49th Annual Report 2012-13

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Cement Corporation of India Limited
New Delhi

49TH ANNUAL REPORT-2012-13

Audit Committee

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

Statutory Auditors

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

Registered Office

Cement Corporation of India Ltd.
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

Central Bank of India

Branch Auditors

M/s MKA Associates
Chartered Accountants,
Adilabad-504001

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

M/s. S S R & Co.
Chartered Accountants,
Rohtak-124001

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

M/s. Jyoti Agrawal & Co.
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

Cost Auditors

1. **M/s. Jugal K. Puri and Associates**
   Cost Accountants
   K-19 (G.F.), South Extension
   Part-II
   New Delhi-110049

2. **M/s B.V.R & Associates**
   Cost Accountants
   Flat No. 101, R.V. Naipunya
   H. No.6-3-628/3, Anand Nagar
   Khairatabad, Hyderabad-500004

3. **M/s Jain Nathulal & Co.**
   Cost Accountants
   315, Shreemanta Market
   3rd Floor, A.T. Road
   Guwahati-781001

BOARD OF DIRECTORS 2012-13

Shri R.P. Tak
Chairman & Managing Director

Shri Harbhajan Singh
Director
(upto 05-06-2013)

Shri S.K. Goyal
Director

Shri S.S. Mehlawat
Director
(w.e.f. 05-06-2013)

Smt. Divjot Kohli
Spl. Director

Shri Manoj Misra
Director-HR

Shri S.C. Agrawal
Director-Fin.

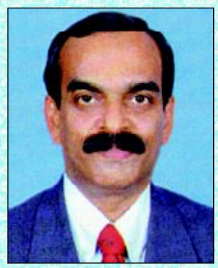
Shri V.K. Aggarwal
Director
(upto 08-09-2013)

Shri Pankaj Agarwal
Director
(upto 08-09-2013)

HEADS OF DEPARTMENT (CORPORATE OFFICE)

Smt. Manisha Saxena-IAS
Chief Vigilance Officer

Shri R.N. Sinha
Executive Director (MKTG)



Shri Saju.S. Dominic
GM (HR)

Shri A.K. Bhardwaj
Addl.GM (Non Optg. Plants)

