48th
Annual Report
2011-12

Contents

Cement Corporation of India Limited

48TH ANNUAL REPORT-2011-12

Audit Committee

Shri V.K. Aggarwal
(Chairman)
Shri Pankaj Agarwal
(Member)
Shri S.K. Goyal
(Member)

Registered Office

Core 5,
Scope Complex
7, Lodhi Road,
New Delhi-110003

Bankers

State Bank of India

State Bank of Hyderabad

Corporation Bank

Punjab National Bank

Dena Bank

Statutory Auditors

M/s. SPG Associates
Chartered Accountants
1/12, Shivaji Nagar
Gurgaon (HR)

Branch Auditors

M/s MKA Associates
Chartered Accountants,
Adilabad-504001

M/s. A.K. Gutgutia & Co.
Chartered Accountants,
New Delhi-110049

M/s. Sunil Kumar Gupta & Co.
Chartered Accountants,
Rohtak-124001

M/s. Luharuka & Associates
Chartered Accountants,
Secunderabad-500003

M/s. Taunk Khatri & Associates
Chartered Accountants,
Raipur-492001

M/s. G. Tosniwal & Co.
Chartered Accountants,
Guwahati-781001

M/s. S.V. Subba Rao & Co.
Chartered Accountants,
Cuddapah-516361

M/s. R.K. Singhania & Associates
Chartered Accountants,
Raipur-492001

BOARD OF DIRECTORS 2011-12

Shri R.P. Tak
Chairman & Managing Director

Shri Manoj Misra
Director (HR)

Shri S.C. Agrawal
Director (Fin.)
(w.e.f. 05.9.2012)

Shri Harbhajan Singh
Director

Shri S.K. Goyal
Director
(w.e.f. 21.5. 2012)

Shri R. Asokan
Director
(upto 21.5. 2012)

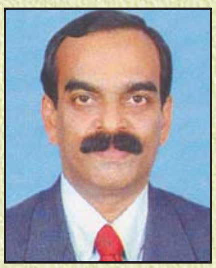
Shri V.K. Aggarwal
Director

Shri Pankaj Agarwal
Director

Smt. Divjot Kohli
Spl. Director

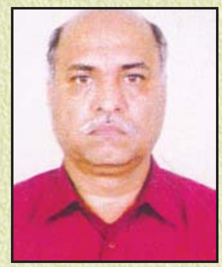
HEADS OF DEPARTMENT (CORPORATE OFFICE)

Shri Ashwani Kumar Sonik, IRPS
Chief Vigilance Officer



Shri Saju.S. Dominic
GM (HR)

Ms. Saraswati Devi
Addl. GM (Opns.)



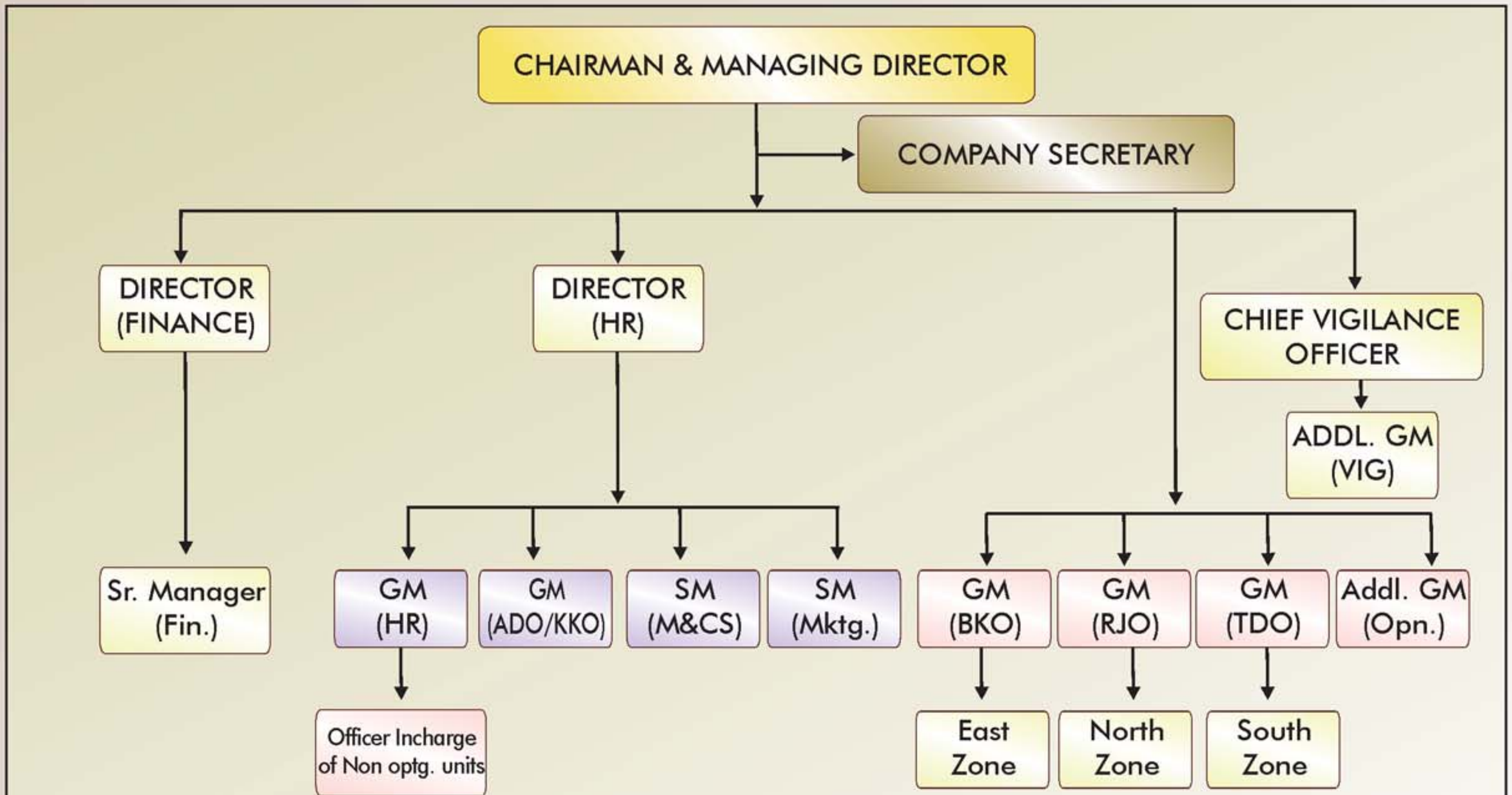
Shri R.R. Deshpande
DGM (Admn.)

Shri A.B. Deyashi
SM (Fin.)

Shri S. Maithani
Sr. Manager (Mktg.)

Shri Ajay Kumar Sharma
Dy. Company Secretary

ORGANISATION CHART



OPERATING UNITS

(i) TDO - Tandur Cement Factory (Andhra Pradesh)
(ii) BKO - Bokajan Cement Factory (Assam)
(iii) RJO - Rajban Cement Factory (Himachal Pradesh)

NON-OPERATING UNITS

(i) Mandhar (Chhattisgarh)
(ii) Kurkunta (Karnataka)
(iii) Nayagaon (Madhya Pradesh)
(iv) Akaltara (Chhattisgarh)
(v) Charkhi Dadri (Haryana)
(vi) Adiladad (Andhra Pradesh)
(vii) Delhi Grinding Unit (Delhi)

GENERAL MANAGERS - OPERATING PLANTS

Shri A. K. Srivastava
GM- Tandur

Dr. A.K. Kothari
GM- Rajban

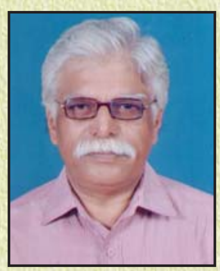
Shri A.K. Sarkar
GM-Bokajan

ZONAL MANAGERS

Shri Mukesh Kaushik
ZM-(North Zone)

Shri YK Singh
Sr. Manager (Mktg.) - Pune

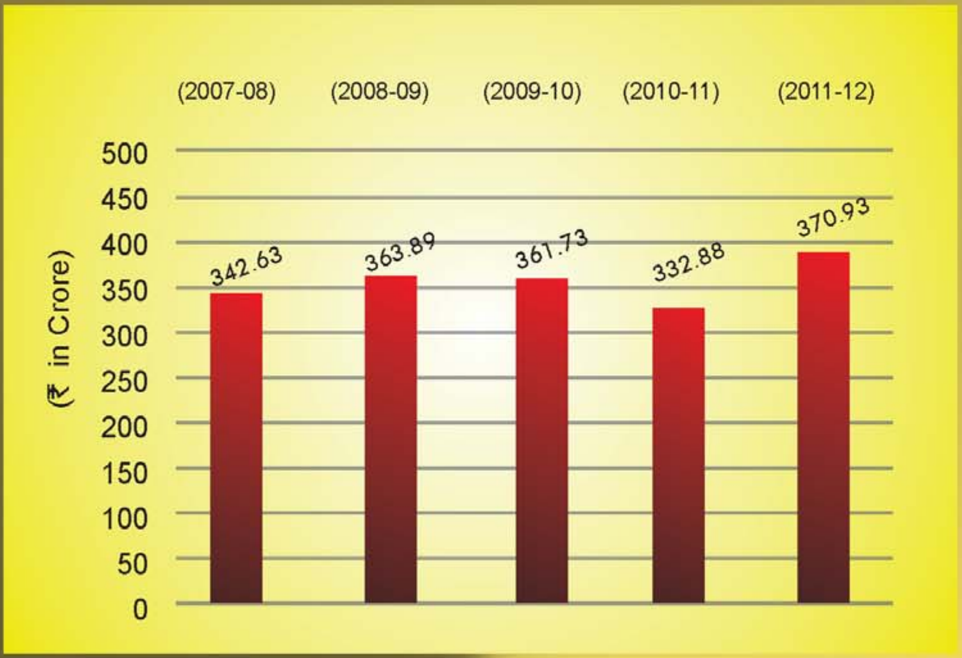
Shri D.P. Singh
Manager (Mktg.) - Bangalore



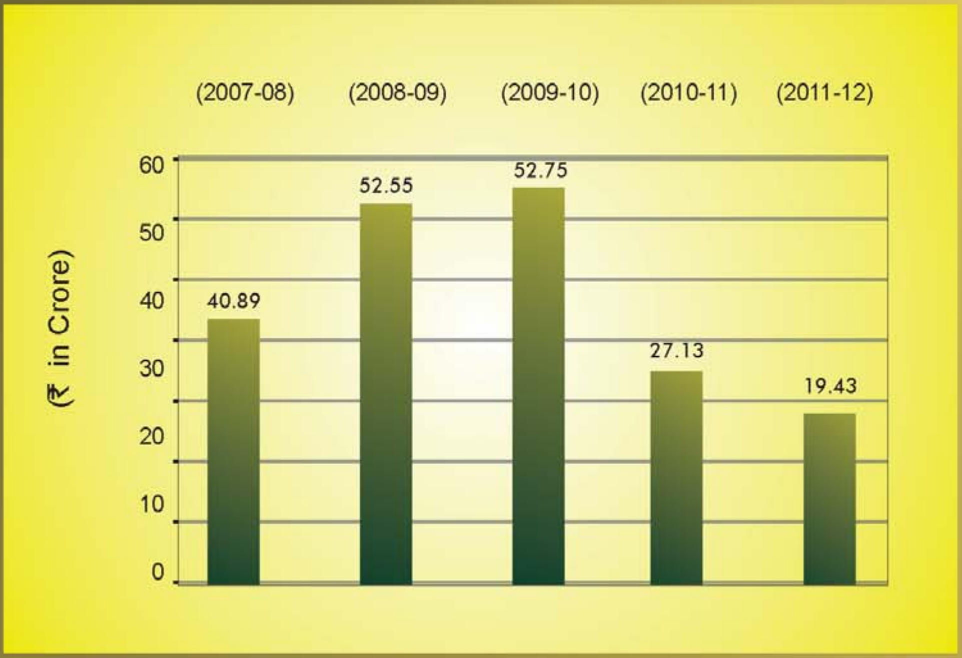
Shri C. Surendran
Manager (Mktg.) - Bokajan

Shri R. D. Prasad
Manager (Mktg.) - Hyderabad

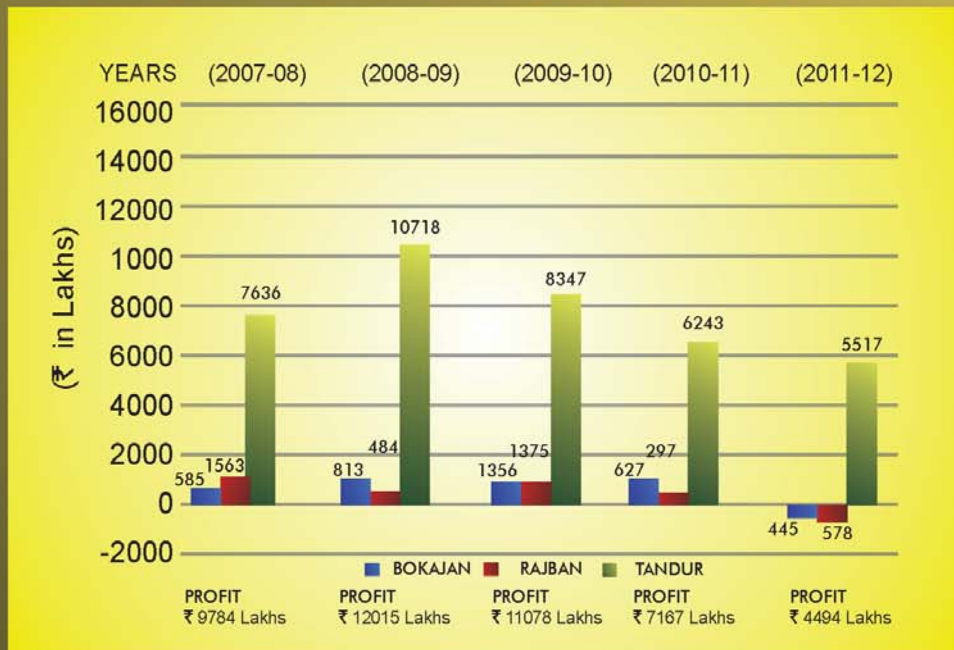
TURNOVER OF THE CORPORATION



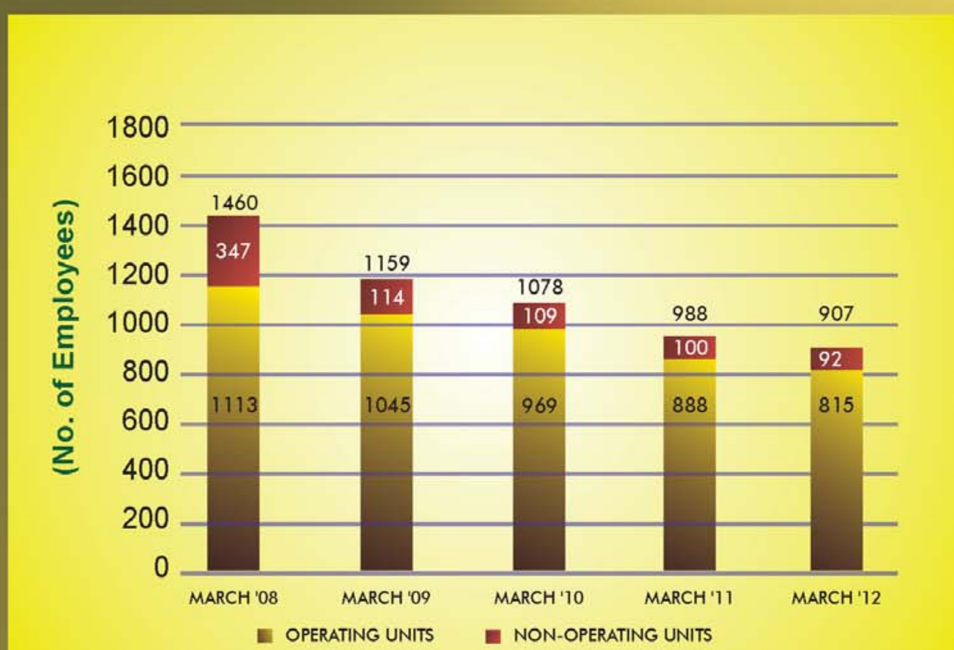
NET PROFIT OF THE CORPORATION



OPERATING PROFIT OF OPERATING UNITS



MANPOWER POSITION



AWARDS GALORE

1. The excellance award instituted by the Institute of Economic studies (I.E.S.), New Delhi was conferred on corporation in March, 2005 for acheiving Excellance in Productivity, Quality, Innovation and Management.

2. Manal Limestone Mine in Mines Safety Weeks (MSW) and Mine Enviornment & Mineral Conservation week (MS & MCW) participated in various competitions from 2002-03 onwards and various prizes were won in consecutive years from 2001 onwards till date.

A. Various Prizes were won by Rajban Unit organised by Directorate of Mines Safety, Ghaziabad Region as detailed below.

	2008-09	2009-10	2010-11	2011-12
1. Mine working & Roads	—	First Prize	Second Prize	—
2. Explosives	—	Second Prize	First Prize	—
3. Training & Personnel	Second Prize	Second Prize	Second Prize	Second Prize
4. Overall Performance	Third Prize	Third Prize	—	—
5. Machinery & Maintenance	—	—	—	—
6. Publicity & Propoganda	Second Prize	Third Prize	—	—
7. Noise & Air Pollution & LIghting	First Prize	Third Prize	—	—
8. Welfare, House-keeping and Protective Equipments	Third Prize	Second Prize	—	—

B. Mines Environment & Mineral Conservation week organised by Indian Bureau of Mines, Dehradun Region for the year 2011-2012

i.	Mineral conservation	Second Prize
ii.	Air & Water Pollution Control Measures	Second Prize

"DHRUV" Trophy for Large Mechanised Mine for extra-ordinary efforts for the protection of Environment & Mineral Conservation.

C. Various Prizes were won by Tandur Unit for mines safety (DGMS awards for group large mechanised mines) & mines environment and mineral conservation (IBM awards) as detailed below :-

		2008-09	**2009-10**	**2010-11**
Mine Working	-	Second Prize	—	—
Top Soil & Water Quality Management	-	First Prize	Second Prize	—
Air Quality Management	-	—	First Prize	—
Publicity & Propogonda	-	—	—	Second Prize

The following prizes were won by CCI Tandur during ME&MC week 2011 celebration

Community Development	First Prize
Top Soil Management	Second Prize
Water Quality Management	Third Prize

Mines Safety Week Celebrations organised by the Mines Safety & Productivity Council during 2008 :

a.	Group-1 Category Mines	- Second Prize in Publicity, Productivity and innovations
b.	Hazard Identification and risk management	- Second Prize

D. Following Prizes were won by Bokajan Unit during the Year 2011-12 :-

(i) Dillai parbat Limestone Mines of CCI Bokajan stood and gained 3rd prize during IV Norht East Mines Environment and Mineral conservation week.

(ii) Certificate of IX North East Metallieferous Mines Safety Week 2011-2012.

(iii) Certificate of 4th North East Mine Environment & Mineral Conservation week 2011-12.

3. CCI has been awarded the 'All India Organisations of Employees Industrial Relations Award' for the year 1993-94 for promoting sound Industrial Relations environment.

4. May Day Award 1994.

5. Bokajan Cement Factory has bagged the National Safety Award for the year 1990.

6. Kurkunta Cement Factory has bagged the National Award for energy efficiency in Cement Industry for the year 1989-90 awarded by the National Council of Cement & Building Materials (NCCBM) in association with Ministry of Energy.

7. CCI has been awarded second prize under Indira Gandhi Raj Bhasha Award for 1987-88 for outstanding achievement in promoting the official language policy of the Government.

8. The Annual Report and Accounts (1986-87) of the Company were highly commended and awarded the plaque by the Institute of Chartered Accountants of India (1988).

9. CCI has been awarded the International Asia Award 1984 in consultation wilth the Chamber of Commerce and Industry for distinguished contribution towards development and evolution of economy in Asian Area (1984).

10. The Annual Report and Accounts (1982-83) of the Company were highly commended and awarded the plaque by the Institute of Chartered Accountants of India (1984).

11. Mandhar Cement Factory was selected for productivity award (second best among all cement factories) by the National Productivity Council for the overall productivity for the year 1983.

12. Kurkunta Cement Factory which had operated at more than 110% capacity during 1982-83 was adjudged by the National Productivity Council as best among all factories in Cement industry for its highest overall productivity in the productivity year 1982.

