed clinker from CSP-2 or 3 to CSP-1 in cement.
 - viii) Reduction of thermal energy by optimizing the cooling operation.
- (b) Additional investment proposals, if any, being implemented for reduction of consumption of energy:
- Installation of voltage controller, LED light, interlocking system, energy efficient pumps & compressors, acid absorption crystallizer, thermo compressor in calcination plant, VFD in 55KW supply pumps and energy efficient steam booster & screw compressor. Provision of Roto Scale Weigh feeders for fly ash feeding. Replacement of cast iron fan blades with FRP blades for all cooling blowers of HT motors. Provision of alternate fuel feeding system in Unit-4. To get conducted Energy Audit.
- Replacement of existing C-Line ESP with energy efficient dust collector. To replace existing old Raw Mill-2, gear box with energy efficient gear box, Cement Mill-2, main motor with energy efficient motor and old TPH turbine gland sealing valve with new control valve, installation of high efficiency fan for boiler fluidization in TPH. Up-gradation of Kiln-2 DCS. Installation of high efficiency fluidization blower to Kiln-2 MFC.
- (c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
- There has been reduction in consumption of electricity, coal & gas in certain business.
- (d) Total energy consumption and energy consumption per unit of production as per Form "A" is appended.

FORM 'A'
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY
(A) Power and Fuel Consumption

	<u>Current Year</u>	<u>Previous Year</u>
(1) Electricity		
(a) Purchased Units (in lakh)	894.77	1063.19
Total Amount (₹/Crore)	57.09	62.96
Rate/Unit (₹)	6.38	5.92
(b) Own Generation		
(i) Through Diesel Generator		
Units (in lakh)	18.53	50.39
Units per Ltr. of diesel oil	3.25	3.44
Cost/Unit (₹)	15.89	11.23
(ii) Through Steam Turbine/Generator		
Units (in lakh)	6,314.07	6,986.19
Unit per Kg. of Coal	1.01	0.99
Cost/Unit (₹)	4.38	4.38

	<u>Current Year</u>	<u>Previous Year</u>
(2) Coal (Grade B, C, D, E, F steam/ slack, ROM, Lignite and Grade-A steam Coal used in Boiler Houses, calcining of raw meals, firing of Kiln and gas plant) Quantity (M.T./Lakh)	13.83	15.07
Total Cost (₹/Crore)	692.89	749.32
Average Rate/M.T. (₹)	5,010.79	4,971.39
(3) Furnace Oil Quantity (K.Ltrs.)	343.56	497.24
Total Cost (₹/Crore)	1.68	2.33
Average Rate/Ltr. (₹)	48.77	46.86
(4) Others		
i) HSD Oil Quantity (K.Ltrs.)	228.20	305.31
Total Cost (₹/Crore)	1.26	1.33
Rate/Ltr. (₹)	55.18	43.50
ii) Gas Quantity (M.T.)	1,429.19	2,081.56
Total Cost (₹/Crore)	11.39	14.31
Rate/Ltr. (₹)	79.69	68.77
iii) Diesel Oil Quantity (K.Ltrs.)	543.74	1433.50
Total Cost (₹/Crore)	2.81	5.53
Rate/Ltr. (₹)	51.73	38.55
iv) Bagasse Quantity (M.T.)	10,358.81	17,620.90
Total Cost (₹/Crore)	2.19	3.30
Rate/Kg. (₹)	2.11	1.87
v) Wood Chip Quantity (M.T.)	3,700.50	522.04
Total Cost (₹/Crore)	1.04	0.14
Rate/Kg. (₹)	2.82	2.77
vi) Rice Husk Quantity (M.T.)	5,981.00	3,244.02
Total Cost (₹/Crore)	2.47	1.41
Rate/Kg. (₹)	4.13	4.35
vii) Bio Briquette Quantity (M.T.)	647.13	521.50
Total Cost (₹/Crore)	0.39	0.30
Rate/Kg. (₹)	6.06	5.75
viii) Paddy Husk Quantity (M.T.)	9,924.79	—
Total Cost (/Crore)	3.87	—
Rate / Kg (₹)	3.90	—

(B) Consumption per Unit of Production		Production Unit	Standards if any	Current Year	Previous Year
1.	Electricity (kwh)				
	Vis. Filament Rayon Yarn	M.T.	—	4149	4200 (a)
	Transparent Paper (Cellulose Film)	M.T.	—	2093	1922 (d)
	Sulphuric Acid	M.T.	—	38	39 (a)
	Carbon-di-Sulphide	M.T.	—	1052	1066 (e)
	Sodium Sulphate	M.T.	—	129	107 (f)
	Cement	M.T.	—	72.94	75 (a)
	Tyres, Tubes & Flaps	M.T.	—	1230	1223 (g & h)
2.	Coal				
	Vis. Filament Rayon Yarn	M.T.	—	4.05	3.88 (g)
	Transparent Paper (Cellulose Film)	M.T.	—	5.77	6.13 (a)
	Carbon-di-Sulphide	M.T.	—	0.39	0.45 (e)
	Sodium Sulphate	M.T.	—	0.38	0.42 (a)
	Cement	M.T.	—	0.13	0.13
	Tyres, Tubes & Flaps	M.T.	—	1.22	0.97 (g & h)
3.	Furnace Oil				
	Tyres, Tubes & Flaps	K.L.	—	0.004	0.003 (b)
4.	Others				
	i) Gas				
	Tyres, Tubes & Flaps	M.T.	—	0.011	0.014 (c)
	Reasons of variation:				
	(a) energy conservation measures taken.				
	(b) lesser user.				
	(c) due to variety in product mix.				
	(d) due to change in GSM 25g/mt. Sq to 23g/mt.sq.				
	(e) higher production.				
	(f) frequent breakdowns of centrifuge machine.				
	(g) lower production.				
	(h) frequent start up and stoppage of plant.				

Note : Previous year's figures have been re-arranged, where necessary.

II. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption disclosed as per Form 'B' appended.

FORM 'B'

1. Research & Development (R&D)

(a) Specific areas in which R&D carried out

Introduced new products in overload segment of TBR tyres based on Finite Element Analysis (FEA) technique. Also developed premium rib tyre in bias Segment. Material developed for low weight tyres. Improvisation of blended cement by use of high silica bauxite in place of high alumina bauxite and energy conservation by use of black carbon powder along with raw coal in cement.

(b) Benefits derived as a result of above R&D

Improvement in quality, productivity and energy conservation.

(c) Future Plan of Action

Extending product line in speciality segment, radial tyre in two wheeler segment. Initiating FEA activity to improve wear & failure prediction and improving in ageing resistance of tyres through simulation techniques. Working on better fuel efficient tyres in TBR and PCR segments. Installation of waste heat recovery system and utilization of alternate fuels for kilns in all units. To upgrade SPRS panels with latest LNTOR controllers in Unit-1&2.

d) Expenditure on R&D

(₹ in Crores)

(i) Capital

0.07

(ii) Recurring

4.34

(iii) Total

4.41

(iv) Total R&D expenditure as a percentage of total turnover

In addition, a cess @ ₹ 0.75 per tonne of cement despatched is payable to the Development Commissioner for Cement Industry, Government of India, which, in turn, financially assists The National Council of Cement & Building Materials to carry out Research & Development Programmes for the Cement Industry. During the year 2013-14, the Company paid ₹1.69 Crore on this account.

2. Technology Absorption, Adaptation and Innovation

(a) Efforts, in brief, made towards technology absorption, adaptation and innovation

Higher tensile steel wire used in TBR Tyre. Elimination of inefficient process through improved process technology. Homogenizer installation in Viscose. Replacement of cement mill 1&2 separator cyclones and old compressors. Efforts made continuously to enhance productivity & reduce energy conservation.

(b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product Development, import substitution etc.

Reduction in tyre weight. Improvement in quality of product and reduction in power consumption by better utilisation.

3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished :

Not Applicable.

(i) Technology imported

(ii) Year of import

(iii) Has technology been fully absorbed ?

III. FOREIGN EXCHANGE EARNINGS & OUTGO :

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and export plans. Explored new export market of VFY in Argentina in addition to the existing countries. Due to stiff competition from China, the export of VFY was lower to the level as in 2012-13. Efforts are on to increase exports by exploring new markets. During the year, initiatives were taken for expansion of market by way of export of tyres to new countries. Effects being made to increase the volume of tyre export by way of exploring new markets.
2. Total Foreign Exchange used and earned -

Used	₹ 607.85 Crore
Earned (on F. O. B. realisation basis)	₹ 370.69 Crore

B. K. Birla | *Chairman*

Manjushree Khaitan | *Executive Vice Chairperson*

K. C. Jain
Whole-time Director

Arvind Kumar Singh
Chief Executive Officer – Business Operations

Tridib Kumar Das
Chief Financial Officer

Gautam Ganguli
Company Secretary

K. G. Maheshwari
P. K. Choksey
Amitabha Ghosh
K. P. Khandelwal
Vinay Sah
Sudip Banerjee

Directors

Place: Kolkata
Date : 29th April, 2014

Summarised Balance Sheet for the Last Five Years

(₹ / Crore)

	31-03-2014	31-03-2013	31-03-2012	31-03-2011	31-03-2010
A. ASSETS OWNED BY THE COMPANY					
1. NON CURRENT ASSETS					
a. Net Fixed Assets					
Gross Fixed Assets	6,210.11	6,091.91	5,854.03	5,295.52	4,872.67
Less: Total Depreciation	2,252.17	1,940.65	1,643.30	1,349.17	1,082.34
	3,957.94	4,151.26	4,210.73	3,946.35	3,790.33
b. Non Current Investments	66.36	66.36	66.36	65.82	51.43
c. Long Term Loans and Advances	89.77	126.66	156.23	270.79	140.17
d. Other Non Current Assets	0.32	0.94	2.21	1.89	0.30
2. CURRENT ASSETS					
a. Inventories	894.13	912.75	995.16	1,118.55	916.19
b. Trade Receivables	904.00	835.67	672.44	630.20	541.75
c. Cash and Bank Balances	77.21	83.66	69.59	72.89	80.15
d. Short Term Loans and Advances	217.54	282.97	311.73	336.52	229.69
e. Other Current Assets	25.11	13.63	38.26	12.91	14.31
Total Assets	6,232.38	6,473.90	6,522.71	6,455.92	5,764.32
B. (i) DUES TO BE PAID BY THE COMPANY					
1. NON CURRENT LIABILITIES					
a. Long Term Borrowings	2,549.75	2,774.39	2,755.77	1,748.36	1,775.36
b. Deferred Tax Liabilities (net)	—	—	57.21	386.42	328.44
2. CURRENT LIABILITIES					
a. Short Term Borrowings	1,494.11	1,630.80	1,349.57	1,474.19	1,554.03
b. Trade Payables	585.39	490.63	527.85	549.74	315.16
c. Other Current Liabilities	1,059.08	918.09	845.74	949.64	220.94
d. Short Term Provisions	73.24	79.75	71.56	47.32	30.90
Total Liabilities	5,761.57	5,893.66	5,607.70	5,155.67	4,224.83
(ii) THEREFORE, COMPANY'S NET WORTH REPRESENTED BY					
1. Equity Share Capital	109.77	45.74	45.74	45.74	45.74
2. Reserves & Surplus	361.04	534.50	869.27	1,254.51	1,493.75
	470.81	580.24	915.01	1,300.25	1,539.49

Figures for the previous year(s) have been regrouped / rearranged where considered necessary.

Summarised Statement of Profit and Loss for the last five years

		2013-14	2012-13	2011-12	2010-11	(₹ / crore) 2009-10
RECEIPTS						
1.	Revenue from Operations	5,080.91	5,710.82	5,920.86	5,438.43	4,751.58
2.	Other Income	124.54	131.04	95.22	121.06	122.39
	Total Receipts	A	5,205.45	5,841.86	6,016.08	5,559.49
EXPENDITURES						
1.	Raw Materials and Finished Goods	2,430.21	2,877.14	3,601.35	2,993.32	2,232.23
2.	Employee Benefit Expenses	412.12	384.05	334.68	273.55	225.29
3.	Other Expenses	1,952.49	2,137.57	2,082.75	1,908.82	1,636.82
4.	Finance Costs	572.83	514.36	410.15	263.57	131.34
	Total Expenses	B	5,367.65	5,913.12	6,428.93	5,439.26
GROSS PROFIT/(LOSS)		(A - B)	(162.20)	(71.26)	(412.85)	120.23
APPROPRIATIONS/TRANSFERS						
1.	Depreciation (Net)	318.10	305.93	297.40	272.58	172.80
2.	Provision for Taxation	—	—	—	—	36.00
3.	Reversal of MAT Credit Entitlement	35.25	9.25	—	—	—
4.	Provision for Deferred Tax - charge / (credit)	—	(57.21)	(329.21)	57.98	202.29
5.	Provision for Fringe Benefit Tax - charge / (credit)	—	—	(1.30)	(0.12)	(0.13)
6.	Transfer to/(from) Debenture Redemption Reserve	—	—	(65.00)	(61.25)	101.25
7.	Interim Dividend (with Distribution Tax thereon)	—	—	—	12.00	12.03
8.	Proposed Dividend (with Distribution Tax thereon)	—	5.35	5.31	17.28	17.34
9.	Reserves	—	—	—	—	24.00
10.	Surplus/(Deficit)	—	(334.58)	(320.05)	(178.24)	82.71
			(515.55)	(71.26)	(412.85)	120.23
						648.29

Figures for the previous year(s) have been regrouped / rearranged where considered necessary.

INDEPENDENT AUDITORS' REPORT

To the Members of Kesoram Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Kesoram Industries 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, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate 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.