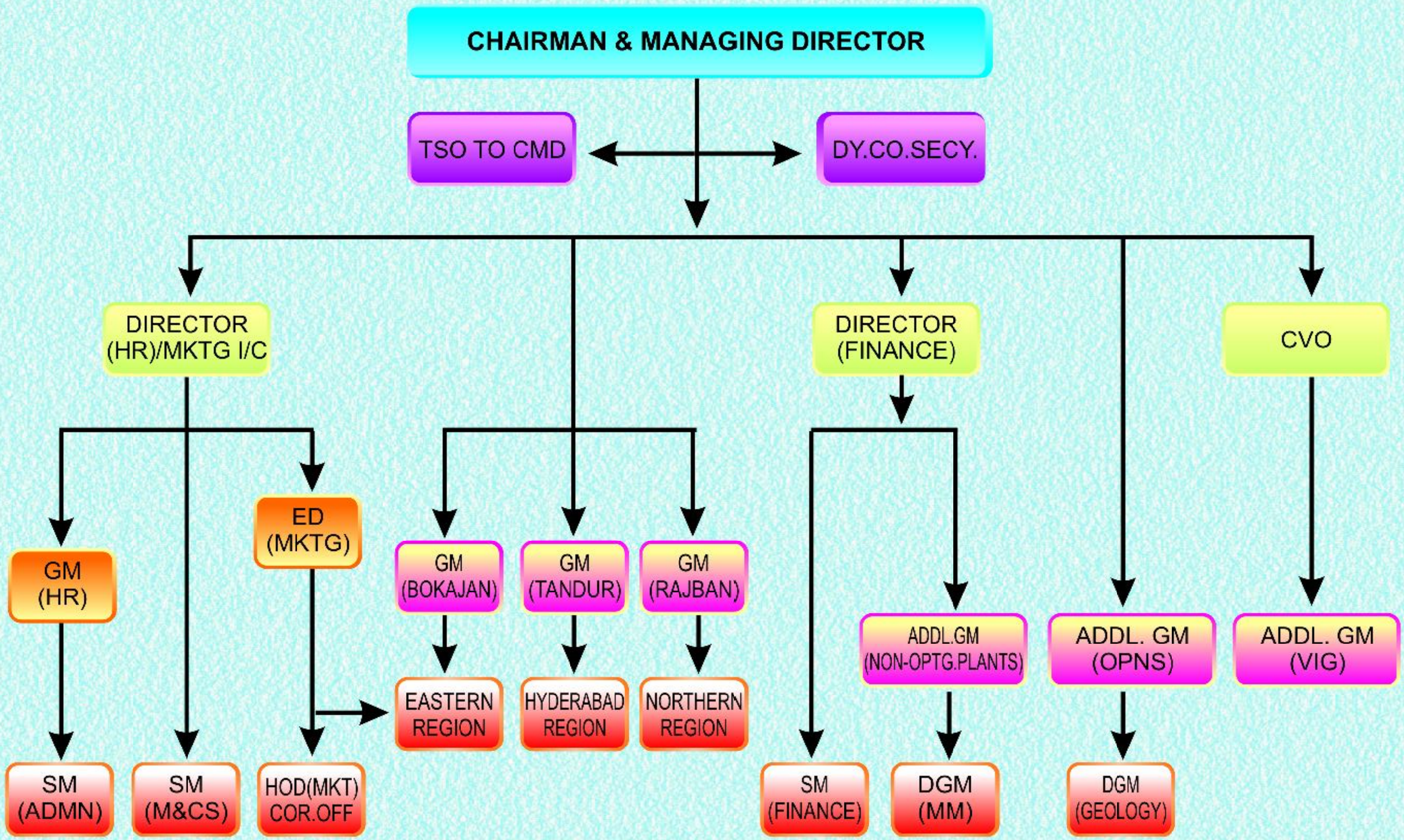
Ms. Saraswati Devi
Addl. GM (Opns.)

Dr. Ashok Kothari
Addl. GM(P)/TSO)

Shri A.B. Deyashi
SM (Fin.)

Shri Ajay Kumar Sharma
Dy. Company Secretary

ORGANISATION CHART



GENERAL MANAGERS - OPERATING PLANTS

Shri A. K. Srivastava
GM- Tandur

Shri V.K. Pandey
GM- Rajban

Shri G.K. Singh
GM-Bokajan

MARKETING HEADS

Shri K. Venkat Ramaiah
Sr. Manager (Mktg.) - Hyderabad

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

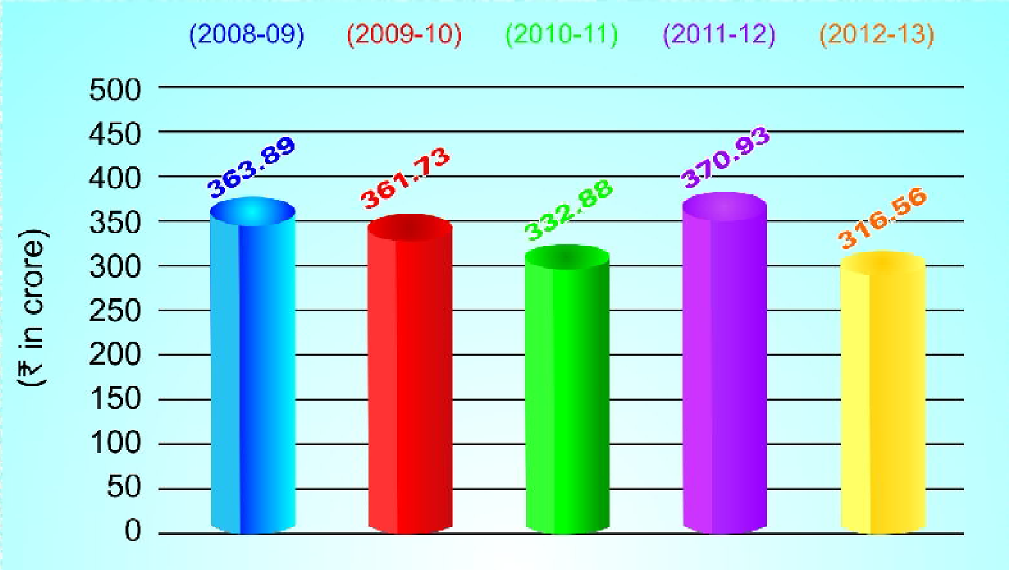
Shri A.K. Sarkar
Sr. Manager (Mktg.) - Bokajan