13. Mandhar Cement Factory was adjudged by the National Productivity Council as the best in terms of 'Energy Conservation' which is one of the core factors of productivity for the year 1982.

14. The Annual Report and Accounts (1980-81) of the Company were adjudged the best and awarded the SILVER SHIELD by the Institute of Chartered Accountants of India (1982.)

15. The Annual Report and Accounts (1979-80) of the Company were highly Commended and awarded the plaque by the Institute of Chartered Accountants of India (1981.)

16. The Annual Report and Accounts (1978-79) of the Company were highly Commended and awarded the plaque by the Institute of Chartered Accountants of India (1980.)

Speech of the Chairman at the 48th Annual General Meeting

Dear Shareholders,

On behalf of the Board of Directors and on my own behalf, It gives me immense pleasure and privilege for me to extend a warm welcome to all of you on this occasion of 48th Annual General Meeting of the Company. I consider it an honour to place before you the Audited Balance Sheet as on 31st March, 2012, Statement of Profit & Loss for the year ended on that date and the Report of Board of Directors and Auditors thereon, of your Company for your consideration and adoption. These documents are already with you and with your permission I take them as read.

Cement Industry

The Cement Sector notably plays a critical role in the economic growth of the country and its journey towards conclusive growth. Cement is vital to the construction sector and all infrastructural projects. The construction sector alone constitutes 7% of the country's GDP. The cement sector continues to accost problems such as mis-matching between supply and demand and spiraling input cost in every year, particularly energy and freight. While the past few years have seen capacity additions in all over the country, nevertheless cement demand is likely to remain firm and rise in the near future. So while the short term does present unique challenges, over the mid to long term, cement offers good growth potentials.

I am buoyant about this sector, given the Govt. thrust on inclusive growth and the need to put infrastructural projects on the rail again. I feel positive that CCI will raise the bar of performance in the coming years as well and leverage opportunities that the sector presents. With Govt. retaining a determined focus on infrastructural development and an optimistic outlook for the overall GDP growth, we have no doubt, this will offer a considerable boost to the demand of cement.

The future of your company looks brighter even if it passes through competitive time. CCI is poised to grow faster in the coming years based on its technical excellence, human resources, brand quality and market growth. As CCI gears up for another important phase in its growth, I have no doubt, the Company will continue to enjoy the same dedication and faith from all its stake holders and associates that will inspire it to reach greater heights

Company's Performance

During the year, your Company achieved the total sales turnover including Excise Duty of ₹ 370.93 crores as against ₹ 332.88 crores in the previous year. The increase in sales turnover is attributed to higher realization achieved in all the three operating zones.

Your company earned a net profit of ₹ 19.43 crores as against net profit of ₹ 27.13 crores during the previous year. The decrease in profit is primarily on account of reduction in production and despatches coupled with frequent breakdowns, high operating cost and conversion of Wage Board Pay Pattern scales of employees to IDA Pay Pattern scales. Further because of sluggish market, financial year 2011-12 was indeed a trying year for the cement industry faced with surplus scenario, high operating cost, particularly that of energy and freight overheads. The price of imported coal saw a steep hike. This coupled with the depreciation of the rupee and escalation in the cost of diesel, compounded the matter. These factors adversely affected the profitability of CCI as well.

Initiatives have been taken to generate additional revenue from idle assets of non-operating units which are likely to give positive results in the coming years such as renting of railway siding, sale of scrap, etc.

Ongoing projects

Your Company continued to experience shortage of technical manpower to accomplish the ongoing projects. Bokajan Expansion Project is running behind the schedule. However, a part of machinery has been received at site and significant progress has been made in civil work. No appreciable progress could be made so far for setting up Silchar Grinding Unit. However the contractor has been advised to expedite the work within framework of the work order so as to complete it at the earliest.

Status of kiln shell replacement

Tandur, being our biggest plant and significantly contributes in the profitability of the Corporation has been shut down for replacement of kiln shell and other allied jobs such as major overhauling of VRM, retrofitting of internal of kiln/ VRM, cleaning of raw mill silo from the month of May, 2012 onwards. The work is in completion stage and completion of this task will improve profitability and efficiency of the plant.

Human Resources initiatives

In order to motivate employees at all levels of operating units and Corporate Office who have been putting their best efforts for growth of the Corporation, certain HR initiatives have been taken to upkeep their morale and motivation. In order to recognize their work, timely promotions have been effected.

It is a matter of great pleasure to inform that with active support of DHI , Govt. has enhanced the age of retirement of all Board and below Board level employees of your company from 58 years to 60 years. The enhancement in retirement age will result in retaining the talent and will also attract the best technical executives from the industry to join CCI. This will certainly benefit the Corporation to a large extent in years to come for further growth of the Company.

It is also a matter to express sincere gratitude for the support extended by DHI for getting approval to freeze interest on Non-plan loan of ₹ 123.85 crores at a level it was on 31.3.2011 and also defer its payment till completion of sale process of closed units by the Company. CCI look forward to DHI's continued patronage and long term support.

The long pending issue of conversion of Wage Board pay pattern into Industrial Dearness Allowance (IDA) pay pattern for workers has also been implemented. Implementation of IDA pay pattern will act as a morale booster for the workers.

To infuse young blood in the Corporation and also to fill up vacant posts at induction level, Management Trainees in various disciplines such as Mechanical, Instrumentation, Electrical have been recruited and presently they are undergoing induction therein at Tandur plant.

Corporate Governance

Corporate Governance has been an integral part of the way CCI have been doing business. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the Company's ongoing contributions to the local communities through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. The Company also believes that its operations should ensure that the precious natural resources are utilized in the principles of 'Sustainable Growth'.

As per DPE guidelines, Audit Committee and Remuneration Committee have been reconstituted and headed by Non Official Part time Director and other provisions of Corporate Governance are also being complied with to serve the underlying goal of enhancing the interests of its stake holders over a sustained period of time in socially responsible way.

Year in retrospect

Due to damaged condition of kiln shell at Tandur and frequent failure of brick lining, the Tandur plant had to be stopped for patch work/brick lining which affected production of clinker and cement. However, after major overhaul of the Tandur Plant including replacement of the kiln Shell the efficiency and productivity will be improved, whereas at Rajban, the plant production get affected due to poor quality of coal having high ash content and lower UHV resulting in low output rate of kiln ultimately adversely affecting the clinker production.

Future outlook

Your Company is in expansion mode to enhance the capacity of its operating plants to exploit the opportunities in the market. The expansion of Bokajan Unit and technology upgradation of Tandur Plant will certainly enhance the productivity and efficiency level of CCI as a whole.

The reconstituted Assets Sale Committee is closely monitoring the sale of closed non-operating units and revaluation of these unit is under progress so as to ensure fixation of reasonable reserve price to fetch good price out of the sale process of these units.

Acknowledgement

Your continued support and confidence inspired us in all our endeavors for excellence and on behalf of the Board of Directors of your Company, I wish to convey our sincere thanks to you and Govt. of India particularly to the Department of Heavy Industry, Government of India for their guidance and support in all our pursuits.

I also extend my gratitude to our esteemed customers both in Govt. Sector and private sector for their continued overwhelming support to the products of CCI.

I acknowledge overwhelmed support of Govt. of India, State Governments, CAG and all other concerned Authorities and Agencies, Bankers, Statutory Auditors, Principal Director of MAB-II.

Last but not the least, I would like to place on record my sincere appreciation for the commitment, involvement and dedication exhibited by the employees in the overall development and growth of the Corporation.

Thanking you,

Jai Hind

Place : New Delhi

Dated : 18th September 2012

(R. P. TAK)

CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

To the Shareholders

Gentlemen,

1. On behalf of the Board of Directors of your company, I am delighted to present the 48th Annual Report of your Company along with the audited accounts for the year ended 31st March, 2012, the Auditor's Report and the Report of the Comptroller & Auditor General of India.

2. Financial Highlights 2011-12 Vs 2010-11

(₹ In crores)

	As on 31.3.2012	*As on 31.3.2011*
Sales Turnover	***370.93***	*332.88*
Profit / (Loss)	***19.43***	*27.13*
Depreciation	***7.44***	*7.74*
Cash Profit/(Loss)	***26.87***	*34.87*
Interest	***7.90***	*36.83*
Operating Profit/(Loss)	***34.77***	*71.70*

The decrease in profit is primarily due to reduced cement production, lower despatch of cement on account of frequent breakdown due to ageing of plants, frequent Assam Bandh, road blockage in Manipur etc. coupled with higher operating cost due to lower production. Increase in coal cost, power cost and impact of higher salary & wages due to conversion from Wage Board to IDA pay pattern of the employees, has also resulted in lower profit margin.

The current year was very challenging for the Corporation. The impediments and bottlenecks such as Bandhs in the State of the Andhra Pradesh, due to Telegana agitation and road blockade to Manipur for the months together by the insurgent groups and poor supply of raw materials such as coal to Rajban Unit has badly affected the production targets of respective units. Due to frequent brick lining failure at Tandur, the plant had to be stopped for brick lining and allied works which also resulted into increased cost of production as well as loss of production.

The performance of Rajban Unit got affected due to cut imposed by M/s Eastern Coalfield Ltd. against Fuel Supply Agreement of Coal besides supplying poor quality of coal having higher ash contents resulting into lower output rate of kiln and higher cost of production. The plant is three decades old based on old technology causing frequent ring formation in the kiln. Despite the bottlenecks, the company made all-out efforts to achieve the targets.

3. Industry Scenario

The installed capacity of cement in the country has grown at an average rate of 8.3 per cent CAGR during the period 1991 to 2011 while production increased at the rate of 8 per cent during the same period.

As per reports available, additional capacity of 25 million tones during fiscal 2013 will bring down capacity utilization to 72% from 75% in FY12, and 78% in FY11. As such, a reduced growth of 7-8 per cent is expected during this fiscal. The surplus in supplies is likely to continue for the next three years. However, the cement industry will grow over 8% linked to the Govt's focus on infrastructure development.

The profit margins of cement companies were adversely impacted due to rising input cost such as the price of coal which moved up sharply during the entire fiscal of 2011-12. Further, logistic cost also rose on account of the increase in Railway freight, HSD prices, etc. Availability of coal is proving another bottleneck for the cement industry. The coal demand of cement industry is estimated to touch 39.72 million tonne by 2012-13 as against 13.47 million tonne in 2000-01. The infrastructure deficiencies at ports are causing problems in importing coal and availability of indigenous coal to cement industry is not assured, besides cost of coal which is escalating every year and posing challenge before the cement industry. The situation is likely to aggravate in future.

4. Capital Structure

There has been no change in the capital structure of your Company during the year under review.

5. Govt. Loans

The Corporation has repaid the Govt. loan of ₹ 128.62 crores during the year 2010-11 from its own generation and requested to waive the interest thereon. The GOI has sanctioned freezing of entire interest outstanding on the non-plan loan upto 31.3.2011 amounting to ₹ 123.85 crores with its deferment of payment till completion of sale processes of non-operating units of the Corporation.

6. Operations

Performance of operating units

The capacity utilization of cement (%), Clinker production (MT) , Cement Production (MT) and Despatch of cement (MT) of the operating units individually and collectively are stated as under:

	BOKAJAN		RAJBAN		TANDUR		FOR OPERATING PLANTS ONLY	
	10-11	11-12	10-11	11-12	10-11	11-12	10-11	11-12
CAPACITY UTILISATION OF CEMENT (%)	67.31	52.19	63.36	56.56	61.0	61.09	62.27	59.10
CLINKER PRODUCTION (MT)	137140	117745	130005	153010	542690	567310	809835	838065
CEMENT PRODUCTION (MT)	133265	103335	157130	140275	610045	610940	900440	854550
DESPATCH (MT)	134110	105109	153949	137243	616289	611006	904348	853358

During the year 2011-2012, all the following non – operating units of CCI, remained closed.

1. Mandhar
2. Kurkunta
3. Nayagaon
4. Akaltara
5. Charkhi Dadri
6. Delhi Cement Grinding Unit
7. Adilabad

Bokajan Expansion Project

As per Sanctioned Scheme, the installed capacity of Bokajan Unit is to be enhanced to 1200 TPD of clinker, which inter alia envisages enhancement in the cement grinding capacity to 750 tpd at Bokajan and Setting up of Silchar Grinding Unit with 250 TPD capacity.

(Expansion of Bokajan work inspecting by CMD)

The Work Order for capacity Expansion of Bokajan Cement Factory has been awarded to M/s. Promac Engineering Industries Ltd., Bangalore on turnkey basis at a total cost of ₹ 142.40 crore. Civil works are in progress. Part of the machinery has been received at site. Overall approx. ₹ 16.00 crores worth of work has been completed. As per the latest schedule given by the party the project is likely to be completed by September 2013.

The Work Order for Setting up of Silchar Grinding Unit of 50 TPH (250 tonnes per day) has been awarded to M/s. Promac Engineering Industries Ltd., Bangalore on turnkey basis at a total cost of ₹ 39.68 crore. As per Work Order, the Project is to be completed in 12 months from the date of LOI (24.09.2010). As, no appreciable progress could be achieved so far due to various constraints. M/s.Promac has been advised to expedite the work within the framework of work order.

Technology Upgradation

CCI has taken up the following technology upgradation schemes at Tandur as envisaged in Sanctioned Scheme :–

(Technology upgradation of Tandur Plant)

(i) Order for the three energy savings schemes have been placed on M/s. Enexco Technologies India Pvt. Ltd. for Design, Engineering, Modification, Supply, Civil / Structural Design including civil works / foundations, Erection & Commissioning, including hooking up with the existing system for complete Mechanical Transport System in place of Pneumatic Transport on turnkey basis for Raw Mill, Kiln Feed and Cement Mill -I & II Sections with financial involvement of ₹ 6.91 crores. The work is in advance stage of completion. The erection work in Cement Mill Section has almost been completed and substantial progress has been made in other sections also.

(ii) The Work Order for design, engineering, manufacture, supply, erection & commissioning of ESP and clinker cooler on turnkey basis has been ordered to M/s. Andrew Yule, Kolkata at a total cost of ₹ 10.85 crore. After a lot of persuasion, party has started civil works. Fabrication of mechanical equipments / structural work is under progress. With the help of these equipments, the efficiency of Tandur plant will be increased alongwith saving on power bill.

(iii) Other schemes are under various stages of implementation and few have been completed.

(iv) The shutdown of Tandur unit for replacement of badly damaged kiln shell portion has been taken up from 26.05.2012 onwards alongwith the other major overhauling & maintenance jobs which includes Replacement of 6 Nos. of Kiln Sections & allied jobs in Kiln Section, Major overhauling of VRM main drive gear box, Retrofitting of internals of kiln/VRM ESP, Cleaning of Raw Meal Silo, Replacement of table liner of VRM, Replacement of gear box of coal mill No.1, Replacement of worn out polyclones of coal mill No.1 & 2, Repairing / reconditioning of grate cooler, Replacement of limestone crusher rotor assembly and bearing and other miscellaneous jobs to be carried out departmentally such as replacement of VRM fan assembly, overhauling of cooler MCDC, repair of preheater cyclones, replacement of various ducts/pipelines/bends etc.

The estimated expenditure for various activities taken up during the plant shut down is ₹ 40.00 crores. In addition to minimizing the number of break-downs, the planned maintenance taken up will result in savings in energy and operating cost, improvement in quality as well as bring about increase in output of various equipments to a certain extent.

(v) The work order for preparation of TEFR for installation of One Million tonne plants at Bokajan and Rajban and two million tonnes plant at Tandur has been awarded. The final reports are under preparation. The work order for preparation of energy audit reports of all the three operating units have also been placed. Site visits have been completed by the party and the reports are under preparation.

7. Marketing

During the financial year under review, Company's net sale grew 11.47% with better realization. However, the Company faced constraints in enhancing profitability due to increase in raw material and freight cost. Company's realization improved by 21.96 % at Tandur plant, 12.67% at Rajban plant and 4.92% at Bokajan plant. The Company posted ₹ 370.93 crores sales turnover for the financial year 2011-12.

In order to mechanise packing and loading of cement at Tandur, Mechanical Loaders are being installed and Electronic Packers are also being procured. A heavy duty Weigh Bridge (80 MTs) has been installed which will help in supplying loose cement to Ready Mix Concrete(RMC) plants. This will result in saving in loading time as well as dependency on packing plant labours. In addition to this, savings on account of demurrage charges being paid to Railways due to manual loading will also be achieved.

(View of Mines of Rajban Plant)

To enhance the marketing network, especially in the State of Karnataka and Maharashtra, more attention is being paid to dispatch cement through road. This has enabled the company to penetrate newer markets. For bulk supplies and to increase the volume, traditional and far off markets are being catered by rail. During the period under review, 853358 MT of cement was dispatched as against 904348 MT during the previous year.

Modalities are being explored to venture into the State of Arunachal Pradesh in addition to overhaul the entire marketing network of North-Eastern Region including Dimapur and Manipur which are our traditional markets for years.

8. Customer Care

Your company takes utmost care while dealing with the valuable Customers; their complaints are addressed on top most priority. Their suggestion are taken as guiding factors for further improvement in our services up to their satisfaction.

9. Quality

Special emphasis has been laid on quality of cement produced at all the three operating units. In addition to regular testing of cement samples in CCI's own well equipped laboratories situated in each plant. Monthly cement samples were tested for complete physical & chemical parameters in reputed Govt. laboratories such as National Council for Cement & Building Materials & National Test House, Guwahati.

Bokajan & Rajban units are in the process of getting ISO 9001 Certification for Quality Management System. Tandur unit is already having the certificate. Tandur unit has now initiated action for getting ISO 14001 certification for Environmental Management System.

(Inspection by CMD of Rajban Plant)

10. Human Resource Management & Industrial Relations

Your Company lays utmost importance on the human resources as employees are the most valued asset of any organization. The well being of any organization is linked to the well being of employees. Your Corporation is committed to develop human resources and provide them with greater opportunities linked to their contribution to the organization's objectives. The Corporation has been making all efforts to ensure development of human competencies and welfare of its most important and valuable asset i.e. its employees.

Due to VRS/VSS offered by the Corporation during the past several years and superannuation age at 58 in the Company, the manpower of the Corporation was considerably reduced and shortage of technical manpower was adversely affecting the expansion activities of the Company. While considering these factors inter-alia, with active support of DHI, Govt. has enhanced the age of retirement of all Board and below Board level employees of your company from 58 years to 60 years. The enhancement in retirement age will result in retaining the talent and will also attract the best technical executives from the industry to join CCI. This will certainly benefit the Corporation to a large extent in years to come for further growth of the Company. CCI look forward to DHI's continued patronage and long term support.

In order to motivate the employees at all levels of the operating units and Corporate Office who have been putting their best efforts for turning around of the Company, certain HR initiatives were taken to upkeep their moral and motivation. In order to recognize their work, timely promotions have been effected.

The long pending issue of conversion of Wage Board pay pattern into Industrial Dearness Allowance (IDA) pay pattern for workers has also been implemented. Implementation of IDA pay pattern for workers will go a long way in settlement of major demand of workers and will act as morale booster.

The Industrial Relations remained peaceful throughout the year in all the units of the Corporation. Regular discussions and interactions are being conducted with the trade unions and employees at various forums which have significantly contributed towards governing redressal, resolving differences and improving industrial relations resulting into no mandays lost during the year.

11. Human Resource Development

Our Company is conscious about the need of Human Resource Development and has made efforts and given thrust towards development and optimum utilization of human resources to put up a healthy work culture and to achieve higher goal and productivity as well as to meet the challenges of the future. The employees at all level are given opportunities to develop their skill and knowledge for their performance enhancement in the competitive business scenario. Training and development of employees is given priority in the Company for improving effectiveness of the organization as well as of the individuals. Training is one of the key parameters for evaluation of our performance under MOU signed with Department of Heavy Industry.

(Flag Hoisting by CMD on the occasion of Independence Day 2012)

12. Official Language Implementation

The Corporation continued its efforts for progressive use of official language in line with the Official Language Policy of the Govt. The Official Language Implementation Committee meeting takes place regularly and the Corporation also takes active part in the Town Official Language Implementation Committee. Hindi Week/Fortnight is being celebrated to encourage and motivate the employees for more and more use of Hindi in their day-to-day official work.

(Celebration of Hindi fortnight)

Regular inspections by the Ministries and Department of Official Language are being conducted to oversee the use of Official Language in the Corporation.