Auditors' Responsibility

3. 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 and other applicable authoritative pronouncements 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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 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 loss 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

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. 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 dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate 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 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership Number 52340

Kolkata
April 29, 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements as of and for the year ended 31st March, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are 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 inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has granted unsecured loans, to a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to Rs. 6.15 crore which has been fully provided for as at the year end. The company has not granted secured / unsecured loan to firms /other parties covered in the register maintained under Section 301 of the Act.
- (b) The principal amount of such unsecured loan has been fully provided for and hence no interest is being accrued on such loans.
- (c) In respect of the aforesaid loans, the principal amount is fully provided for hence, its question of repayment does not arise.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) The Company has not taken secured/ unsecured loans, from companies covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an 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. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements as of and for the year ended 31st March, 2014

- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax and customs duty, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows :

Name of Statute	Nature of Dues	Amount ₹/Crore	Period	Forum where dispute is pending
Finance Act, 1994	Service Tax	0.02	2007-09	Additional Commissioner
Central Excise Act, 1944	Central Excise	25.60	2003-04 2003-04 to 2004-05 2007 to 2009 2001-02, 2002-03 1999-2000	Assistant Commissioner
Finance Act, 1994	Service Tax	0.44	2009-10 to 2011-12 2004-05 to 2005-06 2004-05 to 2005-06	Assistant Commissioner
Finance Act, 1994	Service Tax	0.46	2008-09 to 2009-10	Commissioner
Central Excise Act, 1944	Central Excise	7.40	2004-06, 2006-08 2007-11, 2012-13 2012-13 to 2013-14 1985-86 to 1989-90 2000-01 to 2003-04	Commissioner
Central Excise Act, 1944	Central Excise	6.76	2002-03, 2003-05 1995-96, 2009- 2011 2009-2010, 2009-10 2005-06 2002-03 & 2004-05 2002-03	Commissioner(Appeals)

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements as of and for the year ended 31st March, 2014

Name of Statute	Nature of Dues	Amount ₹/Crore	Period	Forum where dispute is pending
Finance Act, 1994	Service Tax	0.55	2003-05 2010-2011 2011-2012	Commissioner (Appeals)
Central Excise Act, 1944	Central Excise	104.25	2001-02, 2002-03, 2005-06, 2003-05, 2004-05, 2003-04 2003-04 to 2006-07 2010-11 to 2011-12 1999-2000 to 2002-03 2005-06 to 2007-08 2006-2010 1993-1994 to 1996-97 2007-08 2006-07 to 2009-10 2005-06 to 2006-07 2007-08 to 2008-09 2008-2009 2009-2010 to 2010-11 2007- 2009 2009-2010	Customs, Excise & Service Tax Appl. Tribunal
Finance Act, 1994	Service Tax	0.07	2007-08, 2008-09 2009-10 2009 - 2010 2010-2011	Customs, Excise & Service Tax Appl. Tribunal
Central Excise Act, 1944	Central Excise	0.10	1994-95 2008-09	High Court
Central Excise Act, 1944	Central Excise	0.25	1979-80 to 1981-82 1980 -81, 1982-83 1996-97, 1995-96	Superintendent of Central Excise
Central Sales Tax Act, 1956	Central Sales Tax	0.02	1993-94	Assistant Commissioner Commercial Taxes
Odisha Sales Tax Act, 1947	Sales Tax	0.03	1991-92 1992-93	Assistant Commissioner Commercial Taxes
West Bengal Sales Tax Act, 1994	Sales Tax	0.06	1999-00	Additional Commissioner, Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.16	1999-00 1997-98	Additional Commissioner, Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.06	1995-96 2006-07	Appellate & Revisional Board
Delhi Sales Act 1975	Sales Tax	0.42	1999-00	Assistant Commissioner

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements as of and for the year ended 31st March, 2014

Name of Statute	Nature of Dues	Amount ₹/Crore	Period	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.18	1999-00	Chennai High Court
Central Sales Tax Act, 1956	Central Sales Tax	8.54	2009-10	Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	0.11	2007-08 1992-93 2008-09 2009-10	Commercial Tax Officer
West Bengal Sales Tax Act, 1994	Sales Tax	0.21	1995-96 1997-98	Deputy Commissioner
Bombay Sales Tax Act	Sales Tax	0.71	2002-03 2002-03 2003-04 2004-05	Deputy Commissioner of Sales Tax (Appeals)
Andhra Pradesh Sales Tax Act 1957	Sales Tax	0.19	2001-2002	High Court
Central Sales Tax Act, 1956	Central Sales Tax	6.98	2003-04 2001-02 2003-04	High Court
Central Sales Tax Act, 1956	Central Sales Tax	0.39	2010-11 2012-13 2013-14	Joint Commissioner (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	0.07	2007-08 2008-09	Revisional Board
West Bengal Sales Tax Act, 1994	Sales Tax	0.38	2001-02 2004-05	Sr. Jt. Commissioner (Appellate Authority)
Central Sales Tax Act, 1956	Central Sales Tax	0.20	2004-05 2010-11 2001-02	Sr. Jt. Commissioner (Appellate Authority)
Central Sales Tax Act, 1956	Central Sales Tax	16.99	2000-01 2000-01 2000-01	Supreme Court
Central Sales Tax Act, 1956	Central Sales Tax	6.43	1996-97, 1998-99 1998-99, 2002-03 2005-06, 2004-05 2007-08 2008-09 2003-04	Tribunal

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements as of and for the year ended 31st March, 2014

Name of Statute	Nature of Dues	Amount ₹/Crore	Period	Forum where dispute is pending
UP Trade Tax Act, 1948	Central Sales Tax	0.01	2005-06 2006-07	Tribunal
UP Trade Tax Act, 1948	Sales Tax	0.07	2006-07	Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	0.52	2006-07	Tribunal & High Court
Odisha Sales Tax Act, 1947	Sales Tax	0.06	1992-93 1995-96	Tribunal
West Bengal Sales Tax Act, 1994	Sales Tax	3.69	1995-96 1998-99 2003-04 2004-05	WB Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	2.44	2003-04 2004-05	WB Appellate & Revisional Board
Income Tax Act, 1961	Income Tax	12.92	2008-09	CIT (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	4.97	2005-06 2006-07 2007-08 2008-09	WB Appellate & Revisional Board

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements as of and for the year ended 31st March, 2014

- x. The accumulated losses of the Company did not exceed fifty percent of its net worth as at March 31, 2014 and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has used funds raised on short-term basis for long-term investment. The company has excess current liabilities over current assets amounting to Rs. 1093.83 crores on a short term basis, which has been used for non current assets.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. We have verified the end use of moneys raised by "Rights Issue" and the same has been disclosed in the note 3b of the financial statements.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata
April 29, 2014

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership Number 52340

BALANCE SHEET AS AT 31ST MARCH, 2014

₹ / crore

	Notes	31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUND			
(a) Share capital	3	109.77	45.74
(b) Reserves and surplus	4	361.04	534.50
		470.81	580.24
(2) NON CURRENT LIABILITIES			
(a) Long term borrowings	5	2,549.75	2,774.39
(b) Deferred tax liabilities (net)	6	—	—
		2,549.75	2,774.39
(3) CURRENT LIABILITIES			
(a) Short term borrowings	7	1,494.11	1,630.80
(b) Trade payables	8	585.39	490.63
(c) Other current liabilities	8	1,059.08	918.09
(d) Short term provisions	9	73.24	79.75
		3,211.82	3,119.27
TOTAL		6,232.38	6,473.90
II. ASSETS			
(1) NON CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	10	3,216.62	3,443.84
(ii) Intangible Assets	10	10.49	2.93
(iii) Capital work in progress		730.83	704.49
		3,957.94	4,151.26
(b) Non current investments	11	66.36	66.36
(c) Long Term loans and advances	12	89.77	126.66
(d) Other non current assets	13	0.32	0.94
		4,114.39	4,345.22
(2) CURRENT ASSETS			
(a) Inventories	14	894.13	912.75
(b) Trade receivables	15	904.00	835.67
(c) Cash and bank balances	16	77.21	83.66
(d) Short term loans and advances	12	217.54	282.97
(e) Other current assets	13	25.11	13.63
		2,117.99	2,128.68
TOTAL		6,232.38	6,473.90
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No 52340
Place: Kolkata
Date : 29th April, 2014

Manjushree Khaitan
Executive Vice-chairperson

K. C. Jain
Wholtime Director

Arvind Singh
CEO-Business Operations

Tridib Kr. Das
Chief Financial Officer

Gautam Ganguli
Company Secretary

B. K. Birla | Chairman

K. G. Maheshwari
P. K. Choksey
Amitabha Ghosh
Vinay Sah
K. P. Khandelwal
Sudip Banerjee

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ / crore, except per share data

Particulars	Notes	2013-2014	2012-2013
INCOME			
Revenue from operations (Gross)	17	5,433.97	6,082.70
Less: Excise Duty		353.06	371.88
Revenue from operations (Net)		5,080.91	5,710.82
Other Income	18	124.54	131.04
Total Revenue (I)		5,205.45	5,841.86
EXPENSES			
Cost of materials consumed	19	2,411.73	2,849.57
Purchases of stock-in-trade		61.16	83.53
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	20	(42.68)	(55.96)
Employee benefits expense	21	412.12	384.05
Other expenses	22	1,952.49	2,137.57
Total Expenses (II)		4,794.82	5,398.76
Profit/(Loss) before interest, tax and depreciation and amortisations (EBITDA) [(I) - (II)]		410.63	443.10
Depreciation and amortisation expenses	10	318.23	306.12
Less: Transfer from Revaluation of Fixed Assets		0.13	0.19
		318.10	305.93
Finance costs	23	572.83	514.36
Profit/(Loss) before tax		(480.30)	(377.19)
Tax Expenses:			
Deferred tax charge/(credit)		—	(57.21)
Reversal of MAT Credit Entitlement		35.25	9.25
		35.25	(47.96)
Profit/(Loss) for the period		(515.55)	(329.23)
Earnings per equity share	25		
[Nominal Value per share: ₹ 10 (2012-13: ₹ 10)]			
(a) Basic — ₹		(54.32)	(69.37)
(b) Diluted — ₹		(54.32)	(69.37)
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No 52340
Place: Kolkata
Date : 29th April, 2014

Manjushree Khaitan
Executive Vice-chairperson

K. C. Jain
Wholesale Director

Arvind Singh
CEO-Business Operations

Tridib Kr. Das
Chief Financial Officer

Gautam Ganguli
Company Secretary

B. K. Birla | Chairman

K. G. Maheshwari
P. K. Choksey
Amitabha Ghosh
Vinay Sah
K. P. Khandelwal
Sudip Banerjee

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(All amount in Rs.Crores, unless otherwise stated)

	₹ /crore	
	Year ended 31st March, 2014	Year ended 31st March, 2013
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(480.30)	(377.19)
Adjustments for:		
Depreciation and amortisation	318.10	305.93
Debt/advance/deposits written off	—	4.37
Provision for bad and doubtful debts	21.28	1.28
Provision for contingencies	6.15	—
Finance costs	572.83	514.36
Unrealised loss/(gain) on derivative contracts	(1.41)	(1.52)
Unrealised loss/(gain) on foreign currency fluctuation	0.23	1.17
(Profit)/Loss on sale of fixed assets (net)	(4.02)	0.06
Liabilities no longer required written back	(10.67)	(18.71)
Interest income	(27.26)	(18.57)
Dividend income from long term investment (other than trade)	(5.77)	(5.62)
Operating profit before working capital changes	389.16	405.56
Changes in Working Capital:		
Increase / (decrease) in trade and other payables	63.76	54.40
(Increase) / decrease in trade and other receivables	(54.85)	(101.78)
(Increase) / decrease in inventories	18.62	82.41
Cash Generated from Operations	416.69	440.59
Taxes paid (net of refunds)	11.79	8.12
Net cash generated from operating activities	428.48	448.71
B. Cash flow from Investing Activities:		
Purchase of fixed assets	(113.77)	(199.02)
Sale of fixed assets	6.99	2.02
Realisation of loans given	—	1.54
Loans repaid	0.50	—
Interest received	25.34	16.77
Income from Long Term Investments (other than trade)	5.77	5.62
Net cash used in investing activities	(75.17)	(173.07)

CASH FLOW STATEMENT (contd.)

	₹ /crore	
	Year ended 31st March, 2014	Year ended 31st March, 2013
C. Cash flow from Financing Activities		
Dividends paid	(4.70)	(4.64)
Dividend distribution tax paid	(0.78)	(0.74)
Finance cost paid	(576.10)	(520.99)
Proceeds from Issue of Shares	406.24	—
Proceeds from		
- Long term borrowings	1,012.41	723.91
- Short term borrowings	787.84	502.03
Repayment of		
- Long term borrowings	(1,059.92)	(739.17)
- Short term borrowings	(1,038.56)	(612.53)
Increase/(decrease) in cash credit and overdrafts from banks	113.81	390.56
Net cash from financing activities	(359.76)	(261.57)
Net increase in cash and cash equivalents	(6.45)	14.07
Cash and cash equivalents at the beginning of the year	83.66	69.59
Cash and cash equivalents at the end of the year	77.21	83.66

Notes:

- The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements.

	31st March, 2014	31st March, 2013
2. Cash and Cash Equivalents comprise :		
Cash on hand	0.16	0.11
Cheques on hand	37.35	63.62
Balances with banks on current account	37.68	18.05
Others		
In post office saving bank account	0.00 *	0.00 *
Other Bank Balances:		
Balances with banks		
On deposit accounts	0.34	0.07
On unpaid dividend accounts	1.68	1.81
	77.21	83.66

* Amount is below the rounding off norm adopted by the Company

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar

Partner
Membership No 52340

Place: Kolkata

Date : 29th April, 2014

Manjushree Khaitan

Executive Vice-chairperson

K. C. Jain

Wholetime Director

Arvind Singh

CEO-Business Operations

Tridib Kr. Das

Chief Financial Officer

Gautam Ganguli

Company Secretary

B. K. Birla

Chairman

K. G. Maheshwari

P. K. Choksey

Amitabha Ghosh

Vinay Sah

K. P. Khandelwal

Sudip Banerjee

Directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**1. GENERAL INFORMATION**

Kesoram Industries Limited (the Company) is a public company domiciled and incorporated under the provisions of the The Indian Companies Act, 1913. The Company is a flagship company of the B. K. Birla Group of Companies. The Company is a multi product and multi location company. Cement, Tyre and Rayon are its core businesses. Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange) and its Global Depositary Receipts (GDR) are listed on Luxembourg Stock Exchange. The Company markets its automobile tyres under the brand name “Birla Tyres” and its cement under the “Birla Shakti” brand, Rayon yarn and transparent paper are marketed as “Kesoram Rayon” and “Kesophane” respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation with and upon recommendation from the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956 (“The Act”). Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.2 Tangible Fixed Assets and Depreciation

- (a) Fixed Assets, except land, building and certain items of plant and machineries, are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation / settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- (b) Land, buildings and certain plant and machineries of Rayon and Transparent Paper Unit as at 31st March, 1982 and of Cement (at Basantnagar) and Spun Pipes & Foundries Units as at 31st March, 1983 are stated at valuation made by professional valuers in 1982-83 at the then current value.