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

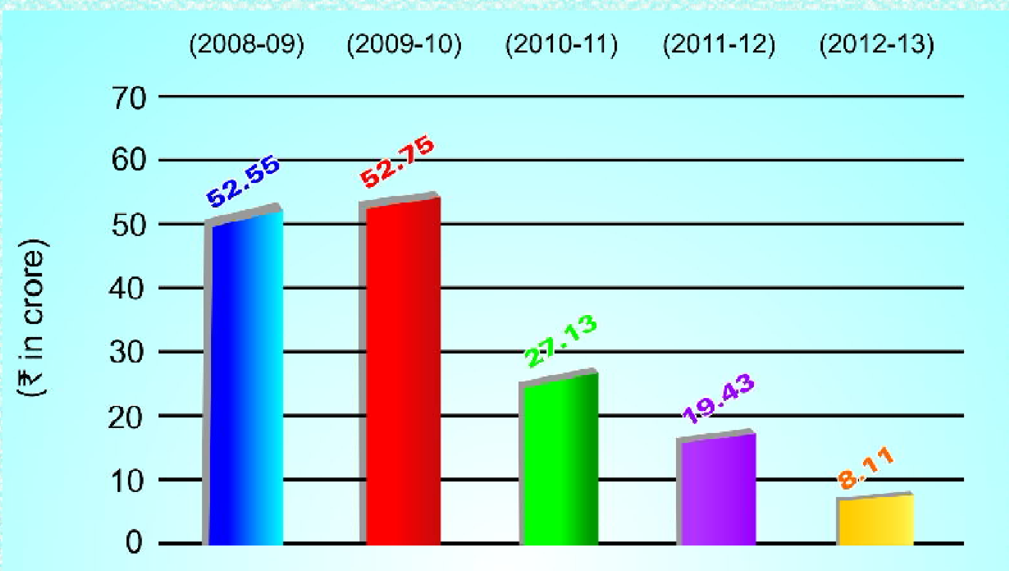
Shri R. D. Prasad
Manager (Mktg.) - Tandur