13. Corporate Governance

CCI believes in financial prudence, customers' satisfaction, transparency, accountability and commitment to stakeholders. CCI practices based on its stated belief and the guidelines the Government of India issues from time to time should go a long way to enhancing value for all those who are associated with the Corporation; shareholders, customers, suppliers, creditors, Government of India, State Governments, Government Agencies/Departments and the society at large.

The Corporation believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time, in a socially responsible way.

All employees are bound by a Code of Conduct that sets forth the Corporation's policies on important issues.

14. Corporate Social Responsibility(CSR)

The Corporate Social Responsibility is defined as a philosophy wherein organizations serve the interest of society by taking responsibility for the impact of their activities on their customers, employees, shareholders, communities and the environment in all aspects of their operation. Under these parameters, the long term CSR is to match with the long term business plans of an organization.

(Medical camp for Dental Checkup at Rajban)

Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprises has issued guidelines on CSR for Central Public Sector Enterprises. The guidelines interalia stipulates that the CSR budget will be mandatorily created through Board resolution as percentage of net profit of CPSE. Accordingly, ₹ 72 lakhs provisionally has been earmarked for CSR activities for the year 2012-13. The three operating units have planned and identified the projects such as development of roads, providing of ambulance to civil hospital, laying of water pipelines, renovation of school buildings and street lighting of nearby villages. These projects are proposed to be implemented through local Panchayats.

Besides this, your company also proposes to provide growth opportunities and skill development to the students belonging to Below Poverty Line. An appropriate scheme will be introduced to sponsor such students for study in nearby ITIs/Polytechnics. These students may be employed in these plants after completing their courses in respective trades.

15. Activities and achievements of the Vigilance Department

Vigilance plays a pivotal role in achieving the desired results in the company. It is an integral part of management functions aiming at promoting the culture of honesty, managerial effectiveness and transparency in the functioning of Corporation. The culture of vigilance awareness is inculcated amongst the employees at all levels in the Corporation and main emphasis is given on preventive vigilance and system improvement with a view to minimize the scope for indulging in malpractices. Existing system and procedure are being examined with a view to plug the loopholes and simplify the system for transparency in the functioning of all Departments of the Corporation. Surprise and regular checks are also conducted in sensitive areas. Tenders are being put on CCI website.

In terms of CVC's guidelines, Rule 30-A of CCI Conduct, Discipline & Appeal Rules stands amended as per CVC's guidelines.

All prescribed Returns pertaining to vigilance activities in CCI are being sent to CVC, DHI, etc. regularly.

16. Status of sale of CCI Units

Hon'ble BIFR reconstituted the Assets Sale Committee. The Reconstituted ASC has appointed IT Auditor and E-Auctioneer for conducting the sale. Fresh valuation of all the non-operating units is in process for which Govt. approved valuers have been appointed.

17. Particulars of employees as required under Section 217(2A) and 217(1)(e) of the Companies Act 1956 etc.

Information as per Sub Section 2(A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, and forming part of Directors Report for the year ended 31.3.2012 - NIL

As required under the provisions of Section 217(1)(e) of the Companies Act, 1956 information under Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed herewith.

18. Directors' Responsibility Statement under Section 217(2AA) of Companies Act,1956

Your Directors confirm that :-

a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed:

b) Such accounting policies have been selected and applied consistently and such judgments and estimates have been made which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year;

c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) The annual accounts have been prepared on a going concern basis.

19. Auditors

M/s. SPG Associates, Chartered Accountants, Gurgaon were appointed as Principal Statutory Auditors for the year 2011-12 and M/s.R.K. Singhania & Associates, M/s. S.V. Subba Rao and Co., M/s M.K.A. Associates., M/s A.K. Gutgutia & Co. ., M/s G. Toshniwal & Co., M/s Taunk Khatri & Associates, M/s Sunil Kumar Gupta & Co., M/s.Luharuka and Associates were appointed as Branch Auditors. The report of the Statutory Auditors and replies thereto, and Nil comments of the Comptroller & Auditor General of India are annexed to this report.

20. Audit Committee

The Audit Committee discussed in detail the draft Annual Accounts for 2011-12 before submission of the same to Board for approval. The queries raised by Audit Committee were replied to the satisfaction and the Annual Accounts were reviewed by Audit Committee and submitted to the Board which were approved.

21. Board of Directors

During the period under review, Shri R. Asokan (Govt. nominee) ceased to be Director of the Company. In his place, Shri S.K. Goyal, Director, Department of Heavy Industry joined the Board (Govt. nominee) w.e.f. 21.5.2012.

Shri S. C. Agrawal has also joined the Board as Functional Director. Consequently, on assuming the charge of the post of Director(Finance), CCI w.e.f. 5.9.2012, Shri R.P. Tak, Chairman & Managing Director who was holding the additional charge of the post of Director(Finance) has relinquished the charge of the post of Director(Finance) w.e.f. 5.9.2012.

22. Acknowledgement

Board acknowledges the support and guidance your Corporation received from Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Govt. of India and also the support and cooperation of the Ministry of Railways, DGS&D, PSEB, BRPSE, Bankers and other Central and State Government Departments. We extend our gratitude to our esteemed customers both in Govt. and private sectors for their continued overwhelming support to the products of CCI.

The Directors are thankful to M/s SPG Associates, Chartered Accountants, Comptroller & Auditor General of India and Principal Director of Commercial Audit and Ex-officio Member, Audit Board-II. The Directors wish to place on record their deep appreciation for the dedication of employees of the Corporation.

(R.P. TAK)

CHAIRMAN & MANAGING DIRECTOR

Particulars as required under Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988

A. Conservation of Energy

(a) Energy conservation measures taken :-

i. Replacing inefficient/higher capacity motors with energy efficient/low capacity motors.

ii. By converting the motors, which were running under loaded from delta to star connection.

iii. Avoiding idle running of equipment.

iv. Improving the power factor of the plants by installing capacitors.

v. Installing demand controllers for effective control of maximum demand.

vi. Maintenance of fineness of coal within desired limits for better combustion efficiency.

vii. Arresting leakages in preheater tower to maintain oxygen percentage in the exit gases at the optimum level.

viii. Operation of Raw mill circulating fan through LRC at Rajban unit LRC installed in the pre heater fan of kiln section have been made operative.

ix. Providing MCBs at colony & Plant & operation of street light through time switches at Rajban unit

x. Conventional light fittings have been replaced with new Energy efficient Fan, Chokes & regulators at Rajban unit.

xi. Replaced HPMV lamps with that of sodium vapour lamps and fluorescent tubes with 9, 16 & 18V CFL lamps and also by using Energy Efficiency chokes/regulators.

b) Total energy consumption and energy consumption per unit of production:

	(2011-2012) (Operating Units only)	(2010-2011) (Operating Units only)
1. Electricity		
a) Purchased		
i) Units	122902111	117287207
ii) Total amount	473466984	442580610
iii) Rate per Unit	3.85	3.77
b) Own generation		
i) Through Diesel Generation Unit (KWH)	767656	2394341
Unit/ liter of diesel oil (KWH / litre)	2.56	3.54
Cost per Unit(₹ /KWH)	15.42	9.96

2. **Coal**

i) Qty.consumed(Tonne)	202484	187391
ii) Total Cost(₹)	928047625	605754389
iii) Average rate (₹ /MT)	4583.31	3233.00

Consumption per unit of production

i) Electricity (KWH/ tonne of packed Cement incl. Township)	146	138
ii) Booked coal (kg./kg. of clinker) production)	0.2416	0.2284
iii) Coal Quality (UHV) (K.Cal/kg. of coal)	4150*	4417*

* Coal calorific value had been extremely poor at RJO & TDO resulting in higher coal consumption in the current year.

B. Technology Absorption

I. Research and development (R&D)

i) Specific Areas in which R&D was carried out by the company – Quality control/improvement activities as mentioned in point no.9 are undertaken.

ii) Benefits derived as a result of the R&D –

iii) Future plan of action:

iv)	Expenditure on R&D (2011-12) :	(₹ crores)
a)	Capital	—
b)	Revenue	3.46
c)	Total	3.46
d)	Total R&D Exp. As a % of total turnover	0.93

II. Technology Absorption, Adoption & Innovation

As no technology was imported in the year, the information on absorption, adoption and innovation is NIL.

C. Foreign Exchange Earnings and outgo

From time to time we are receiving export enquiries from different parties. Due to locational disadvantage of our plants, which are for away from sea ports, our inland freight from plants to the nearest sea ports works out to be on higher side. Due to this reason our FOB prices do not work out competitive. Close monitoring is being done on export front, to avail the opportunity, as and when arises. However, entire production of cement is being sold in the domestic market.

	(₹ in crores)
Total foreign exchange used and earned :	-
Total foreign exchange used during the year :	3.18
Total foreign exchange earned during the year :	Nil

Resources and Utilisation of Resources

(₹ in lakhs)

PARTICULARS	2011-12	2010-11	2009-10
Resources			
Net worth	**(1,65,24)**	(1,85,36)	(2,13,61)
Borrowings	**3,73,38**	3,71,71	4,68,75
TOTAL	**2,08,14**	1,86,35	2,55,14
Utilisation of Resources			
Fixed Assets	**7,10,01**	6,87,95	6,81,52
Less : Depreciation	**5,71,67**	5,65,20	558.41
SUB TOTAL	**1,38,34**	1,22,75	1,23,11
Investments	**2,28**	2,28	2,28
Net Current Assets	**67,52**	61,32	1,29,75
TOTAL	**2,08,14**	1,86,35	2,55,14
Income & Expenditure			
Income			
Sales & Despatches	**3,32,73**	3,02,03	3,30,09
Accretion/(Decretion) to Semi finished goods and transfer of clinker	**23,40**	0,83	4,17
Other Income	**40,70**	58,93	34,62
TOTAL	**3,96,83**	3,61,79	3,68,88
Expenditure			
Raw materials & Stores	**56,01**	55,25	52,69
Depreciation	**7,44**	7,74	8,99
Interest	**9,11**	36,83	38,05
Other Expenses	**3,04,84**	2,34,84	2,16,40
SUB TOTAL	**3,77,40**	3,34,66	316.13
Profit/(Loss)	**19,43**	27,13	52.75
TOTAL	**3,96,83**	3,61,79	3,68,88

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What We Earned and How we Spent

(₹ in lakhs)

PARTICULARS	2011-12	2010-11	2009-10
1. What we earned			
Sales and despatches & clinker transfer	**3,32,73**	3,02,03	3,30,09
Misc. Income	**40,70**	58,93	34,62
Accretion/(Decretion) to Semi-finished goods and finished goods	**23,40**	0,83	4,17
TOTAL	**3,96,83**	3,61,79	3,68,88
2. How we Spent			
Raw Materials	**39,11**	38,22	36,30
Stores & packing Materials	**16,90**	17,03	16,39
Emp. Remuneration & Benefits	**60,45**	49,97	45,97
Power	**47,76**	44,67	36,98
Coal & fuel	**94,23**	64,50	68,84
Repairs & Maintenance	**27,05**	16,77	16,94
Selling Expenses	**41,68**	36,07	29,43
Interest	**9,11**	36,83	38,05
Depreciation	**7,44**	7,74	8,99
Other Expenses	**33,67**	22,86	18,24
SUB-TOTAL	**3,77,40**	3,34,66	3,16,13
Profit/(Loss)	**19,43**	27,13	52,75
TOTAL	**3,96,83**	3,61,79	3,68,88

Contribution to Exchequer

(₹ in lakhs)

PARTICULARS	2011-12	2010-11	2009-10
Excise Duty	**38,20**	25,60	31,69
Sales Tax	**38,50**	33,26	32,35
Royalty & Cess	**7,68**	7,79	8,21
TOTAL	**84,38**	66,65	72,25

Sources & Application of Funds

(₹ in lakhs)

PARTICULARS	2011-12 Sources	2011-12 Uses	2010-11 Sources	2010-11 Uses	2009-10 Sources	2009-10 Uses
A. Internal Generation :						
Additions to Reserves & Surplus	**19,43**	**0**	27,13	0	52,75	0
Depreciation	**7,44**	**97**	7,74	95	8,99	1
Provisions	**4,04**	**0**	0	3,34	0	1,61
TOTAL	**30,91**	**0,97**	34,87	4,29	61,74	1,62
B. Long term sources & uses						
Share Capital	**0**	**0**	0	0	0	0
Long term loans	**1,67**	**0**	31,58	1,28,62	27,93	0
Investments	**0**	**0**	0	0	0	0
Additions to Fixed Assets	**0**	**23,64**	0	6,43	0	4,06
TOTAL	**1,67**	**23,64**	31,58	1,35,05	27,93	4,06
C. Short Term Sources & uses						
Increase/(Decrease) in working capital	**0**	**8,66**	71,77	0	0	84,55
Deferred Revenue Expn. written off	**69**	**0**	1,12	0	56	0
TOTAL	**69**	**8,66**	72,89	0	56	84,55
Summary						
Internal Generation	**30,91**	**97**	34,87	4,29	61,74	1,62
Long term sources & uses	**1,67**	**23,64**	31,58	1,35,05	27,93	4,06
Short term sources & uses	**69**	**8,66**	72,89	0	56	84,55
TOTAL	**33,27**	**33,27**	1,39,34	1,39,34	90,23	90,23

Value Added Statement

(₹ in lakhs)

PARTICULARS	2011-12	2010-11	2009-10
Value of Production, Sales & Services	**3,56,13**	3,02,86	3,34,25
Less : Direct Materials consumed	**1,45,18**	1,14,36	1,12,62
Value Added	**2,10,95**	1,88,50	2,21,63
Other Misc. Income	**40,70**	58,93	34,62
Distributed as follows :			
Employees :			
Salaries, Wages and other benefits	**60,45**	49,98	45,97
Suppliers of Materials & Services:			
Stores & Spares	**24,60**	16,08	16,06
Power	**47,76**	44,67	40,37
Repairs & Maintenance	**7,51**	6,07	6,41
Other production expenses	**7,90**	5,13	5,21
Selling Expenses	**41,68**	36,07	29,42
Others	**25,77**	17,73	13,55
TOTAL	**1,55,22**	1,25,75	1,11,02
Suppliers of Capital:			
Interest on Govt. Loans	**1,67**	29,14	28,20
Interest on Other Loans	**7,44**	7.69	9,32
TOTAL	**9,11**	36,83	37,52
Retained in Business:			
Depreciation for Replacement of Assets	**7,44**	7,74	8,99
Profit/(Loss)	**19,43**	27,13	52,75
TOTAL	**26,87**	34,87	61,74
Average Number of Employees	**9,07**	9,88	10,78
Value Added per Employee (₹ in lakhs)	**23,26**	19,07	20,56

Ten Year Digest

(₹ in lakhs)

PARTICULARS	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
PROFIT & LOSS ACCOUNT										
Sales & despatches and Accretion/ (Decretion) to stock	35613	30286	33426	32356	29209	28903	19523	14889	13133	12069
Other Income	4070	5893	3462	4402	2325	14906	94724	946	4655	2298
Raw Materials consumed	4899	3969	3630	3412	2883	2911	3616	2058	1510	1422
Stores & packing material consumed	1690	1703	1640	1670	1368	1531	1216	1065	702	634
Employees Remuneration & Benefits	6045	4997	4597	5724	3689	3595	6943	2654	3452	4980
Interest	911	3683	3752	3738	3465	3110	1152	18672	5661	17212
Depreciation	744	774	899	1107	1150	1669	1687	1851	1811	1912
Other Manufacturing Expenses	23451	18340	17095	15852	14890	14332	16449	11429	12747	9742
Profit (+)/Loss (-)	1943	2713	5275	5255	4089	16661	83184	(21894)	(8095)	(21535)
BALANCE SHEET										
Equity	81140	81140	81140	81140	81140	80609	44682	42928	42928	42828
Reserves & Surplus	0	0	0	0	0	0	0	0	0	0
Loans	37338	37172	46875	44083	44519	41772	88288	174213	153467	148845
Net Fixed Assets	9863	10224	10734	11474	10982	11990	13600	15199	16756	18562
Current Assets	42486	39269	49033	41763	37285	29141	19898	15192	16015	17799
Current Liabilities & Provisions	35737	33137	36059	37404	38116	37305	35513	34945	37683	37605
Capital W.I.P.	3973	2051	1577	1329	2224	1375	1081	1105	1078	1051
Other Assets (Including DRE)	1726	1795	1907	1963	1931	1738	1802	5304	6837	6569
Other Intangible Assets	96167	98110	100823	106098	111353	115442	132102	215286	193392	185297
Capital Employed	16612	16356	27533	19499	13179	15943	9514	1259	942	4394
No. of Employees (Nos.)	907	988	1078	1159	1460	1523	1570	1586	1607	2134

CCI

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BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in lakhs)

	PARTICULARS	NOTE NO	AS AT 31ST MARCH 2012		AS AT 31ST MARCH 2011	
1.	**EQUITY AND LIABILITIES**					
(1)	**SHAREHOLDER'S FUNDS**					
	a) Share Capital	1	**7,69,65**		7,69,65	
	b) Reserves & Surplus	2	**(9,61,67)**		(9,81,10)	
(2)	**SHARE APPLICATION MONEY PENDING ALLOTMENT**		**41,75**	**(1,50,27)**	41,75	(1,69,70)
(3)	**NON CURRENT LIABILITIES**					
	a) Long Term Borrowing	3	**1,87,90**		1,87,90	
	b) Other Long Term Liabilities	4	**3,76,52**		3,74,21	
	c) Long Term Provisions	5	**60,11**		52,66	
				6,24,53		6,14,77
(4)	**CURRENT LIABILTIES**					
	a) Short Term Borrowings	6	**0**		0	
	b) Trade Payables	7	**10,89**		7,49	
	c) Other Current Liabilities	8	**52,31**		34,40	
	d) Short Term Provisions	9	**43,02**		46,43	
				1,06,22		88,32
	TOTAL			**5,80,48**		5,33,39
II.	**ASSETS**					
(1)	**NON CURRENT ASSETS**					
	a) Fixed Assets					
	i) Tangible Assets	10	**98,63**		1,02,24	
	ii) Capital work in Progress	11	**39,71**		18,93	
	iii) Intangible Assets-Under Development	11A	**2**		2	
	b) Non-Current Investments	12	**2,28**		2,28	
	c) Long term loans and Advances	13	**18,97**		24,36	
	d) Other non-current Assets	14	**0**		0	
	e) Unamortised expenses	15	**14,98**		15,67	
	TOTAL NON CURRENT ASSETS			**1,74,59**		1,63,50
(2)	**CURRENT ASSETS**					
	a) Current Investments	16	**0**		0	
	b) Inventories	17	**1,59,66**		1,30,03	
	c) Trade Recelvables	18	**21,86**		17,76	
	d) Cash and Cash equivelents	19	**1,90,41**		1,95,09	
	e) Short Term loans and Advances	20	**24,67**		18,62	
	f) Other Current Assets	21	**9,29**		8,39	
				4,05,89		3,69,89
	TOTAL CURRENT ASSETS					
	TOTAL			**5,80,48**		5,33,39

Significant Accounting Policies, the accompanying notes are an Integral part of the Financial Statments

Place: New Delhi
Dated :27/06/12

Sd/-
(AJAY KUMAR SHARMA)
Dy. Company Secretary

Sd/-
(MANOJ MISRA)
Director (HR)

Sd/-
(R.P. TAK)
Chairman & Managing Director

As per our report of even date attached
For SPG ASSOCIATES
Chartered Accountants
FIRM REG. NO-011217N

Place : New Delhi
Dated : 27/06/12

(S P GOEL)
Partner
Membership No. 083131

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹in lakhs)

	PARTICULARS	NOTE NO		For the Year ended 31st March 2012		For the Year ended 31st March 2011
	REVENUE					
I	**Revenue from operations**					
	a) Sale of Products		3,70,93		3,32,88	
	Less:- Excise Duty		38,20		30,85	
				3,32,73		3,02,03
	b) Other Operating Revenues			1,94		29
	Net form operation			3,34,67		3,02,32
II	**Other Income**	22		32,31		28,58
III	**Total Revenues**			3,66,98		3,30,90
	EXPENSES					
	Cost of Materials Consumed	23		39,21		38,32
	Purchase of Clinker			9,89		1,46
	Change in Inventories of Finished Goods, Work-in-progress and Stock in Trade	24		(23,40)		(83)
	Employees Benefits Expenses	25		60,45		49,97
	Other Expenses	26		2,51,41		2,00,47
	Finance Costs	27		9,11		36,83
	Depreciation and Amortisation			7,33		7,65
IV	**Total Expenses**			3,54,00		3,33,87
V	**Profit before Exceptional and Extraordinary Item**			12,98		(2,97)
VI	Exceptional Items	28(A)		6,45		30,10
VII	**Profit before Extraordinary Item**			19,43		27,13
VIII	Extraordinary item			0		0
IX	**Profit before tax**			19,43		27,13
X	**Tax Expense of Continuing operations Current Tax**			0		0
XI	**Profit/(Loss) for the period from continuing Operations**			39,14		64,47
XII	**Profit/(Loss) form discontinuing operations**			(19,71)		(37,34)
XIII	**Tax Expenses of discontinuing operations**			0		0
XIV	**Profit/(Loss) form discontinuing operations (After Tax)**			(19,71)		(37,34)
XV	**Profit / (Loss) for the period**			19,43		27,13