- (c) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- (d) Capital work in progress is stated at cost [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.8 below], incurred during construction/ installation/ pre-operative period relating to items or projects in progress.
- (e) Losses arising from the retirement of and gains and losses arising from disposal of fixed assets which are carried at costs are recognised in the Statement of Profit and Loss.
- (f) Depreciation on revalued items of fixed assets referred to in 2.2 (b) above is calculated on their respective revalued amounts at rates considered applicable by the valuers on straight line method as against the methods/ rates/ bases which would have otherwise been adopted for the purpose of the annual accounts of the Company and accordingly includes additional depreciation charge. An amount equivalent to the aforesaid additional depreciation charge is transferred to the credit of the statement of Profit and Loss from Revaluation Reserve.
- (g) Depreciation on fixed assets acquired up to 31st March, 1983 and not covered by revaluations referred to in 2.2 (b) above pertaining to Transparent Paper Division of Rayon & Transparent Paper Unit is calculated under reducing balance method at applicable rates as per Schedule XIV to the Act, as revised during 1993-94.
- (h) Depreciation on fixed assets acquired up to 31st March, 1993 other than items covered in 2.2 (f) and 2.2 (g) above is calculated under straight line method at the rates considered adequate to amortise the depreciable book value over the remaining part (as at 1st April, 1993) of the specified period recomputed by applying the Schedule XIV rates as revised during 1993-94 in keeping with the Circular No.14/93 dated 20th December, 1993 of the Department of Company Affairs, Government of India.
- (i) Depreciation on additions to fixed assets from 1st April, 1993 [except for deferral of annual depreciation charge for three years from 1999-2000 to 2001-2002 on certain fixed assets of Cement Units as indicated in 2.2(j) below], is calculated under straight line method at applicable rates as per Schedule XIV to the Act, as amended during 1993-94.
- (j) Pursuant to Central Government's approval under Section 205(2)(c) of the Act, depreciation not provided in 1999-2000, 2000-2001 and 2001-2002 accounts on certain fixed asset items of Cement Units are amortised over the remaining part of specified period (as at 1st April, 2000, 1st April, 2001 and 1st April, 2002 respectively) based on the prescribed rates.
- (k) Leasehold land is amortised over the lease period.

2.3 Intangible assets and Amortisation

Intangible assets are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis over a period of three years from the date of capitalisation. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

2.4 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.5 Impairment

Cash generating units/ assets are assessed for possible impairment at Balance Sheet date based on external and internal sources of information, Impairment losses, if any, are recognised as an expenses in Statement of Profit and Loss.

2.6 Investments

Investments that are readily realisable and are 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. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

2.8 Foreign Currency Translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses (other than relating to reporting of Long term foreign currency monetary items) arising out of fluctuations in the exchange rates are recognised in Statement of Profit and Loss in the period in

which they arise. Exchange differences arising on reporting of Long term foreign currency monetary items (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long term monetary asset/liability). Differences between the forward exchange rates and the exchange rates at the date of transactions are accounted for as income/expense over the life of the contracts.

2.9 Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/losses on settlement and mark to market loss (net) relating to outstanding contracts as at the Balance Sheet date is recognised in the statement of Profit and Loss.

Refer Note 2.8 above for forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

2.10 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of goods

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts/allowance, sales return and sales taxes/value added tax.

2.11 Other Income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

2.12 Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Contributions towards superannuation at rates specified in related approved scheme covering eligible employees are recognised as expense and funded.

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/ gains are recognised in the Statement of profit and loss in the year in which they arise.

Gratuity: The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is provided and funded on the basis of year end Actuarial valuation (using the Projected Unit Credit method). Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.

Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge in Statement of Profit and Loss in the year in which they arise.

2.13 Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years.

As at the balance sheet date, unless there is an evidence to the contrary, deferred tax assets pertaining to business loss are only recognised to the extent that there are deferred tax liabilities offsetting them.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is a convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the year.

2.14 Revenue Expenditure on Research and Development is charged to the Profit and Loss Account in the year in which it is incurred.

2.15 Government Grants

Grants of Capital nature and related to specific Fixed Assets are deducted from gross value of assets. Other grants of capital nature are credited to Capital Reserve. Grant related to revenue are recognised in the Statement of Profit and Loss on a systematic basis to match them with related costs.

2.16 Lease

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straightline basis in the statement of profit and loss over the lease term.

2.17 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit / (loss) for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Provision and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

2.20 Segment reporting

Identification of segments

The company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

Inter-segment transfers

The company accounts for intersegment sales and transfers at cost.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocable to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

2.21 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortisation expense, finance costs and tax expense.

2.22 Use of estimates

The presentation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods.

3. SHARE CAPITAL

	₹ / crore	
	31 st March, 2014	31 st March, 2013
AUTHORISED		
1,50,00,000 (31st March, 2013 -Nil)		
Preference Shares of ₹ 100 each	150.00	—
55,00,00,000 (31st March, 2013 : 12,00,00,000)		
Equity Shares of ₹ 10 each	550.00	120.00
	700.00	120.00
ISSUED, SUBSCRIBED AND PAID-UP		
10,97,68,650 (31st March, 2013- 4,57,41,080)		
Equity Shares of ₹ 10 each fully paid up	109.77	45.74
	109.77	45.74

- (a) During the year the authorised share capital was increased from ₹ 120.00 crore comprising of 12,00,00,000 Equity shares of ₹ 10 each to ₹ 700.00 crore comprising of 1,50,00,000 Preference Shares of face value of ₹ 100 each amounting to ₹ 150.00 crore and 55,00,00,000 Equity Shares of face value of ₹ 10 each amounting to ₹ 550.00 crore.
- (b) During the year ,the Company issued and allotted 6,40,27,570 Equity shares of face value ₹ 10/- each for cash at a price of ₹ 65/- per Equity Share including a premium of ₹ 55/- per Equity Share aggregating to ₹ 4,16,17,92,050 to the Equity shareholders of the Company on “Rights Basis” in the ratio of seven Equity shares for every five Equity shares held on the “Record date” of 16 May 2013. The proceeds of the “Right Issue” have been utilised for the purposes as stated in the “Letter of Offer” dated 22 May 2013.i.e. to repay/prepay existing term loans aggregating to ₹ 312.00 crore,to meet “Right Issue” related expenses of ₹ 9.94 crore and balance amount of ₹ 94.24 crore was utilised for general corporate purposes.
- (c) **Forfeiture of Equity Shares**
In terms of Company’s Article of Association, the Company, during the year previous year 2012-13 forfeited 2,238 Equity shares standing in the names of 175 allottees who failed to pay allotment money despite several reminders.
- (d) Reconciliation of the number of shares outstanding as at 31st March, 2014 and 31st March, 2013 is set out below:

Particulars	31 st March, 2014	31 st March, 2013
Number of shares outstanding at the beginning of the year	4,57,41,080	4,57,43,318
Add : Shares issues during the year	6,40,27,570	—
Less : Shares forfeited during the year	—	2,238
Number of shares outstanding at the end of the year	10,97,68,650	4,57,41,080

(e) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. All equity shareholder are entitled to one vote per share.

The company declares and pays dividend in indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

(f) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Sl. No.	Name of the shareholders	31st March, 2014		31st March, 2013	
		No. of shares	% age	No. of shares	% age
1	Pilani Investments and Industries Corporation Limited	2,73,38,750	24.91	24,15,750	5.28
2.	Manav Investment & Training Co. Ltd.	98,87,525	9.01	—	—
3.	Jhunjhunwala Rekha Rakesh	75,00,000	6.83	—	—
4	Life Insurance Corporation of India	—	—	49,84,017	10.90
5	Finquest Securities Pvt. Ltd	—	—	25,12,200	5.49
		4,47,26,275	40.75	99,11,967	21.67

4. RESERVES AND SURPLUS

	₹ / crore	
	31st March, 2014	31st March, 2013
Capital Reserve		
(a) Development Grant/ Subsidy	0.40	0.40
(b) Amalgamation Reserve	2.91	2.91
	3.31	3.31
Capital Redemption Reserve	3.59	3.59
Securities Premium		
Balance at the beginning of the year	—	—
Add : Received during the year on equity shares issued under Rights Basis	352.16	—
Less : Expenses related to Rights issue (includes payment to auditors ₹ 1.00 Crs)	(9.94)	—
[refer Note 22 (d)]	342.22	—
Forfeiture of shares*	0.00	0.00
Revaluation Reserve		
Balance at the beginning of the year	2.51	2.70
Less: Adjustment relating to depreciation and withdrawal on/of revalued fixed assets**	0.13	0.19
	2.38	2.51
General Reserve	224.00	224.00
Other Reserves:		
(a) Doubtful Debts & Contingencies	0.20	0.20
(b) Share Buy Back Reserve	7.01	7.01
	7.21	7.21
Surplus/(Deficit)		
Balance at the beginning of the year	293.88	628.46
Add:- Profit/(Loss) for the period	(515.55)	(329.23)
Amount available for appropriation	(221.67)	299.23
<i>Less: Appropriations:</i>		
Proposed Dividend	—	4.57
Tax on Proposed Dividend	—	0.78
Total dividend (including corporate dividend tax)	—	5.35
	(221.67)	293.88
	361.04	534.50

** Comprising -

(i) Additional depreciation charge on revalued fixed assets transferred to Statement of Profit and Loss

* Amount is below the rounding off norm adopted by the Company

0.13

0.19

5. LONG TERM BORROWINGS
₹ / crore

	Non current portion		Current maturities	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Term Loans:				
From Bank				
Indian rupee loan (secured)	1,568.74	2,057.55	646.69	549.95
Foreign currency loan (secured)	—	157.96	171.69	111.23
From others				
Indian rupee loan (secured)	669.02	262.91	40.89	12.09
Finance lease (secured)	5.10	0.15	4.97	0.10
Deposits (unsecured):				
From selling agents and others	306.89	295.82	—	—
	2,549.75	2,774.39	864.24	673.37
The above amount includes:				
Secured borrowings	2,242.86	2,478.57	864.24	673.37
Unsecured borrowings	306.89	295.82	—	—
Amount disclosed under the head “other current liabilities” (refer Note 8)	—	—	(864.24)	(673.37)
	2,549.75	2,774.39	—	—

The finance lease obligations in respect of SAP software and Audi A6 car which are secured against the said assets. The above mentioned facility are to be repaid in equal installments over the period of the respective loans.

(a) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

₹ / crore

Bank	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms
Bank of Baroda	120.00	160.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayable in four specified annual instalments commencing from March 2013. Interest is payable monthly @ base rate plus 1.25% p.a.
Bank of Baroda	100.00	—	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayable by four equal annual instalment commencing from 24 months after first disbursement. Interest is payable monthly @ base rate + 1.75% + term premium of 0.15%
	<u>220.00</u>	<u>160.00</u>	Carried Over	

₹ / crore

Bank	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms
	220.00	160.00	Brought forward	
ICICI Bank Ltd.	270.00	300.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units (excluding Spun Pipes & Foundries and Hindustan heavy Chemicals unit) of the Company, subject to charge on fixed asset of Vasavadatta Cement unit.	Repayable in 20 equal quarterly instalments commencing from the 27th month from the date of disbursement. Interest is payable monthly @ base rate plus 2.7% p.a. with annual reset.
IndusInd Bank Ltd	—	212.50	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayment commencing by the end of the calendar quarter after expiry of 12 months moratorium from the date of disbursement, in quarterly instalments of ₹12.50 Crore for 8 quarters and ₹18.75 Crore each for 8 quarters thereafter. Interest payable monthly @ base rate plus 0.75% p.a. with 'annual reset.
IndusInd Bank Ltd	210.00	—	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement Unit.	16 equal quarterly instalments after a moratorium period of 24 months. Interest payable @ Base Rate + 75 Basis Points.
Punjab National Bank	153.75	235.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayable in twenty quarterly instalments starting from June 2012 distributed as first sixteen instalments of ₹ 16.25 Crore each and balance four instalments of 10 Crore each Interest is payable monthly @ base rate plus 1.5% p.a. plus term premium.
State Bank of India	400.00	500.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayable in four annual instalments commencing after twenty four months from the date of first disbursement of the loan (First two instalments of ₹ 100 Crore each and balance two instalments of ₹ 200 Crore each). Interest is payable monthly @ base rate plus 2% p.a. with annual reset.
	1,253.75	1,407.50	Carried Over	

₹ / crore

Bank	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms
	1,253.75	1,407.50	Brought forward	
State Bank of India	458.33	500.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit	Repayable in 12 quarterly instalments commencing from the quarter ending February, 2014 distributed as 11 instalments of ₹ 41.67 Crore each and the last instalment of ₹ 41.63 Crore in November, 2016. Interest is payable monthly @ base rate plus 2% p.a
Syndicate Bank	—	200.00	Subservient Charge on Fixed & Current assets (both present & Future) of the company.	Repayable in 5 equal monthly instalments of ₹ 40 Crore starting from the end of 20th month from the date of disbursement. Interest is payable monthly @ base rate plus 0.25% p.a. with annual reset.
Syndicate Bank	50.00	—	First pari passu charge on all moveable and immovable fixed assets (both present & future) of various units (excluding Spun Pipes & Foundries, Corporate Office and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on moveable and immovable fixed assets pertaining to Vasavadatta Cement & Birla Tyres (Uttarakhand).	Repayment in last 3 years in 12 quarterly instalments as mentioned below: 11 equal quarterly instalments of ₹ 16.67 Crore beginning Q3 FY 15-16. Last instalment of ₹ 16.63 Crore
The Karur Visya Bank Ltd.	91.60	—	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units (excluding Spun Pipes & Foundries, Hindustan Heavy Chemicals units and Corporate office) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement Unit.	To be repaid in 28 Quarterly instalment after a moratorium period of one year. Interest is payable monthly @ base rate + 1.5%.
The South Indian Bank Ltd.	112.50	150.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayable in 3 quarterly instalments of ₹ 37.50 Crore each commencing from the end of 24 months and last instalment of ₹ 37.50 Crore to be remitted before expiry of 35 months from the date of a ailment. Interest is payable @ base rate plus 1.5% p.a. with annual reset
	1966.18	2257.50	Carried Over	