Shri S.P. Varma
Manager (Mktg.) - Pune

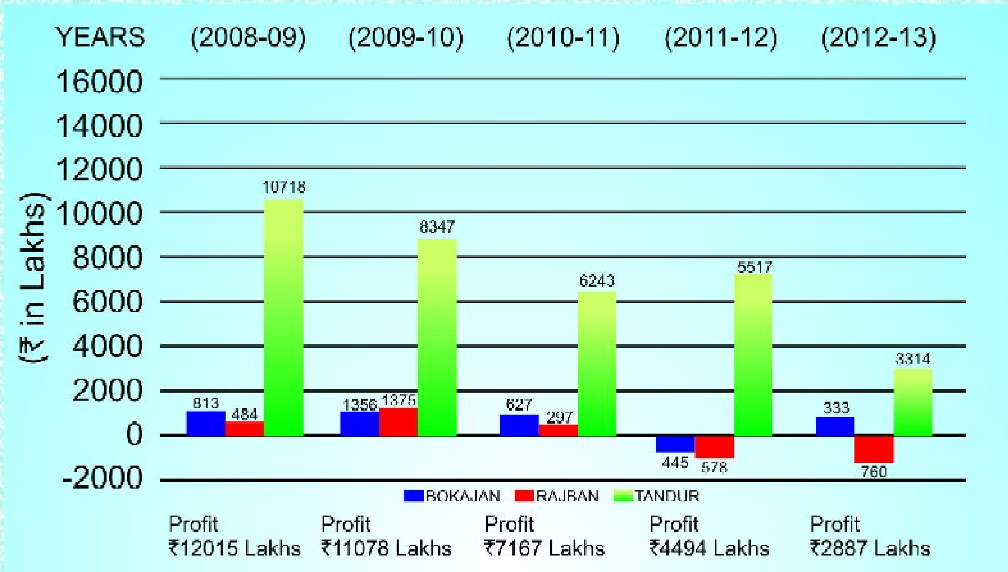
TURNOVER OF THE CORPORATION



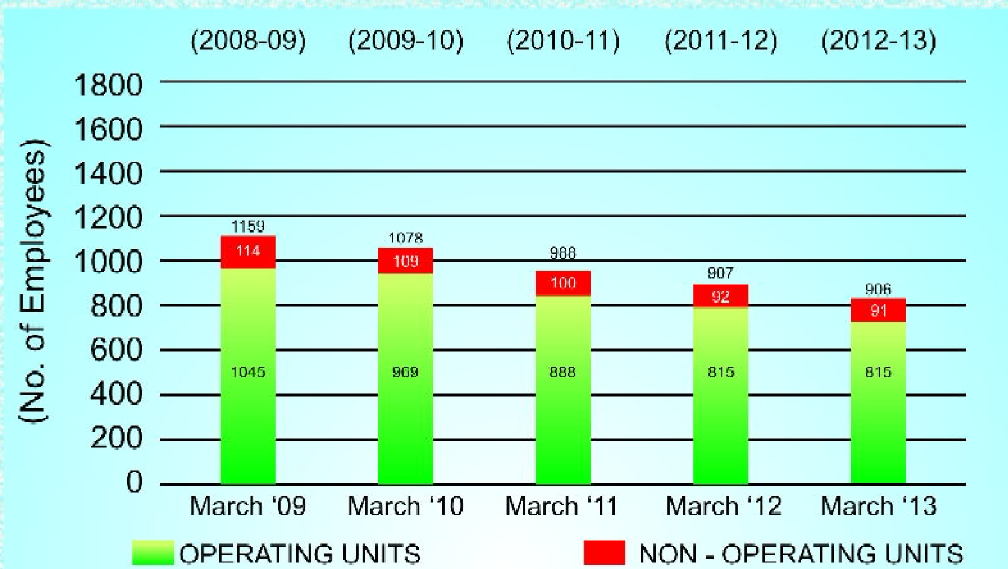
NET PROFIT OF THE CORPORATION



OPERATING PROFIT OF OPERATING UNITS



MANPOWER POSITION



AWARDS GALORE

1. Various Prizes were won by Tandur Unit organised by Mines Safety & Productivity Council 2012 A Group Mines Category in over all performances on various categories.

Mines Performance Category

Hem Machinery	Second Prize
Environmental & Health Management	Second Prize

Trade Test Category

Blasting	First Prize
Diesel Mechaninc	First Prize
Drilling	Second Prize
Dumper Operations	Third Prize

Safety Slogan Category

Hindi	First Prize
English	Second Prize
Telugu	Second Prize

2. Award/Prizes won by Manal Limestone Mine, Rajban unit During 2012-13

(A) Mines Safety Week 2012-13 at Bhimtal, Kathgodam (Uttrakhand).