Significant Accounting Policies, the accompanying notes are an Integral part of the Financial Statments

Place: New Delhi
Dated : 27/06/12

Sd/-	Sd/-	Sd/-
(AJAY KUMAR SHARMA)	(MANOJ MISRA)	(R.P. TAK)
Dy. Company Secretary	Director (HR)	Chairman & Managing Director

As per our report of even date attached
For SPG ASSOCIATES
Chartered Accountants
FIRM REG. NO-011217N

Place : New Delhi
Dated : 27/06/12

(S P GOEL)
Partner
Membership No. 083131

STATEMENT OF REVENUE & EXPENSES OF CONTINUING AND DISCONTINUING OPERATION AS ON 31.03.2012

(₹in lakhs)

PARTICULARS	Continuing Operation		Discontinuing Operation		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
A. Revenue :-						
Turnover (Net)	**3,32,73**	3,02,03	**0**	0	**3,32,73**	3,02,03
Other Operationg Revenue	**1,94**	29	**0**	0	**1,94**	29
Accretion/(Deceretion) to Semi-Finished Goods and Finished Goods	**23,41**	83	**0**	0	**23,41**	83
Total Income	**3,58,08**	3,03,15	**0**	0	**3,58,08**	3,03,15
B. Expenses:-						
Operating Expenses	**3,53,53**	2,78,90	**14,77**	18,97	**3,68,30**	2,97,87
Impairment Loss	**0**	0	**0**	0	**0**	0
Total Expenses	**3,53,53**	2,78,90	**14,77**	18,97	**3,68,30**	2,97,87
C. Pre Tax Profit/(Loss) from Operationg Activities	**4,55**	24,25	**(14,77)**	(18,97)	**(10,22)**	5,28
Interest Expenses	**2,68**	2,97	**6,43**	33,86	**9,11**	36,83
D. Profit/ (Loss) Before Tax	**1,87**	21,28	**(21,20)**	(52,83)	**(19,33)**	(31,55)
E. Income Tax/Fringe Benefit Tax	**0**	0	**0**	0	**0**	0
F. Profit/(Loss) form Operating Activities but after Tex	**1,87**	21,28	**(21,20)**	(52,83)	**(19,33)**	(31,55)
G. Other Income	**31,13**	27,39	**1,18**	1,19	**32,31**	28,58
Exceptional items	**6,14**	15,80	**31**	14,30	**6,45**	30,10
H. Net Profit/(Loss) form Operating Activities	**39,14**	64,47	**(19,71)**	(37,34)	**19,43**	27,13

NOTE NO. 1 SHARE CAPITAL

(₹ in lakhs)

PARTICULARS		AS AT 31ST MARCH 2012		AS AT 31ST MARCH 2011
Authorised				
5000000 Equity Shares (Previous Year 5000000) of ₹ 1000/- each	**5,00,00**		5,00,00	
4000000 0.01% non-cumulative Redeemable Pref. Share of ₹ 1000/- each (Previous Year 4000000)	**4,00,00**	**9,00,00**	4,00,00	9,00,00
Issued, Subscribed & Fully Paid up				
4142249 Equity Shares of ₹ 1000/- each Fully Paid Up (Previous year 4142249 Shares)		**4,14,22**		4,14,22
3554325 0.01% Non-cumulative Redeemable pref. Share of ₹ 1000/- each (Previous year 3554325 Shares)		**3,55,43**		35543
Total		**7,69,65**		7,69,65

Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

`	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Number of Shares outstanding as at the beginning of the year	**4,14,22,49**	4,14,22,49
Add: Number of shares Alloted during the year	-	-
Number of Shares outstanding as at the end of the year	**4,14,22,49**	4,14,22,49

Reconciliation of number of perference shares outstanding at the beginning and at the end of the year

`	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Number of Shares outstanding as at the beginning of the year	**3,55,43,25**	3,55,43,25
Add: Number of shares Alloted during the year	-	-
Number of Shares outstanding as at the end of the year	**3,55,43,25**	3,55,43,25
Details of shareholder holding more than 5% share in the corporation		
Name/Class of share holder - Govt of India		
-Equity Shares	**100%**	100%
-Preference Shares	**100%**	100%

NOTE NO. 2 RESERVES AND SURPLUS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Surplus/(DeficIt) in statement of Profit and loss		
As per Last Balance Sheet	**(9,81,10)**	(10,08,23)
Less:- Profit During the Year	**19,43**	27,13
Colosing Balance	**(9,61,67)**	(9,81,10)

NOTE NO. 3 LONG TERM BORROWINGS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Unsecured		
Govt. Loans	**1,50,90**	1,50,90
Inter Corporate Borrowings	**37,00**	37,00
Total	**1,87,90**	1,87,90

NOTE NO. 4 OTHER LONG TERM LIABILITIES

(₹ *in lakhs*)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Trade Payable		
-MSMEs	**92**	99
-Others	**27,33**	27,17
Security & Earnest Money Received	**12,04**	14,55
Advance from Customers	**6,04**	6,04
Sales Tax Payable	**11,73**	12,82
Power	**66,15**	63,40
Royalty Payable	**8,41**	8,41
Interest Accrued and due on Borrowing- Govt Loan	**1,23,85**	1,22,18
Interest Accrued and due on Borrowing-Others	**61,63**	61,63
Others Payable	**58,42**	57,02
Total	**3,76,52**	3,74,21

NOTE NO. 5 LONG TERM PROVISIONS

(₹ *in lakhs*)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
For Gratuity	**31,28**	24,43
Capital work in progress	**3**	3
For Elliability	**12,54**	8,99
For Others	**16,26**	19,21
Total	**60,11**	52,66

NOTE NO. 6 SHORT TERM BORROWINGS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Loan payable on demand from bank	**0**	0
Others	**0**	0
Total	0	0

NOTE NO. 7 TRADE PAYABLES

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Trade Payable		
MSMEs	**26**	4
Others	**10,63**	7,45
Total	**10,89**	7,49

NOTE NO. 8 OTHER CURRENT LIABILITIES

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Advance from customers	**13,23**	10,62
Security and Earnest Money Deposits received	**5,68**	3,42
Interest accrund thereon	**0**	0
Sales tax payable	**8,09**	5,67
Excise duty payable	**4**	9
Power dues	**4,90**	4,83
Dues to Employees	**9,53**	1,96
Royalty payable	**30**	22
Others payable	**10,54**	7,59
Total	**52,31**	34,40

NOTE NO. 9 SHORT TERM PROVISIONS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Employee dues	**2,46**	11
Gratuity	**73**	5,05
Earned Leave liabilities	**30**	1,88
Other provisions	**39,53**	39,37
Bonus	**0**	2
Total	**43,02**	46,43

NOTE NO. 10 FIXED ASSETS

(₹ in lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st April, 2011	Add-/ Adjustments	Deductions/ Sales	Tra in/ Tra out	As at 31st March, 2012	As at 1st April, 2011	For the Year	Tra in/ Tra out	Adj./ Disposal	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Works												
Land Freehold	553	0	0	0	553	146	0	0	0	146	407	407
Land Leasehold	481	0	0	0	481	158	0	0	0	158	323	323
Roads & Culverts	654	0	0	0	654	312	10	0	0	322	332	342
Plant Buildings	8884	0	0	0	8884	7157	215	0	0	7372	1512	1727
Non-Plant Buildings	1054	0	0	0	1054	494	17	0	0	511	543	560
Water Supply, Drainage & Sewerage	1015	0	0	0	1015	960	0	0	0	960	55	55
Railway Siding	1595	228	0	0	1823	1508	10	0	0	1518	305	87
Electrical Installation	1970	0	0	0	1970	1779	16	0	0	1795	175	191
Plant & Machinery	42314	94	100	0	42308	37237	397	0	95	37539	4769	5077
Aerial Ropeway	706	0	0	0	706	672	0	0	0	672	34	34
Railway Rolling Stock	459	0	0	0	459	437	3	0	0	440	19	22
Quarry Equipments	2894	42	0	0	2936	2750	11	0	0	2761	175	144
Vehicles	425	11	2	0	434	349	12	0	2	359	75	76
Furniture Fixtures & Office Equipments	673	6	0	0	679	604	10	0	0	614	65	69
Misc. Equipments	814	6	0	0	820	685	9	0	0	694	126	129
P&M Costing ₹ 5000/-	47	1	0	0	48	47	1	0	0	48	0	0
TOTAL WORKS	64538	388	102	0	64824	55295	711	0	97	55909	8915	9243

NOTE NO. 10 FIXED ASSETS

(₹ in lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st April, 2011	Add-/ Adjustments	Deductions/ Sales	Tra in/ Tra out	As at 31st March, 2012	As at 1st April, 2011	For the Year	Tra in/ Tra out	Adj./ Disp-osal	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
TOWN SHIP												
Land Freehold	19	0	0	0	19	0	0	0	0	0	19	19
Land Leasehold	29	0	0	0	29	0	0	0	0	0	29	29
Roads & Culverts	39	0	0	0	39	19	0	0	0	19	20	20
Residential & Welfare Buildings	1754	0	0	0	1754	877	29	0	0	906	848	877
Water Supply, Drainage & Sewerage	158	0	0	0	158	152	0	0	0	152	6	6
Electrical Installation	41	0	0	0	41	40	0	0	0	40	1	1
Vehicles	124	0	0	0	124	99	4	0	0	103	21	25
Furniture Fixtures & Office Equipments	22	0	0	0	22	20	0	0	0	20	2	2
Misc. Equipments	20	0	0	0	20	18	0	0	0	18	2	2
Total Township	2206	0	0	0	2206	1225	33	0	0	1258	948	981
Total Works & Township	66744	388	102	0	67030	56520	744	0	97	57167	9863	10224
Previous Year	66575	270	100	0	66744	55841	774	0	95	56520	10224	10734

DEPRECIATION CHARGED TO :-

	Current Year	Previous Year
Profit & Loss Account	**7,33**	7,65
Quarry	**10**	10
Depreciation Relating to Past Years- Expenses/(Income)	**1**	(1)
	7,44	7,74

DEPRECIATION RELATING TO :

Depreciation on following Electrical Installations, Non Plant & Residential Buildings have been charged at rates which are higher than prescribed in Schedule XIV of the Companies Act, 1956 on the basis of technical evaluation of estimated commercial life of the assets (total financial implication of ₹ 0.25 lacs previous year ₹ 0.25 lacs) on 11 KV switch gears, cables, trenches, rail track, yard area, fencing & melting @ 3.84%, control room @ 2.4% ND/PT/LA/PI isolators with and without ES, AC/DC board @ 6.25%, LA @ 7.14%, Control & Relay Panel Feeder & Transformer @ 5.55%, Control Cables @ 9%, MPEB Quarters @ 2.43%.

NOTE NO. 11 CAPITAL WORKS IN PROGRESS

(₹ in lakhs)

PARTICULARS	Balance as at 1st April, 2011	Additions during the year	Adjustments	Capitalised during the year	Balance as at 31st March, 2012
Works-in-Progress					
Mechanical Consultancy	1,00	13	0	0	1,13
Civil Engineering Works	7,23	32	3	0	7,52
Plant & Machinery Incl. Awaiting Erection	9,37	20,55	2	71	29,19
Erection Expenses of Plant & Machinery	1	0	0	0	1
Incidental Expenditure Pending Allocation	1,10	16	0	0	1,26
Capital Stores	12	0	0	0	12
Others	10	38	0	0	48
TOTAL	18,93	21,54	5	71	39,71

NOTE NO. 11(A) CAPITAL WORKS IN PROGRESS (Intanglable Assets)

(₹ in lakhs)

PARTICULARS	Balance as at 1st April, 2011	Additions during the year	Adjustments	Capitalised during the year	Balance as at 31st March, 2012
Works-in-Progress					
Software Development	2	0	0	0	2
Total	2	0	0	0	2

ANNEXURE OF NOTE-11 INCIDENTAL EXPENDITURE DURING CONSTRUCTION PERIOD ACCOUNT

(₹ in Lakhs)

PARTICULARS		As at 31st March 2012		As at 31st March 2011
Employees Remuneration and Benefits				
Salaries, Wages & Allowances		**12**		16
Benefits to Employees		**0**		1
Leave Encashment		**0**		0
EL Liability		**0**		0
Contribution to Provident Fund		**1**		1
Contribution to Employees Pension Fund		**0**		0
Provision for Gratuity		**0**		0
Staff Welfare Expenses		**0**		0
Total Remuneration		**13**		18
Power		**0**		0
Insurance		**0**		0
Travelling Expenses		**0**		1
Communication Expenses		**0**		0
Printing and Stationery		**0**		0
Misc. Expenses		**4**		5
Legal Expenses		**1**		8
INTEREST ON				
_ Government Loans	**0**		0	
_ Public Deposits	**0**		0	
Total Interest		**0**		0
Security Expenses		**8**		4
Other Rates and Texes		**0**		0
Net Expenditure during the year		**26**		36
Bal. Tfd. to NYO Expansion		**10**		16
Addition during the year		**16**		20
Summary of IEDC Account				
Opening Balance of IEDC		**1,10**		90
Addition during the year		**16**		20
Less:- Capitalised during the year		**0**		0
Adjustment during the year		**0**		0
Closing balance of IEDC TFD. to capital WIP		**1,26**		1,10

NOTE NO.12 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	Market Value as at 31-03-2012	Book Value as at 31-03-2012	Market Value As at 31-03-2011	Book Value as at 31-03-2011
Long Term Investments **Quoted Shares (Fully Paid) At Cost**				
(i) 31 Equity Shares of ₹ 10/-each of Andhra Cement Co Ltd. M. value@ ₹ 9.75 per share on NSE (Previous year ₹ 14.75 per Share)	@	@	@	@
(ii) 280 Equity Shares (Including 180 Bonus Shares) of ₹ 10/- each of ACC Ltd. Converted from 28 shares of ₹ 100 each, New shares certifiactes are awalted Market Value @ ₹ 1359.45 Per share on NSE (Previous Year ₹ 1074.55 per Share)	3	@	3	@
Unquoted Shares (Fully Paid) At Cost				
(i) 1 Equity Share of ₹ 10/- of Assam Bengal Cement Co Ltd.*	-	@	-	@
(ii) 79 Equity Shares of ₹ 10/- each of Jaipur Udyog Ltd.	-	@	-	@
(iii) 40 Equity Shares of ₹ 5/- each of Sone Valley Cement Co. Ltd	-	@	-	@
(iv) 5531520 Equity Shares of ₹10/- each of A P Gas Power Corporation (Incl 2315520 Bonus Shares) (1610680 Shares sold including 134000 Bonus Shares) Balance Held 3920840 Shares of ₹ 10/- each (Including 2181520 Bonus Shares)	3,22 94	2,28	3,22 94	228
TOTAL NON-CURRENT INVESTMENTS		2,28		2,28
Aggregate of Quoted Investments				
Cost	-	@	-	@
Market Value	3	-	3	-
Aggregate of Unquoted Investments				
Cost		2,28		2,28
TOTAL NON CURRENT INVESTMENTS		2,28		2,28

@ Amount less than ₹ 1,00000/-

*** Yet to be transferred in the name of the Corporation**

NOTE No. 13 LONG TERM LOANS AND ADVANCES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
A) CAPITAL ADVANCES		
-Secured, Considered Good	**80**	1,34
-Unsecured, Considered Good	**3,08**	5,32
--Doubtful	**13**	13
Less: Allowance for Bad and Doubtful Advances	**13**	13
Total	**3,88**	6,66
B) Security Deposits	**0**	**0**
C) Deposits		
--Central Exise (Unsecured Considered Good)	**1**	1
-Other Deposits		
-Unsecured, Considered Good	**10,03**	10,99
-Doubtful	**1,90**	1,90
Less : Provision for Doubtful Loans and Advances	**1,90**	1,90
Total (C)	**10,04**	11,00
D) Claim Recoverables (Doubtful and fully provided)	**8,87**	8,91
E) Contractors & Suppliers		
-Unsecured, Considered Good	**5,05**	6,70
-Doubtful	**6,29**	6,35
Less : Provision for Doubtful Loans and Advances	**6,29**	6,35
Total (E)	**5,05**	6,70
Total (A+B+C+E)	**18,97**	24,36

NOTE No. 14 OTHER NON CURRENT ASSESTS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
A) Long Term Trade Receivable		
(Including Trade Receivable on Deffered Credit Term):		
B) Other	**0**	0
C) Deposits	**0**	0
Total	**0**	0

NOTE No. 15 UNAMORTISED EXPENSES: MISC. EXP. TO THE EXTENTNOT W/OFF OR ADJUSTED

(₹ in Lakhs)

PARTICULARS	Balance As at Ist April, 2011	Additions during the year	Adjusted/ Capitalised	Balance As at 31st March, 2012
Quarry Development Expenditure	15,67	1,59	2,28	14,98
Deferred Revenue Expenditure (VRS)	0	0	0	0
Shortages/Losses Pending Investigations	9	0	0	9
	15,76	1,59	2,28	15,07
Less : Provision For Shortages/ Losses	9	0	0	9
TOTAL	15,67	1,59	2,28	14,98

NOTE No. 16 CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Current Investments:		
A) Non Trade Investments		
1) Trade Investments	0	0
2) Other Investments	0	0
Investment in Equity		
Total	0	0
1) Quoted Investments		
Aggregate Amount	0	0
Market Value		
2) Unquoted Investments		
Aggregate amount	0	0
Market Value		
Total	0	0

NOTE No. 17 INVENTORIES
(As Prepared, Valued and Certified by the Management)

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
a) Stores and Spares		
-In Stock	81,54	79,47
-In Transit	43	35
Total	81,97	79,82
b) Work in Progress		
-In Stock	38,65	17,48
-In Transit	0	0
Total	38,65	17,48
c) Finished Goods		
-In Stock	5,82	3,56
-In Transit	6,57	6,12
Total	12,39	9,68
d) Raw Materials		
-In Stock	10,82	11,75
-In Transit	79	16
Total	11,61	11,91
e) Loose Tools		
-In Stock	3	2
-In Transit	0	0
Total	3	2
f) Packing Materials		
-In Stock	74	92
-In Transit	0	0
Total	74	92
g) Coal		
-In Stock	6,92	5,08
-In Transit	1,62	1,13
Total	8,54	6,21
h) Scrap		
-In Stock	3,60	4,08
-In Transit	0	0
Total	3,60	4,08

NOTE No. 17 INVENTORIES
(As Prepared, Valued and Certified by the Management) (Contd...)

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
i) Clinker Purchased		
-In Stock	**2,23**	1
-In Transit	**0**	0
Total	**2,23**	1
Total Inventory	**1,59,76**	1,30,13
Less: Unrealisable Inventory	**10**	10
Grand Total	**1,59,66**	1,30,03

NOTE No. 18 TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
A) Trade Receiveables Outstanding for a period exceeding six months:-		
-Sucured, Considered Good	**0**	0
-Unsecured, Considered Good	**5,74**	5,82
-Doubtful	**10,97**	10,97
Less: Allowances for bad and doubtful debts	**10,97**	10,97
Total (A)	**5,74**	5,82
B) Others Trade Recivables:		
-Sucured, Considered Good	**0**	0
-Unsecured, Considered Good	**16,12**	11,94
-Doubtful	**0**	0
Less: Allowances for bad and doubtful debts	**0**	0
Total (B)	**16,12**	11,94
Total (A+B)	**21,86**	17,76

NOTE No. 19 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Cash in hand	4	3
Remittances in transit	0	1
Cheques in hand	75	3,82
Bank Deposits*	1,51,73	1,66,86
Others (Current Account)	20,99	12,36
Total	1,73,51	1,83,08
Bank Balances had as margin money or as Security against		
Guarantees	13,11	9,51
Letter of Credit	3,79	2,50
Grand Total	1,90,41	1,95,09

*Note: Bank deposits includes deposits of ₹ 1934.54 lacs whose maturity period is more than 12 months.