₹ / crore

Bank	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms
	1966.18	2257.50	Brought forward	
The South Indian Bank Ltd.	100.00	100.00	First pari passu charge on all moveable and immovable fixed assets (both present and future) of various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the company, subject to prior subsisting charge on moveable and immovable fixed assets pertaining to Vasavadatta Cement Unit	Repayment commencing after a moratorium of 12 month in 6 quarterly instalments of ₹ 1.5 Crore each, next 4 quarterly instalments of Rs 3 Crore each, next 17 quarterly instalments of ₹ 4.39 Crore each and last instalment of ₹ 4.37 Crore thereafter. Interest is payable @ base rate plus 2.50% p.a. with annual reset.
The South Indian Bank Ltd.	49.25	50.00	First pari passu charge on all moveable and immovable fixed assets (both present and future) of various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the company, subject to prior subsisting charge on moveable and immovable fixed assets pertaining to Vasavadatta Cement Unit	Repayment commencing after a moratorium of 12 month in 6 quarterly instalments of ₹ 0.75 Crore each, next 4 quarterly instalments of ₹ 1.5 Crore each, next 17 quarterly instalments of ₹ 2.20 Crore each and last instalment of ₹ 2.19 Crore thereafter. Interest is payable @ base rate plus 3% p.a. with annual reset.
The South Indian Bank Ltd.	100.00	—	First pari passu charge on all moveable and immovable fixed assets (both present and future) of various units (excluding Spun Pipes & Foundries and Hindustan Heavy Chemicals units) of the company, subject to prior subsisting charge on moveable and immovable fixed assets pertaining to Vasavadatta Cement Unit	Repayment to be made in 28 quarterly instalments after the initial holiday period of 12 months. Interest payable monthly @ base rate + 2%. (First 6 quarters ₹ 1.5 Crore each, next 4 quarters ₹ 3 Crore each, next 17 quarters ₹ 4.39 Crore each, last quarter ₹ 4.37 Crore)
Yes Bank Ltd.	—	200.00	Exclusive charge on all fixed assets (including land & building) of Spun Pipes & Foundries unit and equitable mortgage of freehold land at Sholapur District.	Repayable in 2 equal yearly instalments after a moratorium period of 1 year from the date of disbursement. Interest is payable @11% fixed.
	2,215.43	2,607.50		

(b) Repayment terms and nature of securities given for foreign currency term loans are as follows:

₹ / crore

Bank	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms
DBS Bank Ltd.	43.40	52.09	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundry and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayable on different maturity dates which varies from 1038 days to 1061 days with interest rate which varies from libor plus 100 - 200 bps.
	43.40	52.09	Carried Over	

₹ / crore				
Bank	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms
	43.40	52.09	Brought forward	
ICICI Bank Ltd.	128.29	197.73	First pari passu charge on both present and future movable fixed assets of Cement expansion project at Vasavadatta Cement Unit by way of hypothecation and first pari passu charge of mortgage over both present and future immovable fixed assets of Vasavadatta Cement Unit of the Company.	Repayable in ten unequal half yearly instalments commencing from end of 30 months from and including average utilisation date along with interest at 6 months @ Libor plus 1.25% p.a.
Standard Chartered Bank	—	19.37	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units (excluding Spun Pipes & Foundry and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement unit.	Repayable on different maturity dates which varies from 917 to 1051 days with interest rate which varies from libor plus 100 - 200 bps.
	<u>171.69</u>	<u>269.19</u>		

(c) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

₹ / crore				
Financial Institution	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms
HDFC Ltd	300.00	—	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units (excluding Spun Pipes & Foundries and Hindustan Heavy chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement Unit.	Principal repayment shall have a moratorium of 8 calendar quarters from the date of first disbursement and thereafter repayment in 12 equal calendar quarters starting from the first calendar quarter after the end of the moratorium period. Interest payable at the end of calendar quarters @ HDFC CPLR - 5.25 %
IFCI Ltd.	150.00	—	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units (excluding Spun Pipes & Foundries and Hindustan Heavy chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement Unit.	The loan shall be repaid in 28 structured quarterly instalments commencing from the fifteenth month from the date of first disbursement. Interest is payable monthly @ SBI base rate + 280 basis points.
	<u>450.00</u>	<u>—</u>	Carried Over	

					₹ / crore
Financial Institution	31-Mar-14	31-Mar-13	Nature of Security	Repayment Terms	
	450.00	–	Brought forward		
L&T Infrastructure Finance Company Ltd.	218.25	225.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units (excluding Spun Pipes & Foundry and Hindustan Heavy Chemicals units) of the Company, subject to prior subsisting charge on movable and immovable fixed assets pertaining to Vasavadatta Cement Unit.	Repayable in 28 quarterly instalments with 6 quarters of ₹ 3.75 Crore, 4 quarters of ₹ 7.5 Crore and 18 quarters of ₹ 10.97 Crore each. Interest is payable monthly @L&T Infra plrs minus/plus spread	
Tata Capital Financial Services Limited	41.66	50.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in 12 equal quarterly instalments commencing from the end of 12 month from the date of first disbursement. Interest is payable monthly @long term lending rate minus 4.50%	
	<u>709.91</u>	<u>275.00</u>			

6. DEFERRED TAX LIABILITIES (NET)

		₹ / crore
	31st March, 2014	31st March, 2013
Deferred Tax Liabilities		
Difference between written down value of block of assets as per		
Income tax laws and book written down value of the fixed assets	451.15	429.25
A	<u>451.15</u>	<u>429.25</u>
Deferred Tax Assets		
Business losses	415.76	397.54
Items allowable for tax purpose on payment	14.53	20.73
Provision for contingencies	12.29	9.73
Others	8.57	1.25
B	<u>451.15</u>	<u>429.25</u>
C (A–B)	<u>–</u>	<u>–</u>

- (a) During the year the Company has recognised deferred tax assets on business losses to the extent of deferred tax liability.
- (b) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

7. SHORT TERM BORROWINGS
₹ / crore

	<u>31st March, 2014</u>	<u>31st March, 2013</u>
Term Loan		
From Bank		
Indian rupee loan (unsecured)	35.00	50.00
Foreign currency loan (unsecured) (previous year secured)	11.82	384.84
Packing credit loan (secured)	27.00 *	—
From others (secured) (previous year unsecured)		
Indian rupee loan	120.00 *	100.00
Working Capital Loan		
From Bank		
Overdraft/ Cash credit (secured)	905.77	587.37
Working capital demand loan (secured)	247.00	451.60
Packing credit loan (secured)	119.21	49.96
Deposits (unsecured)		
Deposit from public	5.11	3.71
Deposit from others	23.20	3.32
	1,494.11	1,630.80
The above amount includes:		
Secured borrowings	1,418.98	1,473.77
Unsecured borrowings	75.13	157.03
* Secured against pledge of certain Non Current Investments (Refer Note 11)	1,494.11	1,630.80

- (a) Working capital loan is secured against hypothecation of current assets and second charge on movable and immovable fixed assets, both present and future unit of the Company (excluding Spun Pipes & Foundry and Hindustan Heavy Chemicals units) subject to prior subsisting charge on movable and immovable fixed asset pertaining to Vasavadatta cement. The cash credit and working capital demand loans are repayable on demand.

8. OTHER CURRENT LIABILITIES
₹ / crore unless otherwise stated

	<u>31st March, 2014</u>	<u>31st March, 2013</u>
Trade payables (Refer Note 35)	585.39	490.63
Other Liabilities		
Current maturities of long-term debt (Refer note 5)	859.27	673.27
Current maturities of long-term Finance lease (Refer note 5)	4.97	0.10
Interest accrued but not due on borrowings	3.42	5.81
Interest accrued and due on borrowings	23.54	24.42
Interest accrued and due on others deposits	0.04	—
Unpaid dividends	1.68	1.81
Unpaid matured deposits and interest accrued thereon	0.12	0.07
Other payables		
Advance from customers	18.11	20.15
Statutory dues	79.95	89.09
Liability for purchases of capital assets	13.75	18.30
Retention & Earnest deposits	12.01	7.98
Employee's benefits payable	20.04	23.06
Marked to market loss on derivative contracts	1.15	2.56
Other Payables	21.03	51.47
	1,059.08	918.09
	1,644.47	1,408.72

- a) There are no amount due and outstanding to be credited to Investor Education and Protection Fund at Balance Sheet date other than unclaimed dividend of ₹ 1,08,629 (31st March, 2013: ₹ 87,023) pertaining to cases under litigation regarding beneficial ownership of shares.

9. SHORT TERM PROVISIONS

₹ / crore

	<u>31st March, 2014</u>	<u>31st March, 2013</u>
Provision for employee benefits		
Provision for gratuity (Refer Note 21) (a)	7.05	14.46
Provision for leave encashment (unfunded)	25.27	22.76
Other Provisions		
Provision for disputed statutory dues	10.84	7.10
Provision for Contingencies	30.00	30.00
Provision for proposed dividend	—	4.57
Provision for corporate dividend tax	—	0.78
Provision for fringe benefit tax	0.08	0.08
	<u>73.24</u>	<u>79.75</u>

10. FIXED ASSETS

₹ / crore

	GROSS BLOCK					DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 31st March 2013	Additions During the Year	Other Adjustments	Deletions/ Adjustments	As at 31st March, 2014	For the year	On Deletions/ Adjustments during the year	As at 31st March, 2014	As at 31st March, 2013	
I. Tangible Assets:										
Owned										
Land :										
- Freehold	185.41	0.05	-	0.14	185.32	-	-	185.32	185.41	
- Leasehold	0.80	-	-	-	0.80	0.59	0.00 *	0.59	0.21	0.21
Buildings	661.59	2.28	0.07	0.33	663.61	102.14	18.50	120.39	543.22	559.45
Plant and Equipments	4,428.14	66.96	5.55	7.53	4,493.12	1,785.61	286.40	2,066.49	2,426.63	2,642.53
Furniture and Fixtures	27.61	4.93	(0.02)	0.08	32.44	13.44	1.31	14.67	17.77	14.17
Office Equipment (incl.Computer)	27.30	3.91	0.03	0.14	31.10	15.51	3.46	18.88	12.22	11.79
Vehicles	16.11	4.23	0.01	1.32	19.03	4.00	1.64	4.94	14.09	12.11
Others:										
Livestock	0.12	-	-	0.01	0.11	-	-	-	0.11	0.12
Railway Siding	25.62	-	0.09	0.00	25.71	7.90	1.10	9.00	16.71	17.72
Assets taken on Finance Lease										
- Vehicle	0.35	-	-	-	0.35	0.02	-	0.02	0.33	0.33
Sub Total (A)	5,373.05	82.36	5.73	9.55	5,451.59	1,929.21	312.41	2,234.98	3,216.61	3,443.84
II. Intangible Assets:										
Computer Software	6.72	13.45	-	0.15	20.02	3.79	5.82	9.52	10.50	2.93
Technical Knowhow	7.65	-	-	-	7.65	7.65	-	7.65	-	-
Sub Total (B)	14.37	13.45	-	0.15	27.67	11.44	5.82	17.17	10.50	2.93
Total (A+B)	5,387.42	95.81	5.73	9.70	5,479.26	1,940.65	318.23	2,252.15	3,227.11	3,446.77
Previous Year	5,230.14	197.40	1.39	41.51	5,387.42	1,643.29	306.12	1,940.65	3,446.77	-
<i>* Amount is below the rounding off norm adopted by the Company</i>										
								31st March, 2014	31st March, 2013	

(a) Net exchange loss/(gain) being adjustment relating to foreign currency fluctuation

- (i) Net loss/(gain) being adjustment relating to foreign currency fluctuation-FA Capitalised
(ii) Net loss/(gain) being adjustment relating to foreign currency fluctuation-FA CWIP

(b) Including :

- (i) Jointly owned :-
- Building
- Furniture and Fixtures and Office Equipemnts
- Plant & Equipment
(ii) Cost of assets lying with third parties
(iii) Freehold land includes land given on operating lease to third party
(iv) Book value of revalued fixed assets is as follows :
- Freehold Land
- Buildings
- Plant and Machinery

11. INVESTMENTS
₹ / crore except as otherwise stated

	Number	Face Value of each ₹	Book Value 31st March 2014	Book Value 31st March 2013
NON CURRENT INVESTMENT				
(valued at cost less provision for other than temporary diminution)				
A. Long Term – Trade (Unquoted)				
Investment in Equity Instruments of Joint Venture Company (Fully paid up)				
Gondkhari Coal Mining Limited	22,730	10	0.02	0.02
B. Long Term - Other than Trade				
Investment in Equity Instruments (Fully paid up)				
- Unquoted				
Birla Buildings Ltd.	30,000	10	0.03	0.03
Coromandel Stampings & Stones Ltd.	10,000	10	0.00 *	0.00 *
Kesoram Insurance Broking Services Ltd.	1,43,000	10	0.03	0.03
Calcutta Stock Exchange Association Ltd.	10,455	1	2.09	2.09
Essel Mining & Industries Ltd.	119	10	0.24	0.24
Meghdoot Co-operative Housing Society Ltd.	10	100	0.00 *	0.00 *
Padmavati Investment Ltd.	7,231	10	0.55	0.55
Vasavadatta Services Ltd.	18,800	10	0.02	0.02
JPM Merchandise Agencies Ltd.	21,693	10	0.04	0.04
- Quoted				
Aditya Birla Nuvo Ltd. ** (pledged 6,10,829)	6,14,162	10	4.65	4.65
Century Enka Ltd. **	13,40,680	10	12.91	12.91
Century Textiles & Industries Ltd. **	27,46,100	10	16.93	16.93
Grasim Industries Ltd. **	1,42,220	10	0.57	0.57
HGI Industries Ltd. **	4,96,100	10	0.00 *	0.00 *
Hindalco Industries Ltd. ** (pledged 11,926)	53,586	1	0.15	0.15
Jay Shree Tea & Industries Ltd. ** (pledged 3,88,000)	3,88,116	5	0.01	0.01
Kesoram Textile Mills Ltd. **	49,96,986	2	4.63	4.63
Mangalam Cement Ltd. ** (pledged 38,19,500)	38,19,563	10	20.12	20.12
Mangalam Timber Products Ltd. **	25,28,462	10	3.37	3.37
Manjushree Plantations Ltd.	2,33,423	10	1.20	1.20
Less : Provision for other than temporary diminution			1.20	—
Ultratech Cement Ltd.	81,268	10	—	—
Vidula Chemicals & Manufacturing Industries Ltd.	44,750	10	0.06	0.06
Less : Provision for other than temporary diminution			0.06	—
			66.36	66.36