Trophy for Publicity & Propaganda	Third Prize
Prize for Trade test for Electrician	First Prize
Prize for Trade test for Fitter	Second Prize
Prize for Trade test for Drill & Comp. Operator	Second Prize
Prize for Trade test for HEO	Third Prize
Prize for First Aid	Third Prize
Prize for Trade test for Blaster	Third Prize

(B) Mine Environment & Mineral Conservation Week 2012-13 at Panchkula (Haryana)

Award For Air & Water Pollution Control Measures	Second Prize
Award For Waste Dump Management & Reclamation	Second Prize
Award For Afforestation	Third Prize

3. **5th Mines Environment and Mineral Conservation Week: 2012-13 was celebrated from 18th Feb. to 24th Feb. 2013 at Shillong :**

"Waste Dump Management"	1st Prize
"Reclamation and Rehabilitation"	1st Prize
"OVERALL"	2nd Prize
"Noise and Vibration Survey"	3rd Prize
Paryabaran bhandhu Awards	Rs. 1100/-

4. **"Xth METALLIFEROUS MINES SAFETY WEEK was Celebrated from 04.02.2013 to 07.02.2013. at Shillong:**

Second Prize	(Health and Welfare)
Conciliation Prize	(Safe Working)

5. 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.

6. 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 Tandur unit 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 Bokajan unit 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.

7. CCI has been awarded the 'All India Organisations of Employees Industrial Relations Award' for the year 1993-94 for promoting sound Industrial Relations environment.
8. May Day Award 1994.
9. Bokajan Cement Factory has bagged the National Safety Award for the year 1990.
10. 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.
11. 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.
12. 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).
13. 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).
14. 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).
15. 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.
16. 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.

Speech of the Chairman at the 49th 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 49th Annual General Meeting of the Company. I consider it an honour to place before you the Audited Balance Sheet as on 31st March, 2013, 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

During the year 2012-13, the development of cement industry was impacted by sluggish economic growth. Govt. impetus to drive infrastructure and rural housing augurs well for the industry. The Twelfth Five Year Plan is under way and financial allocations for infrastructure is quite significant. Besides in the Budget 2012-13, Govt. has also allocated around ₹60 billion for rural housing which is 50% more than the last year. Govt. has also provided additional interest benefit for housing loans. These initiatives will accelerate cement demand and drive the performance of cement industry as a whole, as also of CCI.

The Indian economy demonstrated remarkable resilience in the initial years of the contagion but finally lost ground in the year 2012-13. Gross Domestic Product growth slowed down to a 10 years low at 5%. There was a marked deceleration in agriculture, industry and services. Dampening sentiments lead to a cut back in investments as well as private consumption expenditure – two principal drivers of growth.

Inflation remained at high level, fuelled by the pressure from the food and fuel sectors. The large fiscal and current account deficit continued to cause a grave concern.

The year 2012-13 started with a growth in cement industry at a rate of 7.1% but ran out of steam by the year end in March, 2013. The despatches were pushed by the companies in anticipation of improvement in cement market. This led to glut and pressure on prices which again lead to drop in prices all-over India and especially in South India where over-production not only spoilt the southern market but also played a major role in adversely affecting the markets in North as well as in Eastern Region of the country. The high volume of production which was pushed in the market worsened the cement market and made adverse impact on the prices which crashed drastically and continues to move in southward direction.

Company's Performance

With the backdrop of negative growth in the markets catered by the company's plants and stoppage of production for around 3 months at Tandur plant, for replacement of kiln shell and other allied equipments, has resulted in lower production which has ultimately affected the overall performance of the company. During the year, total sales turnover including excise duty is ₹ 316.56 crores and the net profit of the company as a whole is ₹8.11 crores against a net profit of ₹ 19.43 crores.

The market which normally shows buoyancy in the months of January onwards, saw a massive dip due to restricted Govt. release of funds and roll-out of major projects. Even the private infrastructural developed companies were kept out of the market. These companies also pulled out from the major ongoing projects as funds have not been released by the Govt. On one hand, the cement prices have decreased heavily while on the other hand, the cost of production of cement and transportation including Railway freight has increased disproportionately squeezing the profit margin of the company.

The lower demand of cement during the year under review and the abnormal increase in the input cost were the main reasons which affected the profitability of the company adversely. The company has also resorted to austerity measures to reduce the operating expenses and economies are also being brought in wherever feasible to rationalize the overheads and other expenses.