NOTE No. 20 SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Cenvat Credits, Vat Credits etc.,	5,93	4,70
Contractors and suppliers	10,44	8,95
Claims Recoverable	1	1
Other	8,06	4,80
Employees	23	16
Sub Total	24,67	18,62
-Secured, Considered Good	22	17
-Unsecured, Considered Good	24,45	18,45
-Doubtful	0	0
Sub Total	24,67	18,62
Less: Allowance for Bad and Doubtful Advances	0	0
Total	24,67	18,62

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NOTE No. 21 OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Interest Accrued and due on Lonas and Advances	**30**	32
Interest Accrued on term deposit	**8,99**	8,07
Total	**9,29**	8,39

NOTE No. 22 OTHER INCOME

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
A) Income from		
Rent from Property	**8,33**	7,83
Interest on loans and Advances-Employees.	**1**	1
Receipts form Township	**37**	35
Prior Period Income (Net)	**1,11**	4
(Refer note No. 28 B)		
Sub Total (A)	**9,82**	8,23
B) Income From		
Bank Interest	**18,07**	18,47
Misc. Others	**4,42**	1,88
Sub Total (B)	**22,49**	20,35
Total (A+B)	**32,31**	28,58

NOTE No. 23 COST OF RAW MATERIALS CONSUMED

(₹ in Lakhs)

PARTICULARS		For the year ended March 31 2012		For the year ended March 31 2011
Opening Balance		11,75		9,39
Acquisition during the year				
Limestone Raising, Quarrying & Transportation @ (Refer Detalis below)		24,58		23,93
Other Raw Materials Purchased		13,70		16,75
Sub total		50,03		50,07
Less Closing Stock		10,82		11,75
Total Raw Materials Consumed		39,21		38,32
@ Limestone Raising, Quarrying & Transporation				
Limestone Raising & Payments to Contractors		4,87		5,24
Employees Remuneration & Benefits				
Salaries, Wages & Bonus	3,83		3,09	
Gratuity Paid	31		33	
Benefits to Employees	6		8	
Contribution to Provident Fund	17		12	
Contribution to Pension Fund	9		7	
Leave Encashment	3		7	
Medical Expenses	14		21	
Provision for Gratuity	45		14	
Provision for Earned Leave	25		14	
Stores Consumed		5,33		4,25
Gross Amount	1,89		2,39	
Less: Amount Included under Repairs	87		1,45	
		1,02		94
Power	58		53	
Fuel	38		33	
Rates & Taxes	21		27	
Insurance	1		1	
Royalty & Cess	8,01		7,84	
Quarry Developepment Expenditure Writen Off	2,28		2,75	
Travelling Expenses	2		3	
Other Expenses	1,87		1,66	
Depreciation	10		10	
		13,46		13,52
Repairs-Machinery	84		82	
- Building	9		10	
- Others	56		69	
		1,49		1,61
Sub Total		26,17		25,56
Less: Quarry Development Expenditure		1,59		1,63
Total		24,58		23,93

NOTE No. 24 CHANGE IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2012		For the year ended 31st March 2011	
Semi-Finished Goods				
- Closing Stock	38,65		17,48	
- Opening Stock	17,48		21,36	
		21,17		(388)
Finished Goods				
- Closing Stock	5,82		3,56	
- Opening Stock	3,56		3,08	
		2,26		48
Finished Goods in Transit				
- Closing Stock	6,57		6,12	
- Opening Stock	6,12		2,32	
		45		3,80
Scrap Stock				
- Closing Stock	3,60		4,08	
- Opening Stock	4,08		3,65	
		(48)		43
Total Accretion/(Decretion)		23,40		83

NOTE No. 25 EMPLOYEES BENEFITS EXPENSES

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
Salaries, Wages & Bonus	42,31	33,75
Gratuity Paid	4,44	3,67
Benefits to Employees	64	75
Provision for Earned Leave	1,94	90
Contribution to Provident Fund	2,26	2,73
Contribution to Pension Fund	43	66
Medical Expenses	1,98	2,14
Leave Encashment	1,93	1,98
Provision for Gratuity	2,56	1,62
Staff Welfare Expenses	1,96	1,77
Total	60,45	49,97

NOTE No. 26 OTHER EXPENSES

(₹ in lakhs)

PARTICULARS		For the year ended 31st March 2012		For the year ended 31st March 2011
Power		47,76		44,67
Coal		92,80		60,64
Fuel Oil		1,43		3,86
Rent		26		28
Excise Duty		1,57		1,52
Rates & Taxes		92		1,02
Insurance		28		26
Sub-Total		1,45,02		1,12,25
Repairs & Maintenance				
Plant & Machinery	21,72		12,40	
Buildings	1,50		1,54	
Others	3,83		2,83	
Total		27,05		16,77
Other Production Expenses		7,90		5,13
Tools & Tackles Written Off		2		1
Travelling Expenses		1,14		1,06
Selling Expenses				
Freight on Cement	32,09		30,43	
Handling Charges	8,06		3,48	
Secondary Transporation	1		3	
Octoroi Paid	65		51	
Sales Promotion & Publicity	22		18	
Other Selling Expenses	65		1,44	
Total Selling Expense		41,68		36,07
Freight on Clinker Received		0		0
Running Expenses of Vehicles		41		38
Auditors' Remuneration				
Audit Fee	4		4	
Reimbursement of Expenses	2		1	
In Other Capacity	0		0	
Total Auditors Remunerations		6		5
Cost Audit Fee	1		1	
Cost Audit Expenses	0		0	
Total Cost Audit Expenses		1		1
Subscriptions to CRI & Others		8		8
Losses on Disposal of Fixed Assets		0		0
Communication Charges		41		33
Printing & Stationary		26		26
Hire Charges on Data Processing		3		3
Legal and Professional Fees		80		1,41
Security Expenses		3,46		355
Training of Workers & Supervisors		1		1
Miscellaneous Expenses		3,25		3,11
Payment to Contract Labour		2,82		2,77
Expenses on closed project		10		16
Sub-Total		2,34,51		1,83,44
Stores and Spare Parts				
Gross Amount	24,60		16,08	
Less: Incld. Under Repairs & Maint.	19,54		10,70	
Net Stores & Spares Consumed		5,06		5,38
Packing Materials		11,84		11,65
Total		2,51,41		2,00,47

NOTE No. 27 FINANCE COSTS

(₹ in lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
Interest on		
-Government Loans	**1,67**	29,14
-Deposits From Stockists	**13**	13
-Others	**7,31**	7,56
Total	**9,11**	36,83

NOTE No. 28 (A) EXCEPTIONAL EXTRA ORDINARY ITEMS & ADJ RELATING TO PAST YEARS

(₹ in lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
Exceptional Items		
Income		
Sales and Selling Expenses	**1,55**	0
Waiver of Interest as per Sanctioned Scheme	**0**	28,66
Interest	**1,21**	0
Gratuity	**49**	21
Earned Leave	**21**	17
Salary & Wages	**1,92**	0
Others	**78**	1,06
Freight on Cement	**29**	0
Total Exceptional Income	**6,45**	30,10
Expenses	**0**	0
Total Expenses	**0**	0
Net Exceptional Items Income/ (Expenses)	**6,45**	30,10

NOTE : No. 28 (B) PRIOR PERIOD ITEMS

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
Income		
Raw Matirials	0	0
Stores & Packing Materials	0	4
Employees Remuneration & Benefits	65	0
Sales	0	1
Depreciation	0	1
Freight Charges	0	0
Repairs & Maintenance	0	0
Rates and Taxes	1	0
Insurance/Railway Claims	0	0
Power & Fuel	71	0
Others	0	0
Income on sale of unit (Realisation A/c)	0	0
Total Prior Period - Income	1,37	6
Expenses		
Repairs & Maintencance	0	0
Raw Materials	6	1
Stores & Packing Materials	1	0
Coal	0	0
Employees' Remuneration & Benefits	1	1
Earned Leave Encashment	0	0
Depreciation	1	0
Selling Expenses	0	0
Packing Expenses	0	0
Power & Fuel	0	0
Rates and Taxes	0	0
Freight Charges	0	0
Insurance	4	0
Others	13	0
Total Prior Period Expenses	26	2
Net Prior Period Income / (Expenses)	1,11	4

NOTE No. 29 CONTINGENT LIABILITIES AND COMMITMENTS-TO EXTENT NOT PROVIDED FOR

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
A) Contingent Liabillities		
a) Claims against the company not acknowledged as debts	**4,34,17**	5,45,93
b) Other money for which company is contingently liable	**0**	0
Total (A)	**4,34,17**	5,45,93
B) Commitments		
a) Estimates amount of contracts remaining to executed on the capital accounts and not provided for	**1,91,08**	2,02,07
b) Other Commitments (specific nature)	**0**	0
Total (B)	**1,91,08**	2,02,07
Total (A+B)	**6,25,25**	7,48,00

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NOTE No. 30 NOTES FORMING PART OF FINANCIAL STATMENT FOR THE YEAR ENDED 31ST MARCH 2012

1. No effect has been given in the Accounts for claims/counter claims lodged by the Corporation for ₹ 18959.17 lakhs (previous year ₹ 18955.17 lakhs) which are under arbitration/ pending in Courts etc. as the outcome will be known only when award / decree etc. are given.

2. i) No provision is made or considered necessary for Sales Tax liability on account of non-receipt of 'C', 'D' and F/B-II forms etc. upto the Balance Sheet date for ₹ 571.42 lakhs (previous year ₹ 643.88 lakhs) as the same are expected to be received before final assessment is completed and/or appeals are finalised.

   ii) No provision has been made in respect of demands made for Sales Tax and Property Tex aggregating to ₹ 1964.05lakhs (Previous year ₹ 1823.02 lakhs) as the demands are Sub-judice.

3. Title deeds for land measuring 1.06 acres (Mandhar), 5 Bighas (Bokajan), 3.13 bighas (Rajban), 0.146 hectares (Nayagaon), 495.75 acres (Akaltara), 10.12 acres (Bhatinda Grinding Unit) and lease deeds for 155.83 acres (Nayagaon), 58.81 acres (Adilabad) and 14.20 acres (Delhi Grinding Unit)are yet to be executed.

4. Mining leases in respect of Mandhar 1056.98 acres, Kurkunta 105.22 Hectares, Rajban 621.700 Hectares, Nayagaon 336.85 Hectares, Akaltara 398.65 Hectares, Adilabad 839.393 Hectares and Tandur 1516.07 acres, have expired. Pending renewal except Rajban Unit, of these lease deeds,the limestone is being removed, wherever required for manufacture of clinker/cement on provisional basis.

5. No provision has been made in the accounts for the consideration, if any, payable for acquisition of Government lands outside the CCI, Adilabad Township and used as road from Pump house to National Highway No.7 admeasuring 32 guntas for which alienation orders are awaited from Revenue Department.

6. i) Liability for un-paid Excise Duty amounting to ₹ 21.34 lakhs (previous year ₹ 24.34 lakhs) has been provided for in respect of 14601.864 MT (previous year 13389.250 MT) of naked cement lying in silos as on 31st March, 2012. Liability for cess amounting to ₹ 0.10 lakhs (Previous year ₹ 0.08 lakhs) has also been provided for on cement stock of 14601.864 MT (Previous year 113389.250 MT) as on 31st March, 2012. However, the said treatment does not vitiate true and fair view of Profit & Loss Account of the Corporation.

   ii) Specified industrial units existing before 7th January 2003 and undertaking substantial expansion of atleast 25% by 31.03.2010 are exempted for payment of excise duty on finished goods. However, Excise Authorities intend to levy excise duty on 'Clinker' which is being produced in course of cement production and is being captively consumed. Excise duty on such clinker is estimated to be ₹ 1193.17 lakhs (Previous year ₹ 563.06 lakhs), for which no provision is considered necessary (in respect of Rajban Unit only).

7. Amounts recoverable and debtors include amount aggregating to ₹ 204.21 lakhs (previous year ₹ 174.27 lakhs) due from various parties which are under dispute/court/arbitration. No provision is made or considered necessary in the Accounts in respect thereof since these matters are sub-judice.

8. The shares of various Companies (face value of ₹ 37.79 lakhs) held by late Shri R.K. Dalmia and kept as security with erstwhile Dalmia Dadri Cement Limited against loan of ₹ 214 lakhs taken by him, have been taken possession of in earlier years. Although these shares were valued at ₹ 2.80 lakhs (at realisable value) but were considered doubtful and accordingly, accounted for in an earlier year.

9. Pending execution of lease deed in favour of the Corporation in respect of Building at Scope Complex, New Delhi, the cost thereof of ₹ 266.58 lakhs excluding Electrical Installation of ₹ 5.70 lakhs is being amortised provisionally @ 1.63% per annum by way of depreciation.

10. Share Capital deposit includes ₹ 41.75 crores (Previous Year ₹ 41.75 crores) representing amount converted during the year 1991from loans into equity have been shown as Application Money Pending Allotment for which approval of Ministry, in principle, has already been communicated for conversion of Government of India loans into Equity. However, allotment of shares will be done on receipt of

confirmation of individual loans by the Ministry.

11. A reference was made to Board of Industrial & Financial Reconstruction under section 15(1) of Sick Industrial Co. (SP) Act,1985 vide letter No.SEC/84/96/513 dt.25.4.96. The Company was declared sick vide Hon'ble BIFR letter No.501/96-BENCH IV SOL dt.8.8.96. Hon'ble BIFR in its hearing held on 21.03.2006 has approved the Rehabilitation Seheme prepared by M/s. IFCI (OA) and approved by Govt. of India. The Sanctioned Scheme was circulated by Hon'ble BIFR on 03.05.2006 which inter alia envisaged settlement of secured and unsecured creditors and expansion/technological upgradation of 3 operating plants and closure/sale of remaining 7non-operating plants. As per the sanctioned seheme closure has been made at six units and employees have been separated under VSS except adilabad unit where matter is pending with Hon'ble High Cort of A.P. Further, the Sanctioned Scheme is under implementation

12 i) Relief's and concession in respect of creditors/ State Governments/ Other Govt. Departments and Agencies etc. will be considered appropriately as and when such payment are made and such concession/ relief's become certain without any contingency attached to it or approval for the same is received, as the case may be.

ii) Plan Loan from Govt. of India (interest free) amounting to ₹ 150.90 crores (Previous year ₹ 150.90 crores) will be repaid from the sale proceeds of non operating units as per the sanctioned scheme dated 3rd May 2006 of Hon'ble BIFR. Further, interest accrued on Non Plan Loan provided by Govt. of Indian has been freezed with effect from 01.04.2011. The interest will be paid out of sale proceeds of Non-operating Units.

14. Production at the following units has been discontinued from the dates mentioned against each unit:

(i) Mandhar (Chattisgarh)	06/06/1996
(ii) Charkhi Dadri (Haryana)	14/08/1996
(iii) Akaltara (Chattisgarh)	09/12/1996
(iv) Nayagaon (Madhya Pradesh) & Nayagaon Expn.	30/06/1997
(v) Kurkunta (Karnataka)	01/11/1998
(vi) Adilabad (Andhra Pradesh)	05/11/1998
(vii-A)Delhi Grinding Unit	08/02/1999
B)Bhatinda Grinding Unit	Not commissioned

The Draft Rehabilitation Scheme (DRS) prepared by IFCI (OA) has approved by Hon'ble BIFR in its hearing held on 21.03.2006 and sanctioned scheme circulated on 03.05.2006, envisaged settlement of secured and unsecured creditors and closure / sale of above 7 non-operating units. The market value of the assets in respect of the above 7 units is mentioned in the said scheme. Similarly, the market value of the Assets in respect of units Bokajan, Rajban & Tandur are expected to be much more than the Book Value of the Assets. Hence there is no indication of a potential impairment loss. Therefore no provision for impairment loss has been considered in the Accounts.

14. The special auditor appointed by SBI Caps, Merchant Bankers as per the terms of the MOU/Sale agreement in respect of Yerraguntla Unit had submitted their report which is under reconciliation with M/s. India Cement Ltd. The effect of certain inconsistancies in the final report will be given in the accounts on completion and confirmation of the same by M/s. India Cement Ltd. However, necessary liabilities, as found accruing on date of the sale, has already been considered in the accounts.

15. Deferred Tax Assets/Liabilities are not recognized in absence of virtual certainty of realization of the deferred tax assets within the allowable period under the Income Tax Act.

16. Depreciation on fixed assets is charged off as per rate provided in Schedule-XIV of the companies Act., 1956, except in the cases of certain electrical installation and non plant residential buildings where the same have been charged at rates which are higher than those prescribed in Schedule-XIV of the companies Act., 1956 (details given in Note-10).

17. For classification of current and non current balances under current liabilities, the stipulations contained in the Sanctioned Scheme have been kept in view besides its nature.

18. Keeping in view the nature of business & Georaphical status of the corporation, the segment reporting under As-17 is not applicable.

19. Employees covered under Wage Board Pay Scales have been converted into IDA Pay Scales during the year w.e.f.01.04.2010. The impact of revision of pay scales works out to ₹ 888.98 lakhs.

20. Details of provision as per Accounting Standard-29, refer Note 5& 9

₹*(in Crores)*

Units	Opening Balance		Adjustment/ Paid during the year		Addition during the year		Closing Balance	
Year	**Current year**	Previous year	**Current year**	Previous year	**Current year**	Previous year	**Current year**	Previous year
Gratuity	**29.48**	28.16	**0.16**	0.43	**2.69**	1.75	**32.01**	29.48
Bonus	**0.02**	0.16	**0.02**	0.16	**0.00**	0.02	**0.00**	0.02
Capital Work in Progress	**0.03**	0.03	**0.00**	0.00	**0.00**	0.00	**0.03**	0.03
E.L. liability	**10.86**	10.09	**0.20**	0.26	**2.18**	1.03	**12.84**	10.86
Others	**58.72**	64.00	**99.29**	21.87	**98.82**	16.59	**58.25**	58.72

21. Details of interest due / paid to MICRO SMALL & MEDIUM ENTERPRISES (MSMEs)

₹*(in lakhs)*

S.No	Description	**Current Year**	Previous Year
1.	The principal amount remaining unpaid to supplier as at the end of accounting year	**118.00**	102.90
2.	The interest due thereon remaining unpaid to supplier as the end of accounting year	**258.18**	242.58
3.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the year	**0.00**	0.00
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	**0.00**	0.00
5.	The amount of interest accrued during the year and reianing unpaid at the end of the accounting year.	**15.60**	16.56
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	**258.18**	242.58

22. **Employee's Benefits as per Accounting Standard 15 (Revised-2005)**

The Corporation has adopted Accounting Standard 15 (Revised-2005) - Employees Benefits as per details given below :

i) **Provident Fund**

The Corporation pays fixed contribution of P.F. at pre-determined rates to a separate Trust which invests the funds in permitted securities. The Trust is required to pay a minimum rate of interest on contribution to the members of the Trust. Loss of the P.F. Trust, if any, is borne by the Corporation.

ii) **Gratuity**

The Corporation has a defined gratuity plan. Every employee is entitled to get gratuity as per provision of the Gratuity Act. The liability of gratuity is recognized on the basis of actuarial valuation.

iii) **Leave Encashment**

Leave encashment is payable to the eligible employees who have acumulated EL, HPL etc. the liability towards leave encashment is recognized on the basis of actuarial valuation.

iv) **Other Defined Retirement Benefit**

The Corporation has a Scheme for settlement at home town for employees and dependants at the time of Superannuation. This is recognized in the Profit & loss Account on the basis of actuarial Valuation.