* Amount is below the rounding off norm adopted by the Company

** Pledged against loan taken during the year from bank/ others (refer note 7)

(a) Aggregate amount of quoted investments	64.60	64.60
(b) Aggregate amount of unquoted investments	3.02	3.02
(c) Aggregate provision for diminution in value of investments	1.26	1.26
(d) Aggregate market value of quoted investments (excluding investments in HGI Industries Ltd., Kesoram Textile Mills Ltd., Manjushree Plantations Ltd. and Vidula Chemicals & Manufacturing Industries Ltd. in absence of any current quotation)	298.10	265.36

12. LONG/SHORT TERM LOANS AND ADVANCES

₹ / crore

	Non-current		Current	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
<i>Unsecured, considered good unless stated otherwise</i>				
Capital advances	19.06	23.99	—	—
Security Deposits	44.31	41.10	—	—
Advances recoverable in cash or kind	0.62	0.64	139.90	199.83
(A)	63.99	65.73	139.90	199.83
<i>Unsecured, considered good unless stated otherwise</i>				
Loans and advances to related parties	6.15	6.15	—	—
Less: Provisions for doubtful advances	(6.15)	—	—	—
(B)	—	6.15	—	—
Other loans and advances				
Advance Tax [net of provision of taxation Rs 334.44 crore (31st March, 2013 : Rs 335.70 crore)]	—	—	9.97	19.97
MAT Credit entitlements	—	35.25	—	—
Security Deposits	—	—	2.08	—
Prepaid Expenses	—	—	5.16	5.47
Accruals under duty exemption scheme	—	—	0.19	—
Loan to employees	0.12	0.04	5.99	0.39
Loan to other body corporate	2.25	3.00	1.75	1.50
Balance with statutory/government authorities	23.41	16.49	52.50	55.81
(C)	25.78	54.78	77.64	83.14
Total (A+B+C)	89.77	126.66	217.54	282.97

13. OTHER NON-CURRENT/ CURRENT ASSETS
₹ / crore

	Non-current		Current	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Unsecured, considered goods unless stated otherwise				
Non current bank balance (Refer Note 16)	0.32	0.94	—	—
(A)	0.32	0.94	—	—
Others				
Insurance claim	—	—	5.72	13.45
Interest accrued on deposits	—	—	0.31	0.18
Others	—	—	19.08	—
(B)	—	—	25.11	13.63
Total (A+B)	0.32	0.94	25.11	13.63

14. INVENTORIES
₹ / crore

	31st March, 2014	31st March, 2013
Raw Materials [Includes material in transit ₹ 10.15 crore (31st March, 2013 : ₹ 45.07 crore)]	197.55	252.18
Work-in-Progress	115.57	99.91
Finished Goods [Includes goods in transit ₹ 6.48 crore (31st March, 2013 : ₹ 8.56 crore)]	408.29	381.66
Stock-in-trade (in respect of goods acquired for trading)	10.24	10.55
Stores and Spare Parts [Includes material in transit ₹ 8.39 crore (31st March, 2013 : ₹ 8.50 crore)]	162.48	168.45
	894.13	912.75

15. TRADE RECEIVABLES
₹ / crore

	31st March, 2014	31st March, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Secured - Considered good	17.48	8.67
Unsecured - Considered good	94.72	9.73
Unsecured - Considered doubtful	16.50	3.86
	128.70	22.26
Less: Provision for doubtful debts	16.50	3.86
(A)	112.20	18.40
Other debts		
Secured - Considered good	199.96	213.27
Unsecured - Considered good	591.84	604.00
Unsecured - Considered doubtful	8.58	—
	800.38	817.27
Less : Provision for doubtful debts	8.58	—
(B)	791.80	817.27
Total (A+B)	904.00	835.67

16. CASH AND BANK BALANCES

₹ / crore

	Non-current		Current	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Cash and cash equivalents				
Cash on hand	—	—	0.16	0.11
Cheques on hand	—	—	37.35	63.62
Balances with bank :				
On Current accounts	—	—	37.68	18.05
Others				
In post office saving bank account	—	—	0.00 *	0.00 *
Other Bank Balances				
Deposit with original maturity for more than 12 months	0.32	0.94	—	—
Deposit with original maturity for more than 3 months but less than 12 months	—	—	0.34	0.07
Balances with bank:				
On unpaid dividend accounts	—	—	1.68	1.81
	0.32	0.94	77.21	83.66
Amount disclosed under other non current assets (Refer Note 13)	(0.32)	(0.94)	—	—
	—	—	77.21	83.66
(a) Other bank balances on deposits accounts includes:-				
- Deposits pledged with the Sales Tax			0.00 *	0.00 *
- Held as lien by bank against bank guarantees			0.06	0.06

(b) Other bank balances as of 31st March, 2014 and 31st March, 2013 include restricted bank balances of ₹ 1.68 crore and ₹ 1.81 crore respectively. The restrictions are primarily on account of bank balances held in unclaimed dividends accounts.

* Amount is below the rounding off norm adopted by the Company

17. REVENUE FROM OPERATIONS

	<u>2013-2014</u>	<u>₹ /crore 2012-2013</u>
Sale of products	5,416.02	6,059.64
Other operating revenues	17.95	23.06
	<u>5,433.97</u>	<u>6,082.70</u>
Less : Excise duty	353.06	371.88
	<u>5,080.91</u>	<u>5,710.82</u>

18. OTHER INCOME

	<u>2013-2014</u>	<u>in ₹ crore 2012-2013</u>
(a) Interest Income		
- On loans	—	0.52
- On bank and other deposits	13.11	0.74
- On delayed payment by customers	12.36	15.18
- On income tax refund	1.80	2.13
(b) Dividend Income		
- from long term investments	5.77	5.62
(c) Profit on fixed assets sold/ discarded (net)	4.02	—
(d) Claims from insurance company	1.40	1.28
(e) Liabilities no longer required written back	10.67	18.71
(f) Sale of Power	54.78	82.66
(g) Miscellaneous income	20.63	4.20
	<u>124.54</u>	<u>131.04</u>

19. COST OF MATERIALS CONSUMED

	<u>2013-2014</u>	<u>in ₹ crore 2012-2013</u>
Raw Materials Consumed		
Opening Stock	252.18	417.01
Purchases	2,265.79	2,589.26
	<u>2,517.97</u>	<u>3,006.27</u>
Less : Closing Stock	197.55	252.18
	<u>2,320.42</u>	<u>2,754.09</u>
Raising cost of limestone [Refer Note (a) below]	91.31	95.48
	<u>2,411.73</u>	<u>2,849.57</u>

Note 19. Contd..

					₹ /crore
				2013-2014	2012-2013
(a) Limestone raising costs include:					
Salaries, Wages, Bonus etc.				7.86	6.58
Contribution to Provident and other Funds				0.65	0.53
Workmen and Staff welfare				0.46	0.49
Dead Rent, Royalty etc.				37.15	35.90
Power and Fuel				0.15	0.13
Stores and spares parts consumed				21.96	19.02
Machinery repairs				15.41	14.67
Other repairs				0.38	0.40
Rates and taxes				0.20	0.13
Insurance				—	0.03
Contractors-Transport				5.76	4.95
Miscellaneous				1.33	—
				<u>91.31</u>	<u>82.83</u>
			Quantity		
			2013-2014	2012-2013	
(b) Purchase of finished goods comprise:					
Tubes	Nos	19,70,901	11,44,791	37.55	38.37
Flaps	Nos	8,18,751	14,03,749	23.61	45.16
				<u>61.16</u>	<u>83.53</u>
20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE					
				2013-2014	2012-2013
Opening Stock					
- Work - in - progress				99.91	114.08
- Finished Goods				392.21	323.57
				<u>492.12</u>	<u>437.65</u>
Less: Closing Stock					
- Work - in - progress				115.57	99.91
- Finished Goods				418.53	392.21
				<u>534.10</u>	<u>492.12</u>
Less: Transferred to Capital Jobs				0.70	1.49
				<u>(42.68)</u>	<u>(55.96)</u>
21. EMPLOYEE BENEFITS EXPENSE					
				2013-2014	2012-2013
Salaries, Wages, Bonus etc.				357.19	321.90
Contribution to Provident Fund [Refer note (b) below]				28.97	25.79
Contribution to Superannuation Fund				0.52	0.68
Contribution to Labour Welfare Fund				0.21	0.07
Contribution to Gratuity Fund [Refer note (a) below]				7.05	14.46
Contribution under Employees State Insurance Scheme				2.15	2.57
Workmen and Staff Welfare				16.03	18.58
				<u>412.12</u>	<u>384.05</u>

Note 21. Contd..
(a) Gratuity

The Company operates a gratuity plan through the “KICM Gratuity Fund”. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. (Also refer Note 2.12)

The Company has charged ₹ 7.05 crore (2012-13 : ₹ 14.46 crore) towards gratuity during the year ended 31st March, 2014 in the statement of Profit and Loss Account. The detail of fund and plan assets position are as follows.

	<u>2013-2014</u>	<u>₹/crore</u> <u>2012-2013</u>
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation		
(a) Present Value of Obligation at the beginning of the year	80.70	68.27
(b) Current Service Cost	5.77	5.76
(c) Interest Cost	6.34	5.16
(d) Actuarial Loss / (Gain)	1.24	8.88
(e) (Benefits Paid)	(12.29)	(7.37)
(f) Present Value of Obligation at the end of the year	<u>81.76</u>	<u>80.70</u>
II. Reconciliation of opening and closing balances of the fair value of Plan Assets		
(a) Fair Value of Plan Assets at the beginning of the year	66.24	57.51
(b) Expected Return on Plan Assets	5.63	4.60
(c) Actuarial Gain/(Loss)	0.67	0.74
(d) Contributions by employer	14.46	10.76
(e) (Benefits Paid)	(12.29)	(7.37)
(f) Fair Value of Plan Assets as at the end of the year	<u>74.71</u>	<u>66.24</u>
III. Reconciliation of the present value of Defined Benefit Obligation in ‘I’ above and the fair value of Plan Assets in ‘II’ above		
(a) Present Value of Obligation as at the end of the year	81.76	80.70
(b) Fair Value of Plan Assets as at the end of the year	74.71	66.24
(c) Liability recognised in the Balance Sheet	7.05	14.46
(d) Experience (Gain) /Loss adjustment on plan liabilities	1.24	8.88
(e) Experience Gain/(Loss) adjustment on plan assets	0.67	0.74
IV. Expense charged to the Statement of Profit and Loss		
(a) Current Service Cost	5.77	5.76
(b) Interest Cost	6.34	5.16
(c) (Expected Return on Plan Assets)	(5.63)	(4.60)
(d) Actuarial (Gain)/Loss	0.57	8.14
(e) Total expense charged to the Statement of Profit and Loss	<u>7.05</u>	<u>14.46</u>

Note 21. Contd..
V. Percentage of each Category of Plan Assets to total Fair Value of

Plan Assets	As at 31st March, 2014	As at 31st March, 2013
(a) NAV / Interest based schemes with Insurance Companies	99.93%	99.13%
(b) Government (Central and State) Securities	0.07%	0.83%
(c) Others (including bank balances)	0.00%	0.04%
Total	100.00%	100.00%

VI. Amount recognised in current year and previous four years

	₹ /crore				
	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
(a) Present Value of Obligation as at the end of the year	81.76	80.70	68.27	63.81	57.28
(b) Fair Value of Plan Assets as at the end of the year	74.71	66.24	57.51	57.46	55.20
(c) Liability recognised in the Balance Sheet	7.05	14.46	10.76	6.34	2.08
(d) Experience (Gain) /Loss adjustment on plan liabilities	1.24	8.88	5.34	1.84	4.74
(e) Experience Gain/(Loss) adjustment on plan assets	0.67	0.74	(0.34)	(0.19)	7.02

	2013-2014	2012-2013
VII. Actual Return on Plan Assets	6.32	5.41

VIII. Principal Actuarial Assumptions

	31st March, 2014	31st March, 2013
(a) Discount Rate (per annum)	8.50%	8.00%
(b) Expected Rate of Return on Plan Assets (per annum)	8.50%	8.00%
(c) Salary Escalation	5.00%	5.00%
(d) Inflation Rate	5.00%	5.00%

The estimate 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. The expected rate of return on plan assets is based on the portfolio of assets held, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are reasonably diversified.

(b) Provident Fund

Provident fund for certain eligible employees is managed by the Company through the “B. K. Birla Group of Companies Provident Fund Institution” and “Birla Industries Provident Fund”, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employers established provident funds, which require interest shortfalls to be compensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and there is no shortfall as at 31st March, 2014.

Note 21. Contd..

The Company has contributed ₹ 28.97 crore (2012-2013 : ₹ 25.79 crore) towards provident fund during the year ended 31st March, 2014.

(i) The detail of fund and plan assets position are as follows.