The year in retrospect

During the year, 7.05 lacs MTs of cement was sold. There was a shortfall of 1.47 lacs MT as compared to the previous year which is mainly due to lower production at Tandur plant where the production was stopped for replacement of kiln shell and modernization of other allied equipments. The realization during the year was ₹ 204.48 per bag against ₹ 195.04 per bag in the previous year.

Quality Management

Specific emphasis continued to be on quality of cement produced at all the three operating plants. In order to ensure continued confidence of customers in the quality of our products, monthly cement samples were tested for complete physical and chemical parameters in reputed Govt./private laboratories. However, company is also pursuing to acquire ISO certification for its Bokajan and Rajban plants.

Ongoing projects

Your Company continued to experience shortage of technical manpower to monitor ongoing projects activities. However, to accomplish the task of projects, the executives deployed for operational activities at the units are also being utilized for project activities. To fill the gap, recruitment of project personnel including Management Trainees in various disciplines was also undertaken. The projects are running behind the schedule but all-out efforts are being made with available resources to complete the projects.

Turnaround Award

It is matter of great pleasure to inform you that your company has been chosen for the prestigious 'SCOPE Excellence Award" for the year 2010-11. The award shows the hard work put in by executives and employees as well as meticulous planning over the years by the Management which has resulted into CCI getting such a coveted award.

Corporate Governance

CCI believes in financial prudence, customers' satisfaction, transparency, accountability and commitment to stake holders. CCI practise good governance based on its stated beliefs and the guidelines Govt. issues from time to time and go a long way to enhance value for all those who are associated with the Corporation i.e. shareholders, customers, suppliers, creditors, Govt. of India, State Governments, Govt. agencies/ Departments and associated at large. A separate section under the heading Corporate Governance has also been annexed with the Directors' Report.

Looking Ahead

Your Company is in the process of increasing capacity and modernization of operating plants. The investment required is being made from its own resources, whereas, as per Sanctioned Scheme, same were to be funded from the sale proceeds of 7 non-operating plants. The replacement of old equipments with energy efficient equipments has also been undertaken.

To professionalize the overall operations and optimize the business processes across the organization, your Company is implementing latest Enterprise Resources Planning (ERP) solution in its various plants, Regional offices which are to be configurated with the Corporate office.

Sale of non-operating units

Your company is making all-out efforts to dispose off the non-operating units as envisaged in the Sanctioned Scheme. In this regard, Asset Sales Committee is re-constituted as per directions of Hon'ble BIFR during the year which is headed by officials of IFCI (Monitoring Agency). Several meetings were held during the year. In case of Akaltara, Mandhar, Nayagaon & Kurkunta, invitation of Global Expression of Interest for outright sale of these four units on "as is where is basis" was issued in various leading newspapers on 12th August, 2013. Corporation is expecting a positive response in this regard.

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 & 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 : 25th September 2013

(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 49th Annual Report of your Company along with the audited accounts for the year ended 31st March, 2013, the Auditor's Report and the Report of the Comptroller & Auditor General of India.

2. Financial Highlights 2012-13 Vs 2011-12

(₹ in Crores)

	As on 31.03.13	*As on 31.03.12*
Sales Turnover	316.56	370.93
Profit /(Loss)	8.11	19.43
Depreciation	8.11	7.44
Cash Profit / (Loss)	16.22	26.87
Interest	0.91	7.90
Operating Profit/ (Loss)	17.13	34.77

The net profit during the year is decreased to ₹ 8.11 crores as against net profit of ₹ 19.43 crores during the previous year. The dispatches during the year were 7.06 lakhs MT of Cement as against 8.53 lakh MT during the previous year. The decrease in profit is primarily on account of reduction in production and dispatches due to shut down of Tandur Plant for about 3 months for major repairs/ upgradation and sluggish market conditions.