The summarize position of various defined benefits recognized in the Profit and Loss Account and Balance Sheet are as under :-

(in lakhs)

A. Expenses recognized in Profit & Loss Account.

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**
a)	Current service cost	109.07	**118.36**	46.07	**59.68**	0.01	**0.94**
b)	Interest cost	216.18	**226.73**	79.50	**85.73**	2.12	**2.10**
c)	Net actuarial (gain)/ loss recognized in the period	(26.50)	**253.54**	56.30	**193.79**	(2.41)	**(3.25)**
d)	Expenses recognized in the statement of profit & losses	298.74	**598.64**	181.87	**339.20**	0.70	**(0.21)**

B. Amounts recognized in Balance Sheet

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**
a)	Present value of obligation as at the end of the period	2834.17	**3087.15**	1071.64	**1269.31**	26.22	**25.06**
b)	Funded status/ Difference	(2834.17)	**(3087.15)**	(1071.64)	**(1269.31)**	—	**25.06**
c)	Net asset/(liability) recognized in balance sheet	(2834.17)	**(3087.15)**	(1071.64)	**(1269.31)**	(26.22)	**25.06**

C. Change in present value obligation

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**
a)	Present value of obligation as at the beginning of the period	2702.20	**2834.47**	993.77	**1071.64**	26.47	**26.21**
b)	Interest cost	216.17	**226.73**	79.50	**85.73**	2.12	**2.10**
c)	Current service cost	109.06		46.07	**0**	0.99	
d)	Benefits paid	(166.76)	**(345.67)**	(104.00)	**(141.53)**	(0.95)	**(0.95)**
e)	Actuarial (gain)/loss on obligation	(26.50)	**253.55**	56.30	**193.79**	(2.41)	**(3.25)**
f)	Present value of obligation as at the end of the period	2834.17	**3087.15**	1071.64	**1269.31**	26.22	**25.06**

D. Amount for the curent period

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**	31.03.2011	**31.03.2012**
a)	Present value of obligation as at the end of the period	2834.17	**3087.15**	1071.64	**1269.31**	26.22	**25.06**
b)	Surplus/(Deficit)	(2834.17)	**(3087.15)**	(1071.64)	**(1269.31)**	(26.22)	**(25.06)**

E. Acturaial Assumptions

S.No.	Description	As at 31.3.2012	
i)	Retirement Age	60 years	
ii)	Age	Withdrawal rate : Upto 30 years From 31 to 44 Above 44	% 0.0 - 1% - 1%
iii)	Discounting rate		8%
iv)	Future salary increase		6%
v)	Expected return on plan assets		-

23. Balances shown under advances, debtors and creditors etc. are subject to confirmation/ reconciliation. These include certain old balances pending scrutiny and adjustment. Necessary effect would be given on completion of the same.

24. During the year ended 31.03.2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company. Thus previous year figure have been reclassifed/recasted/ regouped and rounded off suitably. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements except for presentation and disclosure where ever required.

	Sd/-	Sd/-	Sd/-
New Delhi	(AJAY KUMAR SHARMA)	(MANOJ MISRA)	(R.P. TAK)
Dated:27/06/12	DY. COMPANY SECRETARY	Director (HR)	Chairman & Managing Director

As per our report of even date attached

ForSPG Associates
Chartered Accountants
Firm Reg. No. 011217N

New Delhi
Dated : 27/06/12

Partner: (SP GOEL)
Membership No. 083131

NOTE No. 31 NOTES FORMING PART OF PROFIT & LOSS ACCOUNT AS AT 31ST MARCH 2012

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2012		AS AT 31ST MARCH 2011	
1. Actual Production				
1.1 Portland cement				
Ordinary	794355	M. Tonnes	825290	M. Tonnes
Pozzolana	60195	M. Tonnes	75150	M. Tonnes
TOTAL	854550	M. Tonnes	900440	M. Tonnes
2. Clinker (A pre cement stage,material & not an additional product)	838065	M. Tonnes	809835	M. Tonnes
2.1 Clinker Purchased	58131	M. Tonnes	9073	M. Tonnes
3. Cement Despatches	853358	M. Tonnes	904348	M. Tonnes
	Quantity M. Tonnes	Value ₹	Quantity M. Tonnes	Value ₹
4. Opening Stock				
Stock at Factory				
Cement OPC	78,69	2,08	1,57,35	2,89
Cement PPC	26,40	74	3,99	9
Stock at Dumps				
Cement OPC	14,67	53	3,65	10
Cement PPC	0	0	0	0
In Transit OPC	1,98,54	6,03	88,11	230
In Transit PPC	2,16	9	72	2
Set/ Damaged Cement				
Cement OPC	66,41	21	42,93	0
Cement PPC	30,16	0	30,16	0
TOTAL	4,17,03	9,68	3,26,91	5,40
Clinker	11,28,30	15,04	16,04,43	19,10
Clinker (Purchase)	56	1	0	0
TOTAL	11,28,86	15,05	16,04,43	19,10
5. Net Sales Incl. self consumption / transfer				
(A) Cement OPC	79,24,29	3,32,73	81,83,57	3,02,03
(B) Cement PPC	5,92,48	0	7,27,22	0
(C) Self Comsumption OPC	5,84	0	30	0
(D) Self Comsumption PPC	5	0	43	0
(E) Export of cement	0	0	0	0
TOTAL	85,22,66	3,32,73	89,11,52	3,02,03
Clinker	0	0	0	0
TOTAL	0	0	0	0
6. a) Closing Stock - Cement				
Stock at Factory				
Cement in Stock OPC	82,97	2,48	95,13	2,08
PPC	33,97	1,18	26,40	74
Stock at Dumps				
Cement in Stock OPC	53,33	2,10	14,67	53
PPC	1,36	6	0	0
In Transit OPC	1,72,58	6,45	1,98,54	6,03
In Transit PPC	2,64	12	2,16	9
Set / Damaged cement OPC	59,37	0	49,97	21
Set / Damaged cement PPC	30,16	0	30,16	0
Total	4,36,38	12,39	4,17,03	9,68

NOTE No. 31 NOTES FORMING PART OF PROFIT & LOSS ACCOUNT AS AT 31ST MARCH 2012 (Contd..)

(₹ *in lakhs*)

PARTICULARS	AS AT 31ST MARCH 2012		AS AT 31ST MARCH 2011	
b) **Closing Stock-Clinker**				
Clinker in Stock	17,59,68	35,91	11,28,30	15,04
Clinker (Purchase)	1,07,11	223	56	1
c) Cement - Used for Testing	0	0	0	0
Stock transfer to unit OPC	0	0	0	0
Shortages during transit OPC	3,49	0	2,75	0
Shortages during transit PPC	0	0	1	0
Total	3,49	0	2,76	0
7. **Clinker - Used for cement grinding**	82,23,93	1,91,75	86,64,65	1,72,28
8. **Raw Materials Consumed**				
Limestone	1,20,64,61	23,77	1,17,89,03	23,21
Laterite	90,33	21	73,60	16
Iron ore	1,72,32	7,01	2,29,17	8,73
Gypsum	2,25,11	5,01	1,99,04	4,15
Fly Ash	97,39	94	44,28	55
Burnt Clay	97,58	37	1,77,49	55
Others	7,73,73	1,90	5,85,14	97
Total Raw Material Consumed		39,21		38,32
9. **Value of Imports calculated on CIF basis in respect of**				
i) Raw Materials	0	0	0	0
ii) Components & Spare parts	0	3,18	0	40
iii) Capital Goods	0	0	0	0
10. **Value of all imported Raw materials, Spare Parts & Components consumed during the Year and value of all indigenous Raw-materials spare parts and components similary consumed and the percentage of each to total consumtion.**				
- Imported	10	6,15	1	32
- Indigenous	90	57,66	99	54,08
Total	1,00	63,81	100	54,40
11. **Amount Remitted in Foreign Currency**	0	0	0	0
12. **Earnning in Foreign Exchange**	0	0	0	0

New Delhi
Dated : 27/06/12

Sd/-	Sd/-	Sd/-
(AJAY KUMAR SHARMA)	(MANOJ MISRA)	(R.P. TAK)
DY. COMPANY SECRETARY	Director (HR)	Chairman & Managing Director

As per our report of even date attached
For SPG Associates
Chartered Accountants
Firm Reg. No. 011217N

Sd/-
(SP GOEL)
Partner
Membership No. 083131

New Delhi
Dated : 27/06/12

NOTE No. 32 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2012

1. Basis of Accounting

The accounts are prepared on historical cost convention adopting the accrual method of accounting except for the following items which are accounted for on cash basis.

i) Liquidated damages/penalties/claims made are accounted for on realisatin and included in miscellaneous Income.

ii) Profit / loss, if any, on surplus / slow moving / non-moving items etc. of stores and spares, is accounted for only in the year of their disposal.

2. Revenue Recognition.

Sales are stated exclusive of Excise Duty and Sales Tax.

3. Land & Amortization.

i) Land given free by the state Government is valued at nominal cost or on the basis of incidental expenditure incurred on its acquisition.

ii) Land free hold under mining lease at quarry and land lease hold with less than 99 years lease is amortized within a period of ten years from the date of commercial production of the respective unit.

4. Investments.

i) Long term investments are stated at cost. Permanent decline in the value of such investments is recognized and provided for.

ii) Current investments are stated at lower of cost and quoted / fair value. Unquoted current investments are stated at cost.

5. Borrowing Costs.

Borrowing Costs that are attributable to acquisition or construction or production of qualifying assets are capitalized as part of the costs of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use, All other borrowing costs are charged to revenue.

6. Inventories.

a) Valuation

i) Stores, spare parts and raw-materials except as indicated in (ii) below are stated at weighted average cost. The obsolete/unserviceable stores and spares when determined, are treated as scrap and valued at net realizable value.

ii) Clinker and other semi-finished goods are stated at lower of unit's weighted average cost or net realizable value on the basis of work back formula. However, in case of negative valuation, it is stated at Nil value.

iii) Finished goods at factories/projects/in dumps or in transit to dumps are stated at lower of units weighted average cost or realizable value. Freight included in selling expenses upto dump is included in value of finished goods lying at various dumps.

iv) The total quantity of various scrap items as at the close of each financial year is valued as per rates available as per latest sale orders for respective items. However, where no such rates are available because of scrap having been generated for the first time or not disposed off earlier,reserve price fixed for disposal of such scrap items is adopted for the purpose of valuation.

b) **Loose Tools & Tackles.**

Tools and tackles are written off over a period of three years.

7, **Depreciation.**

i) Depreciation on fixed assets is charged off on straight line method at the rates as prescribed in Schedule XIV of the Companies Act, 1956.

ii) Depreciation is provided on assets after they are completed and become available for use.

iii) Depreciation on assets added during the year is charged prorata from the month in which these are capitalized and upto the month in which these are discarded, as the case may be.

iv) Any individual asset whose written down value is ₹ 5000/- or less at the beginning of the year is fully depreciated during the year without retaining the residual value as it is considered insignificant.

v) Any individual asset costing upto ₹ 5000/- purchased during the year is taken to gross block and depreciated fully in the same year.

8. **Deferred Revenue Expenditure.**

i) Expenditure on Prospecting and Boring is treated as Deferred Revenue Expenditure and charged off in three to five years after Units go into commercial production.

ii) Expenditure incurred on removal of over-burden etc. at the mines which is utilized for capital works like laying of roads, stockyard, cursher ramp etc. is capitalized. The rest of the expenditure incurred on removal of over-burden etc. is treated initially as 'Deferred Revenue Expenditure' and is charged off over the period for which the limestone exposed out of quarry development is available for exploitation.

iii) The cost of internal partitions and other fixtures in rented buildings are directly charged off in the year of installation, but if the cost is more than rupees one lakh, the same is treated as Defered Revenue Expenditure and is charged off in three to five years.

iv) After start of commercial production of a Unit, initial full charge of high-chrome grinding media is treated as Deferred Revenue Expenditure and written off over a period of three years. However, make up charges are charged to Profit & Loss Account.

v) In case there is no un-utilsed grant/subsidy for Voluntary Retirement Scheme (VRS), then terminal benifits which are attributable to VRS payment equivalent to one and a half months wages for each completed year of service or wages for the balance period of service, whichever is less and notice period pay are deferred and charged off during the remaining period of service of the individuals or in a maximum period of 5 years, whichever is less. However, any expenditure incurred on VRS/VSS on or after 1/4/2003 will be recognized as an expense when it is incurred and charged off wholly in that year itself.

9. **Prior Period/Extra ordinary Adjustments.**

Expenditure / Receipts relating to the particular year, coming to notice after closure of the Accounts i.e. after the cut off date are booked under the relevant head of expenditure / receipt of the next year, if the amount involved is not more than ₹ 10,000/- . In case, the amount is more than ₹ 10,000/- the provisions contained in the Accounting Standard-5 of the Institue of Charted Accountants of India are applied for determination of its accountal under natural head of acounts of current year / Prior Period / extra ordinary Expenditure / Receipts.

10. **Accountal of Foreign Exchange Transaction.**

Foreign loan liabilities are translated at the closing market exchange rates. Gains or losses on settlement of transactions (a) during project period are credited/ debited to the relevant cost of equipment those relating to spares and service are credited / debited to IEDC (b) after project has gone into commercial production, the gains / losses are credited / debited to the relevant cost of equipment but those relating to spares and services are charged off to Profit & Loss Account. Depreciation on such adjustment to fixed assests is adjusted prospectively.

11. Government Grants / Subsidies.

i) Government Grants / Subsidies related to specific fixed assets are deducted from the gross value of the concerned assets in arriving at their book value. Where the grants related to a specific fixed assets equals the whole or virtually the whole of the cost of the asset, the asset is valued at nominal value or on the basis of incidental expenditure incurred on its acquisition/ installation.

ii) Grants for Voluntary Retirement Scheme, Transport Subsidy and other Revenue Grants are deducted from the related expenditure.

iii) Government Grants received under Central Investment Subsidy Scheme included in Central Government Incentive for Industries in backward areas and other similar grants received from the State Governments, where no repayment is ordinarily expected in respect thereof, the grants are treated as Capital Reserve.

iv) Capital/ Revenue Grants/ Subsidies, other than those specified above, are accounted for as per Accounting Standard-12 issued by the Institute of Charted Accountants of India.

12. Claims of the Corporation.

i) Insurance claims are brought to account on the basis of Surveyor's Report and / or on the basis of claims lodged where on account payments have been received. In case, however, where surveyor's Report for events of loss occurred upto 31st March is not received before closing of the Accounts, the disclosure to that effect is made in the from of Notes to the accounts.

ii) Railway claims are brought to account on lodging of the claims.

13. Deposit Works.

In respect of Deposit Works in progress, the same are treated as Corporation's Capital-work-in-Progress and Incidental Expenditure during Construction Period is proportionately added to the Deposit Work when the ownership is transferred and capitalized.

14. Staff Benefits.

i) Provision for gratuity under the Payment of Gratuity Act, 1972 and Company's own Gratuity Scheme is made in respect of all employees in service as on 1st January of each year in accordance with the acturial valuation.

ii) Provision for earned leave / half pay leave etc. which is encashable on retirement or death of an employee is made in respect of employees in service as on 1st January of each year in accordance with the acturial valuation.

iii) Liability for bonus is provided as per the provisions of payment of Bonus Act, 1965 on Unitwise basis and not Corporation as a whole. The liability for bonus for the Corporate Office is provided at a rate which is average of the rates at which the bonus is provided for the other Units.

15. Premium on Redemption of Debentures.

Premium payable on redemption of debentures is charged to Profit & Loss Account/IEDC Account in such equal instalments as the duration of debentures commencing from the year in which debentures are allotted.

16. Pre-paid Expenses.

Expenditure of ₹ 10,000/- or less in each case incurred in advance of the following year(s) are charged off as expenses of the current year.

17. Accounting for Bad & Doubtful Debts/ Loans / Advances etc.

i) Provision is made for doubtful debts/loans and advances when the same is considered doubtful of recovery but chances of recovery subsist.

ii) Amounts are written off, when the efforts for recoveries have failed either due to legal process or where it is considered litigation will not be fruitful and recovery is not possible.

18. Inter unit / Zones / Corporate Office transfers.

i) Finished goods transferred by the Unit are initially valued at Despatch Plan rates and the quantity sold is then settled by the Zones at the actual net realizable value.

ii) Inter Unit/Zones / Corporate Office transfers of Fixed assets etc. are accounted for at book value.

iii) Inter Unit Transfer of clinker is accounted for at its realizable rates (by work back method from cement) and its losses in transit are absorbed in cost by the receiving Unit.

iv) Inter Unit/ Zones / Corporate Office balances are reconciled regularly and balance confirmations obtained.

19. Classification of Expenditure.

i) Expenditure incurred on Repairs & Maintenance of fixed assets, including cost of stores & spares except as shown as in (ii) below, are charged to Profit & Loss Account.

ii) Expenditure incurred on repairs and maintenance of fixed assets including cost of stores & spares that increase the future benefits from the existing assets beyond its previously assessed standard of performance is capitalized e.g. an increase in capacity.

iii) Salaries and Wages

Salaries and wages incurred on Repairs and Maintenance of Plant & Machinery, Building etc. are charged directly to Salaries and Wages account.

iv) Other Sundry Expenses

Expenditure on parks, plantation of trees and purchase of tents and tarpaulins etc. are charged off as revenue expenditure.

20. Indirect Expenses on Expansion Projects/ New Projects Adjacent to the Existing Plant.

The Common expenses on administration, supervision etc. incurred by the existing plants are not charged to the Expansion Project/ New Projects adjacent to the existing plants.

21. Alocation of Corporate Office Expenditure.

Net Revenue Expenditure/Income of the Corporate Office is allocated to all the units and projects under construction on estimates based on the probable benefits or relatable to the different Units or projects as decided by the management to their best assessment and judgement.

New Delhi	Sd/-	Sd/-	Sd/-
Dated : 27/06/12	(AJAY KUMAR SHARMA)	(MANOJ MISRA)	(R.P. TAK)
	DY. COMPANY SECRETARY	Director (HR)	Chairman & Managing Director

As per our report of even date attached
For SPG Associates
Chartered Accountants
Firm Reg. No. 011217N

Sd/-
(SP GOEL)
Partner
Membership No. 083131

New Delhi
Dated : 27/06/12

Cash Flow Statement for the Year ended 31st March 2012

(₹ in Lakhs)

PARTICULARS	Continuing Operation		Discontinuing Operation		Total	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
I. CASH FROM OPERATING ACTIVITIES						
Net Profit/Loss (-) after taxation	39,14	64,47	(19,71)	(37,33)	19,43	27,14
Add:-Adjustment for						
Depreciation and amortisation (net)	4,45	4,40	2,99	3,34	7,44	7,74
Loss on disposal of Fixed Assets	0	0	0	0	0	0
Finance Cost	2,67	2,96	6,43	33,87	9,10	36,83
DRE Adjusted	2,28	2,75	0	0	2,28	2,75
Less:-						
Interest income and Misc recd.	(31,25)	(27,67)	(1,22)	(1,15)	(32,47)	(28,82)
Other - Excess Provision Written Back	(6,14)	(15,80)	(31)	(14,30)	(6,45)	(30,10)
Operating Profit Before Working Capital Change:-	11,15	31,11	(11,82)	(15,57)	(67)	15,54
Change in working Capital :						
Adjustment For (Increase)/decrease in operating Assets:-						
Inventories	(29,79)	(6,44)	13	(1)	(29,66)	(6,45)
Trade receivable	(4,08)	(8,91)	0	0	(4,08)	(8,91)
Short and Long term Loans & Advances	(67)	(13,11)	0	2	(67)	(13,09)
Other Current Assets	(92)	0	1	0	(91)	0
Other Non Current Assets	0	0	0	0	0	0
Adjustment For (Increase)/decrease in operating Assets:-					0	0
Trade Payable	**3,39**	95	**0**	0	**3,39**	95
Other Long and Current Liabilities	**12,12**	133	**(93)**	(626)	**11,19**	(4,93)
Short and Long Term Provision	**10,67**	0	**(15)**	0	**10,52**	0
DRE (Addition)	**(1,59)**	(1,63)	**0**	0	**(1,59)**	(1,63)
Net Cash From Operating Activities	28	3,30	(12,76)	(21,82)	(12,48)	(18,52)
II. Cash Flow From Investing Activities						
Purchase of Fixed Assets	3,88	35	0	2,34	3,88	2,69
Loss on sale of Fixed Asets	0	0	0	0	0	0
Work in Progress	20,79	4,74	0	0	20,79	4,74
Net cash After Investing Activities	(24,39)	(1,79)	(12,76)	(24,16)	(37,15)	(25,95)
III. Cash from Financing Activities						
Share Capital	0	0	0	0	0	0
Funds transferred to non-operating	(11,07)	(51,96)	11,07	51,96	0	0
Loan Repayment to Govt of India	0	(99,48)	0	(29,14)	0	(1,28,62)
Secured & Unsecured Loans	0	0	0	0	0	**0**
Interest and other Receipts	31,25	27,92	1,22	1,15	32,47	29,07
Interest Paid	0	(39)	0	0	0	(39)
Net Cash from Financing Activities						
Net Increase(+)/ Decrease(-) in Cash & cash Equivalents	(4,21)	(1,25,70)	(47)	(19)	(4,68)	(1,25,89)
Cash And cash Equivalents (opening)	1,94,42	3,20,12	67	86	1,95,09	3,20,98
Cash And cash Equivalents (Closing)	1,90,21	1,94,42	20	67	1,90,41	1,95,09

1.Additionl working capital, as when needed, is proposed to be met out of own cash resources.