	As at 31st March, 2014	₹ /crore As at 31st March, 2013
Present Value of Obligation as at the end of the year	189.46	186.10
Fair Value of Plan Assets as at the end of the year	206.62	214.84
(ii) Principal Actuarial Assumptions		
Discount Rate (per annum)	8.75%	8.50%
Expected Rate of Return on Plan Assets (per annum)	9.45%	8.67%

22. OTHER EXPENSES

	2013-2014	₹ /crore 2012-2013
Consumption of stores and spare parts	109.44	104.87
Power and fuel [Refer Note (a) below]	793.47	855.90
Rent	12.86	10.94
Repairs and Maintenance [Refer Note (b) below]		
Building	8.04	9.53
Plant and Machinery	50.76	59.64
Others	5.07	6.45
Insurance	10.03	9.80
Rates and Taxes	20.88	41.61
Brokerage and Discounts	122.09	211.59
Packing, Carriage and Shipping [Refer Note (c) below]	529.06	518.45
Commission to selling agents	57.27	65.87
Directors' Fees	0.08	0.12
Debts/ Advances/ Deposits written off	—	4.37
Provision for doubtful debts	21.28	1.28
Provision for doubtful advance	6.15	—
Loss on fixed assets sold/discarded (net)	—	0.06
Payments to the auditor [Refer Note (d) below]	2.23	2.49
Guarantee commission	0.06	0.03
Conversion charges	1.62	8.22
Excise duty [Refer Note (e) below]	(0.27)	2.17
Foreign currency translation loss (net)	45.94	28.93
Miscellaneous expenses [Refer note 24 below]	156.43	195.25
	1,952.49	2,137.57

Note 22. Contd..

	<u>2013-2014</u>	<u>₹ /crore</u> <u>2012-2013</u>
(a) Power and Fuel includes consumption of stores and spares	714.63	687.02
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts	6.30	6.65
(ii) Salaries and Wages	12.08	22.17
(c) Packing, carriage and shipping includes :		
(i) Consumption of stores and spares parts	75.66	68.08
(ii) Salaries and Wages	6.84	5.94
(d) Payment to auditor		
As Auditors :		
Audit Fees	1.20	1.05
Tax Audit Fees	0.44	0.38
Fees for issuing various certificates (including Limited Reviews)	0.59	0.56
Others (Refer Note 4)	1.00	0.50
Reimbursement of Expenses	0.00 *	—
	<u>3.23</u>	<u>2.49</u>
(e) Represents excise duty related to the difference between the closing stock and opening stock of finished good		
(f) Fixed Assets (Note 10) /Capital Work in Progress include consumption of stores and spares parts during the year	11.73	19.27

* Amount below rounding off norms adopted by the Company

	<u>2013-2014</u>	<u>₹ /crore</u> <u>2012-2013</u>
23. FINANCE COSTS		
Interest expenses	539.82	497.10
Other borrowing costs	33.01	17.26
	<u>572.83</u>	<u>514.36</u>

	<u>2013-2014</u>	<u>₹ /crore</u> <u>2012-2013</u>
24. MISCELLANEOUS EXPENSES INCLUDES		
(i) Consumption of stores and spares parts	2.78	2.53
(ii) Payment to cost auditor	0.09	0.07
(iii) Reversal of insurance income accounted in earlier year	—	10.09

25. EARNINGS PER SHARE

		₹ /crore
	<u>2013-2014</u>	<u>2012-2013</u>
Number of Equity Shares at the beginning of the year	4,57,41,080	4,57,43,318
Number of Equity Shares at the end of the year	10,97,68,650	4,57,41,080
Weighted average number of Equity Shares outstanding during the year	(A) 9,49,16,702	4,57,42,435
Nominal value of each Equity Share (₹)	10	10
Profit/(Loss) after tax (₹ in crore)	(B) (515.55)	(329.23)
Earnings per share (Basic and Diluted) (₹)	(B/A) (54.32)*	(69.37)*

* Earnings per share for the year ended 31st March, 2014 and previous year have been recalculated on account of “Right Issue” as required by accounting standard (AS)- 20.

26. EXPENDITURE IN FOREIGN CURRENCY DURING THE YEAR:

Technical Service Fees	4.29	4.87
Commission, Brokerage and Discount	0.12	0.13
Interest	9.92	30.86
Miscellaneous (Travelling, Listing fees etc.)	7.87	0.50
	<u>22.20</u>	<u>36.36</u>

27. EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR

Exports (excluding export to Nepal and Bhutan) of goods [F.O. B.]	370.69	427.66
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28. C.I.F VALUE OF IMPORTS

Raw Materials	506.89	538.16
Components and Spare Parts (including stores)	58.89	23.60
Capital Goods	19.14	79.01
	<u>584.92</u>	<u>640.77</u>

29. CONTINGENT LIABILITIES

	As at <u>31st March, 2014</u>	As at <u>31st March, 2013</u>
(a) Guarantees given -		
(i) to excise authorities	0.12	0.12
(ii) by Banks on behalf of the Company (excluding relating to joint venture referred to in note 33 below)	110.47	68.78
(b) Claims against the Company not acknowledged as debts :		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	369.74	230.75
(ii) Amount demanded by Provident Fund Authorities which is sub judice	0.87	0.87
(c) Rates, Taxes, Duties etc.	16.80	16.06
(d) Amount payable in connection with reorganisation of the Company in earlier year	0.00	3.37

30. CAPITAL AND OTHER COMMITMENTS

	As at 31st March, 2014	₹ /crore As at 31st March, 2013
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 10.52 crore (31st March, 2013 - ₹ 19.04 crore)]	68.97	87.27
(b) Other Commitments		
Export Commitments against purchase of imported Capital Goods under the Export Promotions Capital goods Scheme, of the Government of India	132.23	397.39
Export Commitments against import under Advance Licence Scheme, of the Government of India	209.01	148.10
TOTAL	410.21	632.76

31. RESEARCH AND DEVELOPMENT EXPENDITURE

The Company has incurred ₹ 4.34 Crore (Previous year ₹ 6.13 Crore) on account of Research and Development expenses which has been charged to Profit and Loss Account. Capital Expenditure relating to Research and Development amounting to ₹ 0.07 Crore has been included in Fixed Assets.

	2013-2014		2012-2013	
	Capital	Revenue	Capital	Revenue
Unit - Vasavadatta Cement	0.02	2.21	0.03	2.35
Unit - Kesoram Cement	0.00	1.39	1.27	1.31
Unit - Birla Tyre	0.05	0.74	0.27	2.47
	0.07	4.34	1.57	6.13

32. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

- a) Pursuant to the Announcement on Accounting for Derivatives issued by the Institute of Chartered Accountants of India in March, 2008, the Company has accounted for during the year net loss amounting to ₹ 1.15 crore (31st March, 2013 - ₹ 2.57 crore) in respect of outstanding derivative contracts at the Balance Sheet date by marking them to market as indicated in Note 2.9 above and the resultant excess gain of ₹ 1.44 crore net of realised loss (Net) of ₹ 1.71 crore during the year arising from derivative contracts are provided for and included in Finance Cost under Note 23 to accounts.
- b) The foreign currency exposures of monetary items that have not been hedged are:

	As at 31st March, 2014	As at 31st March, 2013
(1) Amount receivable in Foreign currency		
FC amount (in EURO)	0.01	0.00
INR Value	0.61	0.19
FC amount (in Dollar)	4.94	4.08
INR value	293.06	220.04
FC amount (in GBP)	0.02	—
INR value	2.39	—
(2) Amount payable in Foreign currency		
FC amount (in EURO)	0.04	0.45
INR Value	3.33	31.44
FC amount (in Dollar)	4.22	11.46
INR value	255.16	628.13
FC amount (in GBP)	0.03	—
INR value	2.88	—
FC amount (in JPY)	48.27	80.44
INR value	28.49	47.03

33. JOINT VENTURES
₹ /crore

The Company has the following investment in a jointly controlled entity

Name of the Joint Venture	Country of Incorporation	Proportion of ownership interest as on 31st March, 2014	Proportion of ownership interest as on 31st March, 2013
Gondhkhari Coal Mining Limited	India	45.46	45.46

The Company's share of each of the assets, equity & liabilities, income and expenses (each without elimination of the effect of transaction between the Company and Joint Venture) in the joint venture, based on the unaudited financial statements are as follows:

I ASSETS

Tangible assets	0.00	0.00
Capital work in progress	14.11	6.42
Long term loans and advances	0.06	0.03
Cash and Bank balances	0.01 *	0.01
Short term loans and advances	0.00 *	0.00 *
Other current assets	0.01	0.29
	14.19	6.75

II LIABILITIES

Long term borrowings	13.43	6.11
Other long term liabilities	1.36	0.62
Trade payables	0.10	0.04
Other current liabilities	—	0.30
	14.89	7.07

III INCOME

Revenue	—	—
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IV EXPENSES

Employee benefits expenses	—	0.08
Other Expenses	0.00 *	0.05
Depreciation and amortisation expenses	—	0.00 *

V Share of Contingent Liabilities

(Guarantees given by bank)	5.40	5.40
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* Amount is below the rounding off norm adopted by the Company

34. LEASES

As a lessee:

Operating Lease

Rent expenditure (under Note 22) includes lease payments of ₹ 0.97 crore (2012-13 - ₹ 1.64 crore) relating to non cancellable operating lease. The leasing arrangement is for three to nine years and is in respect of office premises. The significant leasing arrangement inter alia includes option for renewal.

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

	₹/crore	
	As at	
	31st March, 2014	31st March, 2013
(i) not later than one year	0.70	1.74
(ii) later than one year but not later than five years	2.39	6.87
(iii) later than five years	0.10	2.10

With respect to Finance leases, the future minimum lease payments are as follows:

	₹/crore	
	As at	
	31st March, 2014	31st March, 2013
(i) not later than one year	4.97	0.10
(ii) later than one year but not later than five years	4.99	0.15

As a lessor:

Operating Lease

The Company has given one unit of building on operating lease to Lazarus Hospital for 5 years extendable up to 12 years on mutual consent

Gross carrying amount as on balance sheet date	1.98	1.98
Accumulated depreciation amount as on balance sheet date	0.15	0.11
Net carrying amount as on balance sheet date	1.83	1.87
Depreciation recognised in statement of profit and loss	0.04	0.03

With respect to non-cancellable operating leases, the future minimum lease rental incomes are as follows :

	₹/crore	
	As at	
	31st March, 2014	31st March, 2013
(i) not later than one year	—	—
(ii) later than one year but not later than five years	—	—
(iii) later than five years	—	—

General Description of the aforesaid arrangement:

Operating leases on renting a unit of building entered into by the Company is for a fixed term of 5 years extendable up to 12 years.

35. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosures pursuant to the said MSMED Act are as follows:

	<u>31st March, 2014</u>	<u>₹/crore</u> <u>31st March, 2013</u>
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.40	0.19
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	—	—
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	—	—
Further interest remaing due and payable for earlier years	—	—

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

36. REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

				<u>₹/crore</u>
Financial Year	On account of	Number of non resident Shareholders	Number of share held	Dividend Amount
2013-14	2012-13 Final	2	73,41,875	0.73
2012-13	2011-12 Final	2	73,41,875	0.74

- | | <u>₹/crore</u> | |
|---|-------------------------|-------------------------|
| | <u>As at</u> | |
| | <u>31st March, 2014</u> | <u>31st March, 2013</u> |
| 37. Shares of Jay Shree Tea & Industries Ltd. held by the Company at face value being bonus shares remaining unclaimed | 0.02 | 0.02 |
| 38. Certain records/documents pertaining to production, raw materials, purchase records etc. of the Company's Assam Cotton Mills Unit were seized by the Excise Authorities and are presently not available with the Company. | | |
| 39. The time frame of completion of expansion of 80 MT/day capacity of car radial project at Balasore is being extended to end of 2014-15 and 85 MT/day capacity of truck radial tyre project at Uttarakhand are being extended beyond 2014-15. | | |
| 40. The time frame for grinding facility of 2.5 million MT cement per annum to be situated at Solapur in the state of Maharashtra is being extended beyond 2014-15. | | |

41. DETAILS OF PRE-OPERATIVE EXPENSES INCURRED RELATING TO EXPANSION/ GREENFIELD PROJECTS REFERRED TO IN NOTE 39 AND 40

₹ /crore

	2013-2014				
	Up to 31st March 2013	During 2013-2014	Total	Capitalised/ transferred	Balance as on 31st March 2014
	(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) - (d)
Salaries, Wages, Bonus etc.	3.06	0.50	3.56	—	3.56
Contribution to Provident and Other Funds	0.22	0.05	0.27	—	0.27
Workmen and Staff Welfare	(0.00) *	—	(0.00) *	—	(0.00) *
Power and Fuel	0.57	—	0.57	—	0.57
Repairs and Maintenance to Plant & Machinery	0.08	0.05	0.13	—	0.13
Rent	—	2.00	2.00	—	2.00
Rates & Taxes	0.01	—	0.01	—	0.01
Insurance	0.60	0.40	1.00	—	1.00
Miscellaneous Expenses	1.81	0.12	1.93	—	1.93
Total (A)	6.35 #	3.12	9.47	—	9.47
Electricity/Rent Receipts	0.09	0.33	0.42	—	0.42
Total (B)	0.09 #	0.33	0.42	—	0.42
Net Pre-Operative Expenses (A-B)	6.26 #	2.79	9.05	—	9.05

included in capital work in progress

* Amount is below the rounding off norm adopted by the Company

₹ /crore

	2012-2013				
	Up to 31st March 2012	During 2012-2013	Total	Capitalised/ transferred	Balance as on 31st March 2013
	(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) - (d)
Salaries, Wages, Bonus etc.	2.36	0.70	3.06	—	3.06
Contribution to Provident and Other Funds	0.16	0.06	0.22	—	0.22
Workmen and Staff Welfare	(0.00) *	—	(0.00) *	—	(0.00) *
Power and Fuel	0.83	1.55	2.38	1.81	0.57
Repairs and Maintenance to Plant & Machinery	0.05	0.03	0.08	—	0.08
Rent	—	—	—	—	—
Rates & Taxes	0.05	0.01	0.06	0.05	0.01
Insurance	0.48	0.23	0.71	0.11	0.60
Miscellaneous Expenses	3.04	1.30	4.34	2.53	1.81
Total (A)	6.97 #	3.88	10.85	4.50	6.35
Electricity/Rent Receipts	0.08	0.01	0.09	—	0.09
Total (B)	0.08	0.01	0.09	—	0.09
Net Pre-Operative Expenses (A-B)	6.89 #	3.87	10.76	4.50	6.26 #

* Amount is below the rounding off norm adopted by the Company

included in capital work in progress

42. INFORMATION ABOUT BUSINESS SEGMENT

₹ /crore

	2013-2014				
	Tyres	Cement	Rayon, T.P. and Chemicals	Others	Total
Segment Revenue					
Sales	3,151.51	1,961.54	303.59	0.04	5,416.68
Less: Inter-segment sales (made at cost)	0.66	—	—	—	0.66
Total	3,150.85	1,961.54	303.59	0.04	5,416.02
Other operating revenue	11.42	5.25	1.28	—	17.95
	3,162.27	1,966.79	304.87	0.04	5,433.97
Segment Results [Profit/(Loss) after considering other income and before interest and tax]	17.40	164.13	(10.49)	(4.70)	166.34
Interest					(539.82)
Other borrowing cost					(33.01)
Others unallocated expenditure (net of income)					(73.81)
Profit Before Tax					(480.30)
Segment Assets	4,052.52	1,855.75	178.11	18.68	6,105.06
Unallocated Assets					127.32
Total					6,232.38
Segment Liabilities	831.39	281.17	48.40	2.24	1,163.20
Unallocated Liabilities					4,598.37
Total					5,761.57
Segment Capital Expenditure	46.14	44.71	21.55	—	112.40
Unallocated Capital Expenditure					15.49
Total					127.89
Segment Depreciation and amortisation	194.58	113.50	3.97	1.01	313.06
Unallocated Segment Depreciation and amortisation					5.04
Total					318.10
Non cash expenditure other than depreciation and amortisation included in segment expense	—		—	—	
Principal Items manufactured	Tyres, Tubes and Flaps	Cement	Viscose Filament Rayon Yarn, Cellophane Paper, Sulphuric Acid, Caustic Soda Lye, Hydrochloric Acid		

Note 42. Contd..