	Sd/-	Sd/-	Sd/-
New Delhi	(AJAY KUMAR SHARMA)	(MANOJ MISRA)	(R.P. TAK)
Dated : 27/06/12	Dy. Company Secretary	Director (HR)	Chairman & Managing Director

AUDITORS' CERTIFICATE

We have verified the above CASH FLOW STATEMENT of CEMENT CORPORATION OF INDIA LIMITED derived from the audited annual financial statements for the year ended March'31,2012 and found the same to be drawn in accordance therewith.

As per our report of even date attached
For SPG Associates.
Chartered Accountants
Firm Reg. No. 011217N
SP GOEL (Partner)
Membership No. 083131

New Delhi
Dated : 27/06/2012

Details of Investment & Expenditure on Social Overheads

(₹ in Lakhs)

PARTICULARS	As at 31st March 2012	As at 31st March 2011
Capital Investment		
Township	**20,82**	20,82
Vehicles, Furniture & Misc. Equipment	**1,24**	1,24
TOTAL-CAPITAL INVESTMENT	**22,06**	22,06
Expenditure on social overheads		
Upkeep & Maintenance of Township	**27**	47
Depreciation	**33**	35
Subsidised Canteen	**22**	32
Subsidised Education	**82**	75
Subsidised Social & Clutural Activities	**6**	51
Other Expenses	**12**	2
TOTAL	**1,82**	2,42
Deduction : Receipts from Township	**37**	35
Total Net Expenditure on Social Overhead	**1,45**	2,07

AUDITORS' REPORT TO THE MEMBERS OF CEMENT CORPORATION OF INDIA LIMITED NEW DELHI.

1. We have audited the attached balance sheet of Cement Corporation of India Limited, New Delhi as at 31st March, 2012, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated eleven units (Mandhar, Tandur, Charkhi Dadri, Akaltara, Nayagaon, Nayagaon Expansion and Delhi Grinding Unit, Kurkunta, Adilabad, Bokajan, Silchar Grinding unit) audited by the branch auditors appointed by the Comptroller and Auditor General of India and Rajban (Himachal Pradesh), Bhatinda Grinding unit and Corporate Office audited by us.

2. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

4. As required by the Companies (Auditors Report) Order,2003 (CARO), as amended thereto, issued by the Central Government of India in terms of Sec.227(4A) of The Companies Act 1956, we enclose in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the company.

5. Further to our comments in the Annexure referred to in paragraph 4 above, 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 the audit;

b) In our opinion, proper books of accounts, 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 & 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 & Loss and Cash Flow Statement dealt with by this report comply in all material respect with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies act 1956.

e) Vide notification No. 2/5/2001-CL.V dated 22.03.2002 of the Department of Company Affairs, Government of India, Government Companies have been exempted from applicability of the provisions of Section 274(1)(g) of the Companies Act, 1956.

f) The accounts of the company have been prepared on going concern basis despite:

i. It being declared a sick company within the meaning of clause (O) of Sec.31 of Sick Industrial Companies (Special Provision) Act, 1985.

ii. Corporation has accumulated losses far in excess of paid up capital and reserves.

iii. BIFR sanctioned scheme pursuant to its order dated 3rd May 2006 for sale of seven factories of the Corporation including two units under Nayagaon expansion.

The company's ability to remain going concern is largely contingent on the successful implementation of revival scheme as envisaged in the BIFR package [Refer Point no.11 of Note 30). The financial statements do not include any adjustment relating to recoverability and classification of recorded assets and liabilities that may be necessary if the company is unable to continue as going concern.

g) The company has seven factories and a grinding unit at Delhi, where operations were discontinued between the years 1996 to 1999 and a grinding unit at Bhatinda (Punjab) which did not commence production, in respect of which attention is drawn to Point No. 13 of Note 30. In view of the Management, no provision for impairment of assets under AS-28 issued by the Institute of Chartered Accountants of India is required. Similarly, in the case of current assets, loans and advances and other assets at such factories/units, no provision is considered necessary, for decrease, if any, in realizable value.

6. Attention is invited to the following, impact thereof are not presently ascertainable:

a) *Execution of title and lease deeds in favour of corporation in certain cases continues to be pending since long.[Refer Point no.3 of Note 30].*

b) *Mining lease in respect of various units of the Corporation has expired since long. Approval for the renewal is pending in all units except Rajban Unit where 621.70 Hectares of mining lease had expired long back in the Year 1993, which is neither renewed nor any renewal is pending, [Refer Point No.4 of Note 30].*

c) *Non determination and non-provision of the liability arising out of alienation orders still awaited from revenue department in respect of Government land outside CCI's Adilabad Township and used as road from pump house to national highway, [Refer Point No.5 of Note 30].*

d) *Consequent to conversion of loan to Share Application Money of 41.75 Crores, continued to be reported as Share Capital Deposit- Pending Allotment of Shares, is pending for want of clarification on appropriation against specific loans. [Refer Point no.10 of Note 30].*

e) *Effect of inconsistencies pointed out in the special audit report in relation to Yerraguntla unit sold in 1998, have not been considered. [Refer Point no.14 of Note 30].*

f) *Interest on Inter corporate loans of 3700.00 lakhs taken by the corporation has not been provided for after the cut off date of 31st March 2005, in terms of BIFR package.*

g) *In respect of certain units, no provision has been considered necessary for interest on outstanding statutory dues.*

h) *The balances of the Trade receivables, Loan and Advances, Trade Payables, Deposits to and from Parties and other liabilities are subject to confirmation and reconciliation. The financial impact if any, arising out of non-reconciliation is unascertainable, [Refer Point No.23 of Note 30].*

i) *The accounts of the Provident Fund Trust for the year are pending for the audit. In view of the above, impact of the variation in Surplus/Deficit, if any, on the Corporation's accounts is unascertainable.*

j) *The Company does not have details and status of Sales tax Assessments completed and liabilities involved therein. In the absence of the said details, the impact of the same can not be ascertained and quantified. Further as on date, the Corporation is to receive Sales Tax declaration Forms of the value of 571.42 Lakhs, the impact thereof is not ascertainable. [Refer Point No. 2(i) of Note No.30]*

k) *The Corporation has shown entire Inventory of 4971.57 Lakhs in respect of closed Units under Current Assets as against Non-Current Assets inspite of the fact that this inventory is lying as such since long and there is no probability of consuming it in the normal operating cycle of the Units.*

l) *Trade Receivables amounting to 1097.00 Lakhs outstanding for than 3 years have been classified under Current Assets as against Non-Current though they have been identified as Doubtful debts and provided for.*

m) For classification into Current and Non-Current balances of liabilities, the stipulations contained in the sanctioned scheme of the BIFR have been kept in view besides their nature. [Refer Point No. 17 of Note 30]

n) The Corporation had made provision for doubtful debts of 1097.00 Lakhs and provision for doubtful advances, claims & deposits of 838.00 Lakhs long back which is being carried as such in balance sheet. We are of the view that the corporation review the provision made on the basis of status of legal cases filed, if any, and other material/ information available with it on record that indicate chances of recovery. In case, there is no possibility of recovery, amount outstanding may be written off by way of reversal of provision made.

o) The Corporation has trade receivables of 425.79 Lakhs outstanding for more than 3 years as on 31st March,2012 where the recoveries are not forthcoming. The Corporation may review such cases to identity them under doubtful debts as the corporation did such exercise long back.

7. Attention is also invited to the following:

a) *No provision has been made by the Corporation in respect of demand raised by the sales tax authorities aggregating to 1964.05 Lakhs. As a result, profit of the Corporation is overstated to the same extent, [Refer Point No.2(ii) of Note 30].*

b) *Differential amount of interest accrued on Govt. of India Loans upto 31.3.2011 of 166.95 Lakhs has been provided during the current year. As it pertains to earlier years, there fore should have been accounted for under "Prior Period Expenses". Consequently, current year Profit of the Corporation is understated by Rs.166.95 Lakhs.*

c) *No provision amounting to 630.11 Lakhs for the year (upto the Year 1193.17 Lakhs) has been made in respect of excise duty on "Clinker" which is produced in normal course of Cement production and is being captively consumed at Rajban Unit. As a result, the Profit of the Corporation for the year is overstated by 630.11 Lakhs. [Refer Point No.6 (ii) of Note No.30]*

8. Subject to our observations in Para 5, 6 & 7 above and consequential effect thereof, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Notes and Accounting Policies contained in Note No. 30 & 32, give the information required by the Companies Act, 1956 in a manner so required and give a true and fair view:

a) Insofar as it relates to the Balance Sheet, of the states of affairs of the Corporation as at 31st March, 2012;

b) Insofar as it relates to the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and

c) Insofar as it relates to the Cash Flow Statement, of the cash flows of Corporation for the year ended on that date.

FOR SPG ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. No. 011217N

[S.P. GOEL]
PARTNER
M. NO. 083131

DATED :27.06.2012
PLACE :GURGAON

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Paragraph 4 of the Auditors' Report to the Members of Cement Corporation Of India Limited on the accounts for the year ended 31st March, 2012:

As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto and according to the information and explanations given to us during the course of our audit and on the basis of such checks of the books and records as were considered appropriate we report that :

1. **a)** The Corporation has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) The fixed assets at some of the units have not been verified by the management, at some units these were verified in phased manner, and in other units, these were verified once during the year. In cases where such verification has been carried out, no material discrepancies were noticed.

   c) The assets disposed during the year are not significant and therefore do not affect the going concern assumption.

2. **a)** As explained to us, the inventory of the raw materials, finished goods and A & B category of stores and spares at factory was physically verified and as regards the inventory of C category of stores and spares, the management has a system of physical verification such that all items thereof are physically verified at least once in the block of three years. Accordingly a part of such inventory was physically verified during the year. In our opinion, the frequency of verification needs to be increased in view of size and nature of inventory.

   b) The procedures of physical verification of inventories, expect stores & spares followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. In case of stores & spares, at some of the units, such procedures were found not reasonable in relation to the size and nature thereof.

   c) The Corporation has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.

3. **a)** The Corporation has not granted any secured & unsecured loan to the other companies covered in the register maintained under section 301 of the Companies Act, 1956.

   b) Sub clause (b) is not applicable to the Corporation.

   c) Sub clause (c) is not applicable to the Corporation.

   d) Sub clause (d) is not applicable to the Corporation.

   e) The Corporation has not taken any loan, secured or unsecured from companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956.

   f) Sub clause (f) is not applicable to the Corporation.

g) Sub clause (g) is not applicable to the Corporation.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Corporation and the nature of its business with regard to purchase of inventories, fixed assets, sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. According to the information and explanation given to us, we are of the opinion that the Corporation has not entered into any transaction that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

6. According to the information and explanation given to us, the Corporation has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the Paragraph 4 of the Order are not applicable to the Corporation.

7. In our opinion, the Corporation has internal audit system commensurate with its size and nature of business except in case of Rajban Unit and Corporate Office where it is considered inadequate and not commensurate with the nature and their business and the same needs to be strengthened and improved.

8. We have broadly reviewed the cost records maintained by the Corporation pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. In respect of statutory dues :

a) According to the records of the Corporation, the undisputed statutory dues including Provident Fund, Employees State, Insurance, Income Tax, Royalty, Sales Tax, Wealth Tax, Service Tax, Custom Duty, and Excise Duty, Cess have generally been deposited regularly with the appropriate authorities. In the following undisputed cases, the payment is in arrears as at Balance Sheet date for a period of more than six months from the date they became payable :

Nature of Statute	Nature of dues	Amount (₹ in lakhs)
Local Sales Tax	Sales Tax	1725.94
Corporation Tax	NALA Tax	51.13
Corporation Tax	Property Tax	452.24
Excise & Custom	Service Tax	2.29
Excise & Customs	Excise Duty	11.20
Corporation Tax	Royalty	996.14
Corporation Tax	Entry Tax	12.45
State Government	Mining Cess	259.58
Income tax	Interest on Late payment of Income tax	0.23
Central Sales tax	CST	9.40
Local sales Tax	Surcharge / Additional tax	0.16

In some of the above cases, amount stated is inclusive of interest provided for non-payment of outstanding dues. In the absence of relevant information, we are unable to quantify the amount of interest included therein.

b) According to the records, there are no dues of Income Tax, Sales Tax, Wealth Tax, service Tax, Custom Duty, excise duty, Cess which have not deposited on account of any dispute, except the following:

Particulars	Nature of dues	Where Pending	Amount (₹ in lakhs)
Sales Tax	Sales tax	APST Tribunal/ Financial Commissioner/ Appropriate Authority	1940.70
Corp. Tax	Property Tax	MCD, Delhi	23.35

10. The accumulated losses of the Corporation are more than 50% of its net worth. However, the Corporation has not incurred cash losses during the financial year covered by our audit. Corporation has also not incurred cash loss during the immediately preceding financial year.

11. *The Corporation has defaulted in repayment of principal amount of loan and interest thereon. Details are given as under:*

Particulars	Amount (₹ in Lakhs)	Period of default
Inter Corporate Borrowings	3700.00	More than 10 Years
Interest accrued on above	6163.15	More than 10 Years

12. In our opinion and according to the explanations given to us, the Corporation has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

13. The provisions of any special statute applicable to Chit Fund, Nidhi Fund or Mutual Benefit Fund/Societies are not applicable to the Corporation.

14. In our opinion and according to the information and explanations given to us, the Corporation is not a dealer or trader in shares, securities, debentures and other investments.

15. In our opinion and according to the explanations given to us, the Corporation has not given any guarantee for loans taken by others from banks and financial institutions.

16. As per the explanation and the records of the Corporation, it has not raised any term loans.

17. According to the explanations given to us and on an overall examination of the Balance Sheet of the Corporation, we are of the opinion that no fund raised on short term basis has been used for long term investment.

18. According to the explanation given to us, the Corporation has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. According to the explanations given to us, the Corporation has not issued debentures during the year under audit.

20. According to the explanations given to us, the Corporation has not raised any money by way of public issue during the year.

21. According to the explanations given to us, no fraud has been noticed or reported during the year under audit.

FOR SPG ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. No. 011217N

DATED :27.06.2012
PLACE :GURGAON

[S.P. GOEL]
PARTNER
M. NO. 083131

ADDENDUM TO DIRECTORS' REPORT PURSUANT TO SECTION 217(3) OF THE COMPANIES ACT, 1956.

Management's replies to the observations stipulated in the Auditors Report dated 27.06.2012 are given here under:-

Para No. 5 (g)

Provisions already made for loans and advances, current assets of the non-operating units are considered to be adequate. The position regarding impairment of assests of non operating units have been explained to point No. 13 of Note No. 30 of Financial Statement.

Para No. 6 (a) to (m)

The position has been adquately explained in the relevant points in Note No. 30 forming part of Financial Statement.

Para 7 (a)

The matters are sub-judice and outcome thereof cannot be ascertained at this stage. The same has been adequately explained in Point No. 2 (ii) of Note No. 30 of the Financial Statement.

Para 7 (b) (c)

The position has been adequately explained in Points No. 6 (ii) and 12 (ii) of Note No. 30 forming part of Financial Statement.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF CEMENT CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2012

I have to state that the Comptroller and Auditor General of India has **no comments** upon or supplement to the Auditor's Report under Section 619(4) of the Companies Act, 1956 on the Accounts of **Cement Corporation of India Limited** for the year ended 31st March, 2012. These comments may be printed in the Annual Report of the Company.

Sd/-
(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board –II
New Delhi.

Place : New Delhi.
Date : 03.08.2012

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF CEMENT CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2012

The preparation of financial statements of Cement Corporation of India Limited for the year ended 31st March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27th June 2012.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Cement Corporation of India Limited for the year ended 31st March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquireis of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Naina A. Kumar)
Principal Director of Commercial Audit
& Ex-officio Member Audit Board –II
New Delhi.

Place : New Delhi.
Date : 03.08.2012

WORKING RESULTS - UNITWISE

(₹ in Crores)

UNITS	PROFIT(+) LOSS (-) AS PER ACCOUNTS	PRIOR PERIOD ADJUSTMENTS & EXTRA ORDINARY ITEMS	PROFIT (+) /LOSS(-)
BOKAJAN			
2011-2012	**(-)5.82**	**0.00**	**(-)5.82**
2010-2011	4.92	0.00	4.92
2009-2010	12.12	(-) 0.01	12.11
RAJBAN			
2011-2012	**(-)6.93**	**0.00**	**(-)6.93**
2010-2011	1.80	0.00	1.80
2009-2010	12.83	(-) 0.28	12.55
TANDUR			
2011-2012	**51.90**	**0.00**	**51.90**
2010-2011	57.74	0.00	57.74
2009-2010	78.63	(-) 0.40	78.23
CORPORATE OFFICE			
2011-2012	**0.00**	**0.00**	**0.00**
2010-2011	0.00	0.00	0.00
2009-2010	(-) 0.08	0.08	0.00
TOTAL OPERATING UNIT			
2011-2012	**39.15**	**0.00**	**39.15**
2010-2011	64.46	0.00	64.46
2009-2010	103.50	(-) 0.61	102.89
MANDHAR			
2011-2012	**(-)1.29**	**0.00**	**(-)1.29**
2010-2011	(-)4.23	0.00	(-)4.23
2009-2010	(-) 4.09	0.00	(-) 4.09
KURKUNTA			
2011-2012	**(-)1.15**	**0.00**	**(-)1.15**
2010-2011	10.37	0.00	10.37
2009-2010	(-) 4.08	0.46	(-) 3.62
NAYAGAON			
2011-2012	**(-)1.25**	**0.00**	**(-)1.25**
2010-2011	(-) 5.07	0.00	(-) 5.07
2009-2010	(-) 5.07	0.00	(-) 5.07

WORKING RESULTS - UNITWISE (Contd...)

(₹ in Crores)

UNITS	PROFIT(+) LOSS (-) AS PER ACCOUNTS	PRIOR PERIOD ADJUSTMENTS & EXTRA ORDINARY ITEMS	PROFIT (+) /LOSS(-)
AKALTARA			
2011-2012	**(-)2.04**	**0.00**	**(-)2.04**
2010-2011	(-) 7.95	(-) 0.01	(-) 7.96
2009-2010	(-) 7.67	0.00	(-) 7.67
CHARKHI DADRI			
2011-2012	**(-)2.08**	**0.00**	**(-)2.08**
2010-2011	(-) 4.67	0.00	(-) 4.67
2009-2010	(-) 4.50	0.00	(-) 4.50
ADILABAD			
2011-2012	**(-)9.18**	**0.00**	**(-)9.18**
2010-2011	(-) 12.82	0.05	(-) 12.77
2009-2010	(-) 11.57	(-) 0.08	(-) 11.65
NAYAGAON EXPANSION (INCLUDING D.G.U.)			
2011-2012	**(-)2.73**	**0.00**	**(-)2.73**
2010-2011	**(-) 13.00**	**0.00**	**(-) 13.00**
2009-2010	(-) 13.53	0.00	(-) 13.53
YERRAGUNTLA CONTROL ACCOUNT			
2011-2012	**0.00**	**0.00**	**0.00**
2010-2011	0.00	0.00	0.00
2009-2010	0.00	0.00	0.00
TOTAL NON OPERATING UNIT			
2011-2012	**(-)19.72**	**0.00**	**(-)19.72**
2010-2011	(-) 37.37	0.04	(-) 37.33
2009-2010	(-) 50.51	0.37	(-) 50.14
GRAND TOTAL			
2011-2012	**19.43**	**0.00**	**19.43**
2010-2011	27.09	0.04	27.13
2009-2010	52.99	(-) 0.24	52.75

Social Responsibility

Social responsibility has been assuming increasing importance and there is growing awareness among the Corporate Sector these days that every company should contribute positively towards the social goals. One of the protagonists of Social Audit believe three reasons for acceptance of Social Responsibility, they are :

(i) Management has become separate from ownership and is less concerned with the preservation of capital and more interested in performance which can have social component.

(ii) Companies should concern themselves with non-profit social activities.

(iii) Income as a measure of performance has been de-emphasised in favour of future potential and Social image.