Information about Business segments

₹ /crore

	2012-2013				Total
	Tyres	Cement	Rayon, T.P. and Chemicals	Others	
Segment Revenue					
Sales	3,588.77	2,135.23	336.20	—	6,060.20
Less: Inter-segment sales (made at cost)	0.56	—	—	—	0.56
Total	3,588.21	2,135.23	336.20	—	6,059.64
Other operating revenue	16.03	5.78	1.25	—	23.06
	3,604.24	2,141.01	337.45	—	6,082.70
Segment Results [Profit/(Loss) after considering other income and before interest and tax]	(119.53)	325.09	1.29	(4.32)	202.53
Interest					(497.10)
Other borrowing cost					(17.26)
Others unallocated expenditure (net of income)					(65.36)
Profit Before Tax					(377.19)
Segment Assets	4,183.70	1,968.61	146.11	19.65	6,318.07
Unallocated Assets					155.83
Total					6,473.90
Segment Liabilities	829.74	208.44	36.47	3.08	1,077.73
Unallocated Liabilities					4,815.93
Total					5,893.66
Segment Capital Expenditure	192.00	86.96	4.90	0.01	283.87
Unallocated Capital Expenditure					4.91
Total					288.78
Segment Depreciation and amortisation	192.84	108.63	3.24	1.04	305.75
Unallocated Segment Depreciation and amortisation					0.18
Total					305.93
Non cash expenditure other than depreciation and amortisation included in segment expense	14.42	—	0.00*	0.04	
Principal Items manufactured	Tyres, Tubes and Flaps	Cement	Viscose Filament Rayon Yarn, Cellophane Paper, Sulphuric Acid, Caustic Soda Lye, Hydrochloric Acid		

The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

* Amount is below the rounding off norm adopted by the Company

43. RELATED PARTY DISCLOSURES

	<u>2013-2014</u>	<u>2012-2013</u>
I. List of Related Parties		
(a) Parties where control exists		
Joint venture	- Gondkhari Coal Mining Limited	- Gondkhari Coal Mining Limited
(b) Key Management Personnel		
	- Smt Manjushree Khaitan (Whole-time Director)	- Smt Manjushree Khaitan*
	- Shri K. C. Jain (Manager / Whole-time Director)	- Shri K. C. Jain (Manager / Whole-time Director)
(c) Relative of Key Management Personnel**		
	- Syt B. K. Birla #	- Syt B. K. Birla #
	- Smt Sarala Devi Birla #	- Smt Sarala Devi Birla #
	- Smt Jayashree Mohta #	- Smt Jayashree Mohta #
	- Smt Vidula Jalan #	- Smt Vidula Jalan #
(d) Enterprise where Key Management personnel have significant influence	- Aditya Marketing & Manufacturing Ltd. - MSK Travels and Tours Ltd.	- Aditya Marketing & Manufacturing Ltd. - MSK Travels and Tours Ltd.
(e) Enterprise over which person referred to in '(c)' above is able to exercise significant influence.	- Jay Shree Tea & Industries Limited - Parvati Tea Co. Pvt. Ltd @ - Birla Holdings Ltd. @ - North Tukvar Tea Co. Ltd.@ - Mangalam Cement ltd.## - Synergy Enterprise *** - A. K. Enterprise ***	- Jay Shree Tea & Industries Limited - Parvati Tea Co. Pvt. Ltd @ - Birla Holdings Ltd. @ - North Tukvar Tea Co. Ltd.@ - Mangalam Cement ltd.## - Synergy Enterprise *** - A. K. Enterprise ***
(f) Other Related Parties ****	- - Century Textiles & Industries Ltd. - Century Enka Ltd.	- Syt. B. K. Birla - Century Textiles & Industries Ltd. - Century Enka Ltd.

* Appointed Whole time Director designated as Executive Vice Chairperson, effective 5th February, 2013

** Related to Smt Manjushree Khaitan, a key management personnel.

*** Shri Sunil Kumar Jain is son of Shri K.C. Jain, proprietor of A.K. Enterprise and partner of Synergy Enterprises.

**** The parties stated in (f) above are Related Parties in the broader sense of the term and are included for making the financial statements more transparent.

@ Subsidiary companies of Jay Shree Tea & Industries Limited of which Smt Jayashree Mohta is a key personnel.

There has been no transactions with the above parties after Smt Khaitan became Executive Vice Chairperson.

Smt Vidula Jalan is a key management personnel of it.

Note 43. Contd..

II. Transactions

₹ /crore

Particulars	2013-2014					
	Related Parties referred to in					
	I (a) above	I (b) above	I (c) above	I (d) above	I (e) above	I (f) above
(i) Income						
Rent & other Services						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.09
- Century Enka Ltd.	—	—	—	—	—	0.01
Sales						
- Century Textiles & Industries Ltd.	—	—	—	—	—	1.57
- Century Enka Ltd.	—	—	—	—	—	0.03
- Synergy Enterprises	—	—	—	—	0.43	—
(ii) Expenditure						
Rent and Other Services						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.11
- Aditya Marketing & Manufacturing Ltd.	—	—	—	—	—	—
- MSK Travel and Tours Ltd.	—	—	—	4.69	—	—
Commission						
- A.K. Enterprises	—	—	—	—	0.52	—
- Synergy Enterprises	—	—	—	—	0.20	—
- MSK Travels and Tours Ltd.	—	—	—	0.19	—	—
Interest Paid						
- A.K. Enterprises	—	—	—	—	0.05	—
- Synergy Enterprises	—	—	—	—	0.03	—
Remuneration						
- K. C. Jain	—	3.42	—	—	—	—
Purchases						
- Century Textiles & Industries Ltd.	—	—	—	—	—	47.86
- Century Enka Ltd.	—	—	—	—	—	117.26
- Mangalam Cement Ltd.	—	—	—	—	0.11	—
Directors' Fees						
- Syt. B.K.Birla	—	—	0.01	—	—	—
(iii) Reimbursement						
For Expense						
- A. K. Enterprises	—	—	—	—	0.11	—
- Synergy Enterprises	—	—	—	—	0.00*	—
- MSK Travels & Tours Ltd.	—	—	—	6.16	—	—

Note 43. Contd..

₹ /crore

Particulars	2013-2014					
	Related Parties referred to in					
	I (a) above	I (b) above	I (c) above	I (d) above	I (e) above	I (f) above
(iv) Finance & Investment						
Security Deposit taken						
- A.K. Enterprises	—	—	—	—	0.61	—
- Synergy Enterprises	—	—	—	—	0.32	—
(v) Others						
Dividend paid						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.21
- Century Enka Ltd.	—	—	—	—	—	0.06
- Parvati Tea Co. Pvt. Ltd	—	—	—	—	0.05	—
- Syt B. K. Birla	—	—	0.02	—	—	—
- Smt. Sarala Devi Birla	—	—	0.01	—	—	—
- Smt. Manjushree Khaitan	—	0.02	—	—	—	—
- Smt. Jay Shree Mohta	—	—	0.00 *	—	—	—
- Smt. Vidula Jalan	—	—	0.00 *	—	—	—
Dividend received						
- Century Textiles & Industries Ltd.	—	—	—	—	—	1.51
- Century Enka Ltd.	—	—	—	—	—	0.80
- Jay Shree Tea & Industries Ltd.	—	—	—	—	0.17	—
- Mangalam Cement Ltd.	—	—	—	—	2.29	—
(vi) Balance Outstanding at year end						
Security deposit payable						
- A.K. Enterprises	—	—	—	—	0.09	—
- Synergy Enterprises	—	—	—	—	0.04	—
Other payables						
- Century Textiles & Industries Ltd.	—	—	—	—	—	14.19
- Century Enka Ltd.	—	—	—	—	—	33.91
- Jay Shree Tea & Industries Ltd.	—	—	—	—	0.00 *	—
Other receivables						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.06
- Gondkhari Coal Mining Limited	—	—	—	—	—	—
- Towards Loan	6.15	—	—	—	—	—
- Towards Interest on above Loan	0.62	—	—	—	—	—
Investment in shares						
- Gondkhari Coal Mining Ltd.	0.02	—	—	—	—	—
- Century Textiles & Industries Ltd.	—	—	—	—	—	16.93
- Century Enka Ltd.	—	—	—	—	—	12.91
- Jay Shree Tea & Industries Ltd.	—	—	—	—	0.01	—

Note 43. Contd..

₹ /crore

Particulars	2012-2013					
	Related Parties referred to in					
	I (a) above	I (b) above	I (c) above	I (d) above	I (e) above	I (f) above
(i) Income						
Rent & other Services						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.24
- Century Enka Ltd.	—	—	—	—	—	0.01
- Aditya Marketing & Manufacturing Ltd.	—	—	—	0.00 *	—	—
Sales						
- Century Textiles & Industries Ltd.	—	—	—	—	—	2.28
- Jay Shree Tea & Industries Ltd.	—	—	—	—	0.02	—
- Century Enka Ltd.	—	—	—	—	—	0.01
- Synergy Enterprises	—	—	—	—	—	—
Interest on Loan Granted						
- Gondkhari Coal Mining Ltd.	—	—	—	—	—	—
(ii) Expenditure						
Rent and Other Services						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.11
- Jay Shree Tea & Industries Ltd.	—	—	—	—	—	—
- Synergy Enterprises	—	—	—	—	—	—
- Aditya Marketing & Manufacturing Ltd.	—	—	—	0.08	—	—
- MSK Travels and Tours Ltd.	—	—	—	1.14	—	—
Commission						
- A.K. Enterprises	—	—	—	—	0.43	—
- Synergy Enterprises	—	—	—	—	0.37	—
- MSK Travels and Tours Ltd.	—	—	—	—	—	—
Interest Paid						
- Sunil Jain / A.K. Enterprises	—	—	—	—	—	—
- Synergy Enterprises	—	—	—	—	—	—
Remuneration						
- K.C. Jain	—	3.14	—	—	—	—
Purchases						
- Century Textiles & Industries Ltd.	—	—	—	—	—	42.35
- Century Enka Ltd.	—	—	—	—	—	159.48
- Mangalam Cement Ltd.	—	—	—	—	0.20	—
- MSK Travels and Tours Ltd.	—	—	—	0.32	—	—
Directors' Fees						
- Syt. B. K. Birla	—	—	—	—	—	0.01

Note 43. Contd..

₹ /crore

Particulars	2012-2013					
	Related Parties referred to in					
	I (a) above	I (b) above	I (c) above	I (d) above	I (e) above	I (f) above
(iii) Reimbursement						
For Expense						
- Sunil Jain / A.K. Enterprises	—	—	—	—	0.06	—
- Synergy Enterprises	—	—	—	—	0.00*	—
- MSK Travels and Tours Ltd.	—	—	—	1.55	—	—
For Purchase of Asset						
- Sunil Jain / A.K. Enterprises	—	—	—	—	—	—
(iv) Finance & Investment						
Security Deposit taken						
- Sunil Jain / A.K. Enterprises	—	—	—	—	0.01	—
- Synergy Enterprises	—	—	—	—	0.02	—
Loan Given	8.98	—	—	—	—	—
Loan Repaid	8.65	—	—	3.80	—	—
Investment in Shares	—	—	—	—	—	—
(v) Others						
Dividend paid						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.21
- Century Enka Ltd.	—	—	—	—	—	0.06
- Parvati Tea Co. Pvt. Ltd.	—	—	—	—	0.05	—
- Syt. B. K. Birla	—	—	—	—	—	0.02
Dividend received						
- Century Textiles & Industries Ltd.	—	—	—	—	—	1.51
- Century Enka Ltd.	—	—	—	—	—	0.67
- Jay Shree Tea & Industries Ltd.	—	—	—	—	0.12	—
- Mangalam Cement Ltd.	—	—	—	—	2.29	—
(vi) Balance Outstanding at year end						
Security deposit payable						
- Sunil Jain / A.K. Enterprises	—	—	—	—	0.17	—
- Synergy Enterprises	—	—	—	—	—	—
Remuneration Payables						
- Shri K.C. Jain	—	0.54	—	—	—	—
Other payables						
- Century Textiles & Industries Ltd.	—	—	—	—	—	3.75
- Century Enka Ltd.	—	—	—	—	—	28.48
- Jay Shree Tea & Industries Ltd.	—	—	—	—	—	—
- Sunil Jain / A.K. Enterprises	—	—	—	—	—	—
- Synergy Enterprises	—	—	—	—	—	—

Note 43. Contd..