Apart from the primary role of increasing the cement production and making cement available in needy, remote and back ward areas of the country, the Corporation has been, suomoto, bestowing considerable attention towards contributing to the Society and the Community at large by adopting villages adjoining its operating units to make them better place to live in. CCI has been providing reasonable medical and educational facilities to the locals through its own health centres and educational institutions. CCI also has been engaging themselves in improvement of other infrastructure like road, water supply facilities and development of non conventional energy sources to the adopted nearby villages. In the commitment of environmental improvements, CCI has been developing parks, play grounds and is also planting/rearing trees.

As part of anti-pollution measures, CCI is commited to make the environment around its factories dust free by installation of ESP systems in the old plants not having this facility. All new plants have these systems already.

The Conventional measurement of profitability and growth as reflected in lthe profit & loss statement and the balance sheet is not adequate enough to reveal extent of contribution business houses had made to the community in discharge of its responsibility to various facets of society. It may perhaps take some more years before we develop suitable techniques for measuring social and community contribution with relative degree of confidence and accuracy. Nevertheless, we have taken inspiration from standards and concepts evolved by David F. Linowes and the Abt, Associates Annual Report 1972 which provide guidelines to draw social statement of various social events enarating as by-products of a business activity.

CCI has been making efforts to bring out “Social Account” by drawing upon the guidelines of “Abt. Associate Annual Report 1972' with such modifications as considered suitable. This is the Twenty fifth year in succession in which such an account is being projected and included in the Annual Report of the Company.

The Social income statement comprises three substatements each showing Company’s social impact separately on staff, community and the general public comparing the benefits vis-a-vis the detriments (Costs) to the Society. In this connection, it may be taken note of that Social Accounts are “Society’s statements” and not of the Company, as they portray the total social benefits drawn by the Society from the Company’s multifarious operations as well as the detriments developed on the society due to the Companies activities.

Social Accounts/Social Income Statements

(₹ in lakhs)

PARTICULARS			2011-2012	2010-2011
I.	**Social Benefits and Costs to Staff**			
	A.	**Social benefits to Staff**		
	1.	Medical and hospital facilities	2,54.60	3,08.67
	2.	Educational facilities	91.00	81.10
	3.	Canteen facilities	32.00	40.05
	4.	Recreation, entertainment and cultural activities	9.26	52.54
	5.	Housing and township facilities	2,16.14	1,86.51
	6.	Water Supply, concessional electricity and transport	68.47	51.41
	7.	Training and career development	1.50	1.11
	8.	Provident Fund, gratuity, Bonus & Insurance benefits	10,71.16	9,34.12
	9.	Holiday, leave encashment and leave travel benefits	4,15.00	4,03.57
	10.	Other benefits	2,66.00	2,52.70
	Total benefits of Staff		24,25.13	23,11.78
B.	**Social Costs to staff**			
	1.	Lay off and involuntary termination	—	—
	2.	Extra hours put in by officers voluntarily	85.57	5.92
	Total cost of Staff		85.57	5.92
	Net Social Income to Staff-I(A-B)		23,39.56	2305.86
II.	**Social Benefits and Costs to Community**			
	A.	**Social Benefits to Community**		
	1.	Local taxes paid to Panchayat/Municipality	47.01	69.87
	2.	Environmental Improvements	5.79	16.50
	3.	Generation of job potential	71,89.67	48,66.53
	4.	Generation of business	4,23.18	3,26.20
			76,65.65	52,79.10
	B.	**Social costs to Community**		
	1.	Increase in cost of living in the vicinity on account of the Cement Plant	105.80	6,10.22
		Net Social income to community-II(A-B)	75,59.85	46,68.88
III.	**Social Benefits and Costs to General Public**			
	A.	**Social benefits to General Public**		
	1.	Taxes, duties, electricity charges, etc. paid to the State Government	86,38.89	84,02.32
	2.	Taxes duties Railway Freight etc. paid to the Central Government	66,63.15	51,81.57
	Total Benefits to General Public		1,53,02.04	1,35,83.89
	B	**Social Costs to General Public**		
	1.	State services consumed-Electricity service	48,34.00	45,19.68
	2.	Central services consumed Telephone, Telegrams,	15.82	32.60
	3.	Postal services and Banking	9.01	9.89
		Total Social Costs to General Public	48,58.83	45,62.17
		Total Social Costs to General Public III (A-B)	1,04,43.21	90,21.72
NET SOCIAL INCOME TO STAFF COMMUNITY AND GENERAL PUBLIC (I+II+III)			2,03,42.62	1,59,96.46

Social Balance Sheet

(₹ in lakhs)

	LIABILITIES	As at 31.03.2012	As at 31.03.2011		ASSETS	As at 31.03.2012	As at 31.3.2011
I.	ORGANISATION EQUITY	22,06.11	22,06.11	I.	SOCIAL CAPITAL INVESTMENT		
				1.	Township land	48.37	48.37
				2.	Buildings		
					i) Township (Residential & Welfare Buildings)	1725.63	17,25.63
					ii) Canteen Buildings	28.38	28.38
				3.	Township water supply & sewerage	1,57.99	1,57.99
II.	SOCIAL EQUITY			4.	Township Roads	39.00	39.00
	Contribution by staff	2,69,29.91	2,56,40.60	5.	Township Electrification	41.33	41.33
				II.	OTHERS SOCIAL ASSETS		
				1.	Hospital Equipments	5.82	5.82
				2.	Hospital Vehicles/ Ambulances	29.38	29.38
				3.	School Equipments	1.37	1.37
				4.	Club Equipments	14.03	14.03
				5.	Playgrounds/parks	3.55	3.55
				6.	School Buses	94.13	94.13
				7.	Others	17.13	17.13
				III.	HUMAN ASSETS	2,69,29.91	2,56,40.60
		2,91,36.02	2,78,46.71			2,91,36.02	2,78,46.71

Our Employees-Our Greatest Assets

(i) HUMAN RESOURCES

"Human Resources" are of vital importance and significance to an enterprise and constitute a primary segment of the total resources held. A peculiar aspect of "Human Resources" is that while these have infinite potential yet whatever is realised out of this resources is generally akin to the tip of the iceberg the remaining whole lot lying submerged untapped. Deliberate efforts have therefore, to be made to augment the gap between 'Actual' and 'potential' "Human resources" may also be branded as "Mother Resources" through the medium of which other scare resources viz. Machines, material, money are organised, co-ordinated, directed and controlled. Maximum realisation of the Potentialities of this "Mother Resources" is of crucial importance for the success of an enterprise. The in-house management and leadership styles the participative, collaborative and supportive climate, the motivational environment, care concern and fellow feelings for each other, the freedom and flexibility to operate within given frame-work of organisational goals and objectives productivity oriented performance yard sticks and continued management's positive awareness for training & development effort to keep the threat of human obsolescence at bay are some of the essential inputs for tapping this resource of human assets. Besides, the human resources, the highly perishable by mere efflux of time unless they are effectively and meaningfully put to use continually.

CCI is fully conscious of these phenomena and gives utmost attention and priority to maintain the human assets in fine fettle. The procurement, development, compensation, integration and maintenance of human resources are thoughtfully planned, skilfully organised, carefully controlled and deftly directed so as to secure the meaningful and the individual's needs, organisational goals and social objective are successfully accomplished.

A good insight into existing human potential can be well perceived through the profile of the human power distributed professionwise and agewise 36.82% of the total employees strength of CCI represent technically and professional qualified, degree/diploma holders. As such 24.70% of total strength of the organisation are in the age group of 26-50 year. However, average age of our employees comes to 53 years. The broad distribution of CCI's human force is as under:

Professional Profile

Sl. No.	PARTICULARS	No. of employees As on 31.3.2012	As on 31.3.2011
1.	Post Graduate Engineers	**2**	2
2.	Engineers with MBA	**2**	1
3.	Graduate Engineers	**35**	25
4.	CA/ICWA/SAS/ACS	**7**	9
5.	MBBS	**0**	1
6.	MBAs	**30**	21
7.	Engineer Diploma Holders	**69**	46
8.	Professional Diploma holders	**24**	49
9.	Post Graduate	**46**	55
10.	Graduates	**138**	189
11.	ITI Certifecate Holders	**165**	202
12.	Others	**389**	388
	TOTAL	**907**	988

The age wise and category-wise distribution of employees as on 31.3.2012 is given below :

CATEGORY	31-35	36-40	41-45	46-50	51-55	56 & Above	Total	Avg. Age
	YEARS							
Executives	1	4	11	33	57	16	122	51
Supervisors	-	-	7	22	90	33	152	53
Artisans (Skilled workers)	-	1	10	45	109	89	254	54
Semi Skilled	-	1	4	40	77	46	168	53
Clerical & other Supporting Staff	-	-	3	21	50	38	112	54
Unskilled	-	1	4	16	13	65	99	53
TOTAL	1	7	39	177	396	287	907	53
Percentage	0.11	0.77	4.30	19.51	43.66	31.65	100	53

The dichotomy in accounting between human and non-human capital is rather fundamental in that while latter is recognised as an asset and recorded as such in the financial statements, the former is totally ignored with the accelerated growth in science and technology the value of human Capital is gradually increasing and hence it is essential for a company to reflect the investment in human resources.

In the absence of clear cut, well defined and universally accepted model for evaluation of the economic worth of human assets of a company an attempt has been made to assess the same, by working out the present value of the anticipated future earnings of the employees taking into account the present pay scales and the promotional policies being followed. The computation has been based on the guidelines and principles enunciated in the economic models developed by Lev and Schwartz. (1971) Eric Flamholtz (1974) and Taggi and Lau (1974) with appropriate modifications found necessary.

The total value of human assets of the company evaluated on the lines indicated above is as follows :

CATEGORY	As at 31.3.2012		As at 31.3.2011		As at 31.3.2010	
	Value in Lakhs (₹)	No. of Employees	Value in Lakhs (₹)	No. of Employees	Value in Lakhs (₹)	No. of Employees
Executives	65,03.49	122	58,10.88	112	61,36.80	120
Supervisors	63,73.55	152	61,30.41	164	56,62.62	174
Skilled Workers	70,91.33	254	76,81.53	301	58,27.97	351
Semi-Skilled Workers	35,26.87	168	33,91.77	175	27,34.33	179
Clerical & Other Supporting Staff	19,76.06	112	14,85.62	127	19,52.62	140
Unskilled workers	14,58.61	99	11,40.39	109	14,38.56	114
TOTAL	2,69,29.91	907	2,56,40.60	988	2,37,52.90	1078

II. EMPLOYMENT PREFERENCES

The Company is conscious of its obligations to the havenots of the Society. As a deliberate policy reservation are made in the matter of recruitment, promotion etc, and special care is taken to ensure adequate representations on its rolls for physically handicapped person's ex-servicemen and those belonging to the hitherto deprived sections of the society such as Scheduled Casts and Tribes.

III. INDUSTRIAL RELATIONS

Industrial relations in the company continued to be cordial during the year, regular discussions and interactions are conducted with the Trade Unions and employees at various forums to resolve differences and improving industrial relations.

IV. WELFARE FACILITIES

It has been our constant endeavour to progressively increase, within resource constraints, the facilities and amenities available to the employees by way of providing residential, schooling, Medical, canteen, transport and other welfare facilities. The number of quarters provided in township, its population, number of schools provided assisted by the Corporation, number of students on the roll of these schools and the number of dispensaries as on 31.3.2012 are given below :

Sl. No.	Name of the Unit	Number of Quarters	Population in Township	No. of Schools	No. of Students	No. of Dispensaries
1.	Mandhar (Chattishgarh)	342	08	-	-	-
2.	Kurkunta (Karnataka)	369	04	-	-	-
3.	Bokajan (Assam)	452	1066	6	714	2
4.	Rajban (HP)	449	950	2	416	2
5.	Nayagaon (MP)	632	04	-	-	-
6.	Akaltara (Chattishgarh)	411	03	-	-	-
7.	Charkhi Dadri (Haryana)	259	08	-	-	-
8.	Adilabad (AP)	359	280	-	-	1
9.	Tandur (AP)	338	850	1	541	1
	TOTAL	3611	3173	9	1671	6

V. ACTIVITIES & PERFORMANCE PER EMPLOYEE

The performance & other indices of the corporation for the year 2011-2012, 2010-11, 2009-10, measured in terms of per employee are as follows:-

Sl.	PARTICULARS	Unit	2011-12	2010-11	2009-10
1.	Production	MT	**9,42**	9,11	8,98
2.	Sales turn over	₹	**4,08,96,36**	3,36,92,33	3,35,55,72
3.	Profit/(Loss)	₹	**21,42,22**	27,45,75	48,93,23
4.	Payments of Employees	₹	**72,52,48**	54,88,01	46,59,53
5.	Interest on sums borrowed	₹	**10,04,41**	37,28,15	34,80,71
6.	Provisions for replacement of assets	₹	**8,20,28**	7,83,72	8,34,36
7.	Social over heads	₹	**1,59,87**	2,10,23	1,25,95
8.	Value added	₹	**2,32,57,99**	1,90,79,09	2,11,11,17
9.	Contribution to exchequer	₹	**94,24,72**	66,64,92	20,46,48
10.	Capital investment on social benifits	₹	**23,34,55**	22,32,90	6,17,57,98
11.	Total Capital investment	₹	**1,10,17,64**	1,01,14,47	2,55,40,58
12.	Capital employed	₹	**(21,34,51)**	16,55,46	2,75,32,75

CCI'S Objectives

1. To achieve a pioneering and leading position in the exploration, prospecting and proving cement grade limestone reserves and deposits to sustain ambitious growth plans of the Corporation, in particular and of the cement industry, in general.

2. To emerge as a growing and important leader in the production of cement in the country by creating additional capacity either by expansion or by improved technology or by setting up new cement plants.

3. To emerge as a leader in setting up capacities in deficit/remote areas for removing existing regional imbalabces of production and consumption in pursuance of the national policy in this regard.

4. To emerge, resultantly as the largest seller of cement in the country and to continue to perpetuate and improve upon the same position by constant increase in the production capabilities.

5. To develop and enter export market for export of cement particularly, to neighbouring South East Asian countries.

6. To undertake detailed and scientfic scanning of the marketing potentialities for development and diversification into areas of cement based building materials such as AC sheets, pipes, sleepers, ready mixed concrete and to undertake appropirate research studies for development of other building binding materials as a substitute for cement.

7. To occupy position both of dominance and eminence in the Research and Development in different fields of cement technology and process and also bring about new innovations in the design, layout and other technical specifications of new cement plants and other related auxiliary inputs to the cement industry.

8. To develop capability and to sustain, perpetually, sound technical and engineering knowledge to render technical Consultancy services both in the field of plant lay out as well as in the cement process technology both within and outside the country.

9. To develop expertise and sustain sound practices in project management by application of modern management techniques of planning, monitoring review and process of the projects undertaken to ensure their completion within sanctioned costs without any time overrun.

10. To ensure sound commercial policies, customers acceptance and satisfaction for the Corporation's products and other services.

11. To develop confidence in the customers and to sell products/services of high quality and prices determined from time to time by the Government and to sustain a sound image for the products supplied and services rendered which are the results of latest sophisticated technology and manufacturing techniques.

12. To generate a participative culture and management style which will create good in-house working conditions and job satisfaction to all employees, to ensure fair wages commensurate with their performance, create a sense of involvement and belonging to the Corporation, instill a sense of confidence in the matter of their career growth and advancement and create an atmosphere of mutual respect and goodwill amongst all sections of the employees.

13. To sustain continuous development of managerial talent so as to ensure their best contribution in the matter of utilisation of resources placed and their disposal for managing and to provide adequate training and development opportunities for all our workmen.

14. To develop organisation structure with well defined objectives and responsibilities to create an atmosphere where freedom to function and flexibility to perform is ensured for all according to their ability, capacity, resourcefulness and initiative.

15. To develop internal resources to sustain future growth of the Corporation as envisaged.

16. To put in its humble mite and fulfil its social and community obligations by pursuing national policies in regard to development of rural and backward areas to the extent resources of the Corporation could be deployed.

17. To review from time to time the environmental impact of setting up of our industries and to continuously find ways and means to offset/ minimise impact of such environmentral pollution.

Salient features of our Units

MANDHAR (Distt. Raipur, Chhattisgarh)

This is the first unit of the Corporation, which went into production in July, 1970 adopting the wet process and this was expanded to produce slag cement from November, 1978. The slag requirement is drawn from Bhilai Steel Plant.

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**3.80**	3.80	3.80
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(1,28.85)**	(4,23.24)	(4,08.80)

The production remained suspended due to unit being unviable.

KURKUNTA (Distt. Gulbarga, Karnataka)

This is the second wet process unit which went into production from October, 1972.

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**1.98**	1.98	1.98
Production (in lakh tonnes)	**-**	-	-
Value of Production (₹ in lakhs)	**-**	-	-
Profit/(Loss) (₹ in lakhs)	**(1,14.94)**	10,36.59	(3,61.92)

BOKAJAN (Distt. Karbi Anglong, Assam)

This unit is located in diffcult area in Karbi Anglong Distt. of Assam, set up more from a socio economic point of view of serving the neighbouring areas with cement, rather than only from normal economic consideration. Limestone for this unit is transported, by ropeway 18 Kms long, passing through difficult terrain. The unit went into production from1st April, 1977.

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**1.98**	1.98	1.98
Production (in lakh tonnes)	**1.03**	1.33	1.50
Value of Production (₹ in lakhs)	**58,34.98**	60,71.26	63,10.89
Profit/(Loss) (₹ in lakhs)	**(5,82.38)**	4,92.88	12,11.28

RAJBAN (Distt. Sirmur, Himachal Pradesh)

This is yet another unit located in a hilly and difficult area. In addition to normal communication being difficult, the unit is serviced for both inward movement of materials and outward movement of finished products by road trasport for a considerable lead, as the Unit does not have nearby rail head. The entire production of this factory has to be distributed by road. From the quarry situated in the hills, limestone is transpoted by a ropeway of 9 kms. The unit is in commercial production from April, 1980.

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**2.48**	2.48	2.48
Production (in lakh tonnes)	**1.40**	1.57	1.87
Value of Production (₹ in lakhs)	**71,61.87**	58,00.78	68,34.04
Profit/(Loss) (₹ in lakhs)	**(6,93.01)**	1,80.32	12,54.91

NAYAGAON (Distt. Mandsaur, Madhya Pradesh)

This unit with an annual installed capacity of 4 lakh tonnes went into commercial production from 1st March, 1982.

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**4.00**	4.00	4.00
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(1,24.70)**	(5,06.75)	(5,07.38)

Expansion project by another 10 lakh tonnes was undertaken on the concept of split location i.e. clinkerisation at Nayagaon and grinding of clinker at Delhi and Bhatinda. Clinkerisation plant at Nayagaon and grinding unit at Delhi have gone in to commercial production from 1.5.90.

NAYAGAON Expn. Including DGU & BGU

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**5.00**	5.00	5.00
Production (in lakh tonnes)	**-**	-	-
Value of Production (₹ in lakhs)	**-**	-	-
Profit/(Loss) (₹ in lakhs)	**(2,73.42)**	(13,00.00)	(13,53.54)

AKALTARA (Distt. Bilaspur, Chhattisgarh)

This unit went into commercial production from 1st April, 1981.

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**4.00**	4.00	4.00
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(2,03.62)**	(7,95.62)	(7,66.57)

The production remained suspended due to unit being unviable.

CHARKHI DADRI (Distt. Bhiwani, Haryana)

This was a sick unit taken over by the Government of India and vested with CCI in June, 1981. After rehabilitation within a short period, cement grinding was started by September, 1981 and clinker production started subsequently. Out of two streams, only one was capable of rehabilitation.

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**1.74**	1.74	1.74
Production (in lakh tonnes)			
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(2,08.03)**	(4,66.99)	(4,50.43)

The production remained suspended due to unit being unviable.

ADILABAD (Distt. Adilabad, Andhra Pradesh)

This unit went into commercial Production from Apri, 1984

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**4.00**	4.00	4.00
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(9,17.80)**	(12,77.43)	(11,65.31)

TANDUR (Distt. K. V. Ranga Reddy, Andhra Pradesh)

This unit went into commercial production from 1st July, 1987

	2011-2012	2010-2011	2009-2010
Installed capacity (in lakh tonnes)	**10.00**	10.00	10.00
Production (in lakh tonnes)	**6.11**	6.10	6.31
Value of Production (₹ in lakhs)	**2,64,84.22**	1,84,13.77	202,80.76
Profit/(Loss) (₹ in lakhs)	**51,89.78**	57,73.10	78,22.65