₹ /crore

Particulars	2012-2013					
	Related Parties referred to in					
	I (a) above	I (b) above	I (c) above	I (d) above	I (e) above	I (f) above
Other receivables						
- Century Textiles & Industries Ltd.	—	—	—	—	—	0.04
- Century Enka Ltd.	—	—	—	—	—	—
- Jay Shree Tea & Industries Ltd.	—	—	—	—	0.00*	—
- Sunil Jain / A.K. Enterprises	—	—	—	—	0.00*	—
- MSK Travels and Tours Ltd.	—	—	—	0.02	—	—
- Mangalam Cement Ltd.	—	—	—	—	0.01	—
- Synergy Enterprises	—	—	—	—	0.01	—
- Gondkhari Coal Mining Limited						
- Towards Loan	6.15	—	—	—	—	—
- Towards Interest on above Loan	0.62	—	—	—	—	—
Investment in shares						
- Gondkhari Coal Mining Ltd.	0.02	—	—	—	—	—
- Century Textiles & Industries Ltd.	—	—	—	—	—	16.93
- Century Enka Ltd.	—	—	—	—	—	12.91
- Jay Shree Tea & Industries Ltd.	—	—	—	—	0.01	—

* Amount is below the rounding off norm adopted by the Company

44. PARTICULARS IN RESPECT OF GOODS MANUFACTURED

Manufacturing Section	Class of goods manufactured	CAPACITY		Unit	PRODUCTION (Meant for Sale)	
		Licensed 2013-2014 (Same as 2012-2013 except otherwise indicated)	Installed (a) 2013-2014 (Same as 2012-2013 except otherwise indicated)		2013-2014	2012-2013
Cement - At Basantnagar	Cement	Not Applicable	15,00,000 M. Tons	M.T.	10,59,028 *	11,48,415 *
At Sedam	Cement	Not Applicable	57,50,000 M. Tons	M.T.	39,57,156 *	40,11,576 *
Rayon & Transparent Paper	(i) Carbon-di-Sulphide	3,603 M. Tons per year	3,600 M. Tons per year	M.T.	5,549 *	4,467 *
	(ii) Cellophane Paper					
	(iii) (Transparent Cellulose Film)	150 M. Tons per month	3,600 M. Tons per year	M.T.	1,816 *	2,276 *
	(iv) Sodium Sulphate	5,311 M. Tons per year	5,500 M. Tons per year	M.T.	6,227 *	6,795 *
	(v) Sodium Sulphide	70 M. Tons per year	187 M. Tons per year	M.T.	—	—
	(vi) Sulphuric Acid	22,530 M. Tons per year	36,500 M. Tons per year	M.T.	33,014 *	35,968 *
Spun Pipes & Foundries #	Viscose Filament					
	Rayon Yarn	10 Tons per day	6,500 M. Tons per year	M.T.	7,287	7,517
	Cast Iron Spun Pipes & Pipe Fittings	45,000 M. Tons per year	45,000 M. Tons per year	M.T.	—	—
Tyre	(i) Tyres	Not applicable	1,21,02,000 Nos. per year	No.	60,94,832	54,62,858
	(ii) Tubes	Not applicable	29,50,000 Nos. per year	No.	23,12,314 (including 4,19,264 nos. manufactured by contract manufacturer)	32,30,330 (including 10,74,224 nos. manufactured by contract manufacturer)
(iii) Flaps						
		Not applicable	15,25,000 Nos. per year	No.	11,41,239 (including 5,26,086 nos. manufactured by contract manufacturer)	10,60,659 (including 4,27,046 nos. manufactured by contract manufacturer)

Note 44. Contd..

Manufacturing Section	Class of goods manufactured	CAPACITY		PRODUCTION (Meant for Sale)	
		Licensed 2013-2014 (Same as 2012-2013 except otherwise indicated)	Installed (a) 2013-2014 (Same as 2012-2013 except otherwise indicated)	2013-2014	2012-2013
				Unit	
Hindustan Heavy	(i) Caustic Soda Lye (100%)	15,120 M. Tons per year	12,410 M. Tons per year	M. T.	—
Chemicals ##	(ii) Liquid Chlorine	6,000 M. Tons per year	5,045 M. Tons per year	M. T.	—
	(iii) Sodium Hypochlorite	16,500 M. Tons per year	6,205 M. Tons per year	M. T.	—
	(iv) Hydrochloric Acid (100%)	9,750 M. Tons per year	8,200 M. Tons per year	M. T.	—
	(v) Ferric Alum (including Alum Liquor)	3,200 M. Tons per year	3,200 M. Tons per year	M. T.	—
	(vi) Sulphuric Acid (including Battery Grade)	20,400 M. Tons per year	18,700 M. Tons per year	M. T.	—
	(vii) Purified Hydrogen Gas	30,24,000 M ³ per year	16,20,000 M ³ per year	M ³	—

* Production is inclusive of internal consumption.

Refer Note No. 48

Refer Note No. 49

(a) Installed capacities have been certified by the company's Technical Experts. Furthermore, the installed capacity of the Transparent Paper Section is also as per Company's application to the Government of India for C. O. B. Licence.

45. PARTICULARS IN RESPECT OF STOCKS AND SALES OF GOODS MANUFACTURED/TRADED

₹/ crore

	Stock as at 31.03.2013				Sales						
	Stock as at 31.03.2012		Stock as at 31.03.2014		2013-2014		2012-2013				
	Unit	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Cement - At Basantnagar	M.T.	20,390	5.66	25,469	7.87	20,306	6.20	10,63,893 (Excluding internal consumption of 298 MT)	414.93	11,42,761 (Excluding internal consumption of 575 MT)	445.41
	M.T.	90,905	25.95	1,00,546	31.92	88,391	25.60	39,66,770 (Excluding internal consumption of 2,541 MT)	1,546.61	39,96,490 (Excluding internal consumption of 5,445 MT)	1,689.82
Carbon-di-Sulphide	M.T.	86	0.33	99.00	0.30	123	0.37	3,112 (Excluding internal consumption of 2,413 MT)	13.60	1,872 (Excluding internal consumption of 2,582 MT)	8.99
Cellophane Paper (Transparent Cellulose Film)	M.T.	191	5.29	361	10.85	542	12.06	1,633 (Excluding internal consumption of 2 MT)	62.12	2,105 (Excluding internal consumption of 1 MT)	64.88
Sodium Sulphate	M.T.	30	0.03	358	0.34	79	0.08	6,501 (Excluding internal consumption of 5 MT)	6.06	6,465 (Excluding internal consumption of 2 MT)	6.62
Sodium Sulphide	M.T.	—	—	—	—	—	—	—	—	—	—
Sulphuric Acid	M.T.	274	0.09	717	0.26	225	0.07	25,787 (Excluding internal consumption of 7,719 MT)	11.84	27,030 (Excluding internal consumption of 8,495 MT)	17.40
Viscose Filament Rayon Yarn	M.T.	819	24.79	622	18.47	1,206	31.07	6,703	209.97	7,714	238.32

45. Note 45. Contd...

45. Note 45. Contd...											₹/ crore	
Stock as at 31.03.2013											Sales	
Stock as at 31.03.2012			Stock as at 01.04.2013			Stock as at 31.03.2014			2013-2014		2012-2013	
Unit	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Cast Iron Spun Pipes & Pipe Fittings	M.T.	692	0.04		692	0.04		0.04	—	—	—	—
	Pcs.	3,813	0.00 *		3,813	0.00 *		0.00 *	—	—	—	—
Tyres, Tubes & Flaps (Set) purchased	No.	39	0.04		31	0.03		0.02	16	0.01	8	0.01
Tyres	No.	4,86,698	224.61		4,87,293	265.11		303.71	60,22,064	2,862.61	54,62,263	3,248.73
Tubes	No.	7,43,822	29.83		7,73,982	33.46		28.11	43,01,748	225.29	43,44,961	258.33
		[Including 35,267 nos. (₹ 4.65 crore) Purchased]			[Including 2,11,383 nos. (₹ 7.18 crore) Purchased]				[Including 17,37,070 nos. (₹ 36.48 crore) on sale of Purchased]		[Including 9,68,706 nos. (₹ 34.39 crore) on sale of Purchased]	
Flaps	No.	2,26,721	6.74		3,05,441	8.86		8.79	19,69,998	62.95	23,85,688	61.77
		[Including 47,803 nos. (₹ 1.72 crore) Purchased]			[Including 80,573 nos. (₹ 3.37 crore) Purchased]				[Including 8,06,261 nos. (₹ 24.99 crore) on sale of Purchased]		[Including 13,71,010 nos. (₹ 45.22 crore) on sale of Purchased]	

45. Note 45. Contd...

45. Note 45. Contd...													
			Stock as at 31.03.2013				Sales				₹/ crore		
			Stock as at 31.03.2012		Stock as at 01.04.2013		Stock as at 31.03.2014		2013-2014			2012-2013	
Unit	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		Quantity	Value
Caustic Soda Lye (100%)	M.T.	28	0.06	28	0.06	28	0.06	—	—	—	—	—	
Liquid Chlorine	M.T.	69	0.04	69	0.04	—	—	69	0.00 *	—	—	—	
Sodium Hypochlorite	M.T.	43	0.01	43	0.01	43	0.01	—	—	—	—	—	
Hydrochloric Acid (100%)	M.T.	12	0.00 *	12	0.00 *	12	0.00 *	—	—	—	—	—	
Sulphuric Acid (including Battery Grade)	M.T.	95	0.04	95	0.04	11	—	84.42	0.01	—	—	—	
Purified Hydrogen Gas	M³	8,432	0.02	8,432	0.02	2,395	0.00 *	6,037.30	0.02	—	—	—	
Others		—		14.53		2.34			—		19.36		
Total		323.57		392.21		418.53		5,416.02			6,059.64		

* Amount is below the rounding off norm adopted by the Company

46. CONSUMPTION OF RAW MATERIALS :

₹ /crore

Manufacturing Section	Class of Materials	Unit	2013-2014		2012-2013		
			Quantity	Value	Quantity	Value	
Cement -							
At Basantnagar	Limestone	M.T.	11,10,000	37.41	12,30,000	42.11	
	Bauxite/ Laterite/ Hematite	M.T.	69,576	10.75	79,378	10.55	
	Gypsum	M.T.	32,263	6.49	34,104	6.45	
	Fly Ash	M..T.	2,67,761	7.50	2,44,646	7.63	
	At Sedam	Limestone	M.T.	46,66,262	55.61	46,85,435	54.33
	Bauxite/ Laterite/ Hematite	M.T.	2,45,400	24.50	2,76,699	23.48	
	Gypsum	M.T.	1,25,585	31.29	1,27,695	31.57	
	Fly Ash	M.T.	5,06,778	31.28	5,49,816	35.37	
	Clinker	M.T.	—	—	80	0.03	
	Slag	M.T.	11,621	1.00	14,788	1.62	
	Rayon & Transparent Paper	Wood Pulp	M.T.	9,259	71.91	10,067	81.93
	Caustic Soda	M.T.	5,870	19.14	6,462	21.70	
Tyre	Sulphur	M.T.	16,021	16.89	16,061	21.96	
	Sundries		2,058	5.63	—	4.83	
	Natural Rubber	M.T.	47,860	905.47	56,959	1,141.49	
	Synthetic Rubber	M.T.	16,872	271.94	16,624	319.11	
	Carbon Black	M.T.	31,219	278.07	35,910	315.62	
	Fabric	M.T.	10,866	332.11	12,710	365.87	
	Other Chemicals and Sundries			304.74		363.92	
Hindustan Heavy Chemicals	Salt	M.T.	—	—	—	—	
	Hydrated Lime (90%)	M.T.	—	—	—	—	
	Sulphur	M.T.	—	—	—	—	
	Sundries			—		—	
TOTAL				2,411.73		2,849.57	

47. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR:

₹ /crore

	2013-2014				2012-2013			
	Raw Materials		Stores, Spare Parts & Components		Raw Materials		Stores, Spare Parts & Components	
	Value	%	Value	%	Value	%	Value	%
Imported	533.93	22.14	71.13	7.55	782.37	27.46	133.79	14.74
Indigenous	1,877.80	77.86	871.37	92.45	2,067.20	72.54	773.65	85.26
	<u>2,411.73</u>	<u>100.00</u>	<u>942.50</u>	<u>100.00</u>	<u>2,849.57</u>	<u>100.00</u>	<u>907.44</u>	<u>100.00</u>

48. The Company's Spun Pipes and Foundries Unit is under suspension of work effective 2nd May, 2008.

49. The Company intends to hive off its Hindusthan Heavy Chemicals unit (the Unit) as reflected in the Board Resolution of 31st January, 2006 and later on consented by the shareholders by postal ballot of 24th March, 2006. The Unit is not significant in terms of the Company's total assets/ liabilities/ revenue/ expenses/ cash flows. Pending disposal of the Unit, the Unit is in operation and results thereof, have been reflected in these Accounts. The Company had to declare suspension of work at the unit effective 8th December, 2010 in consequence of illegal strike/activities by workmen.

50. Previous Year's figures have been regrouped or rearranged where considered necessary.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No 52340
Place: Kolkata
Date : 29th April, 2014

Manjushree Khaitan
Executive Vice-chairperson

K. C. Jain
Wholetime Director

Arvind Singh
CEO Business Operations

Tridib Kr. Das
Chief Financial Officer

Gautam Ganguli
Company Secretary

B. K. Birla | Chairman

K. G. Maheshwari
P. K. Choksey
Amitabha Ghosh
Vinay Sah
K. P. Khandelwal
Sudip Banerjee | Directors

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The Group Logo - As represented by the 21st Century Atlas

Atlas, the Titan - Collective Strength

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

The Sun - Enlightenment and Growth

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments - Diversified Activities

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe - Global Vision

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base - Solid Foundations

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry - The Resilience, Versatility and Stability

Seen in its entirety, each of the elements - Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.



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