3. Industry Scenario

View of Tandur Plant

Cement is one of the core industries and primarily contributes to infrastructural growth. The Indian cement sector is the second largest market in the world and contributes 8% to the global cement production. Cement being a cyclical commodity and is directly proportional to the country's GDP growth. The installed capacity of cement increased to 360 million tones by the end of 2012-13. However, supply glut has resulted in lower capacity utilization.

The cement demand in the country grew relatively by fast pace during the first half of 2012-13, backed by extended construction period due to delay in monsoon and housing and real construction activities under the Govt. schemes across most of the regions. However, in the second half, demand dampened due to slow down in the construction activities and cut down in Govt. spending. The overall cement demand in India grew by 5% in 2012-13.

4. Capital Structure

The Corporation has not received any amount as equity from Govt. of India during the year under review and company's capital at the year end continued to be at ₹ 811.41 crores. However, share certificate for ₹ 41.75 crore has been issued during the year, which was shown earlier as "Share Application Money Pending Allotment."

5. 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**	
	11-12	**12-13**	**11-12**	**12-13**	**11-12**	**12-13***	**11-12**	**12-13**
CAPACITY UTILISATION Of CEMENT(%)	52.19	67.35	56.56	56.6	61.09	43.4	59.10	48.96
CLINKER PRODUCTION (MT)	117745	122270	153010	95005	567310	482880	838065	700155
CEMENT PRODUCTION (MT)	103335	133350	140275	140360	610940	434295	854550	708005
DESPATCH(MT)	105109	133100	137243	140051	611006	432463	853358	705614

*The production at Tandur Unit remained suspended for around 3 months for replacement of kiln shell and other allied equipments.

During the year 2012-13, the following non-operating units of the Corporation, except Adilabad remained closed:-

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

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 50 tph capacity.

(Expansion of Bokajan being inspected by CMD)

The Work Order for capacity Expansion of Bokajan Cement Factory has been awarded on turnkey basis at a total cost of ₹ 142.40 crore on 30th September, 2010. Civil works are in progress. The project is expected to be completed by 2014-15.

The Work Order for Setting up of Silchar Grinding Unit of 50 TPH has also been awarded on turnkey basis at a total cost of ₹ 39.68 crore on 30th September, 2010. However, no appreciable progress could be achieved so far. The main reason for delay has been the condition of site i.e. unevenness as expressed by the contractor. However, the contractor has been advised to expedite the work.

Technology Upgradation at Tandur

As envisaged in the Sanctioned Scheme, technology upgradation scheme at Tandur has been taken up for implementation :

Fourteen schemes have been completed. Balance schemes are under various stages of implementation. Status of major ongoing schemes are as under :

(1) Orders for the three energy saving 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 and 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.

(Technology upgradation of Tandur Plant)

Trial runs have been taken in respect of Cement Mill-I & II and the works relating to raw mill & kiln feed sections are also in advanced stage of completion and commissioning is expected to be done shortly.

(2) The Work Order for design, engineering, manufacture, supply erection & commissioning of ESP and clinker cooler on turnkey basis has been awarded to M/s Andrew Yule (Govt. of India Enterprise), Kolkata at a total cost of ₹ 10.85 crore. The work is in progress.

(3) Action for floating tenders on turnkey basis for close circuiting of ball mill for manufacture of PPC, Replacement of the existing 8 Nos. conventional cyclones at VRM outlet by 4 Nos. new generation high separation efficiency cyclones, Replacement of existing classifier in VRM by a new generation high efficiency classifier, Replacement of existing PH top stage cyclones by new low pressure drop high efficiency cyclones, Replacement of the existing kiln burner by multi channel burner, Installation of suitably designed magnetic separator at coal mill inlet belt etc. have been initiated.

With the help of these equipments, the efficiency of Tandur plant will be increased alongwith saving on power bills.

(View of Arial ropeway at Rajban Plant)

6. Marketing

The performance of CCI during the financial year under review was under pressure. The cement despatches were only 7.06 lakh MT. There was shortfall of 1.47 lac MT in comparison to previous year. This shortfall was due to major maintenance of Tandur Unit, which affected dispatches for more than three months.

The company faced constraints in enhancing profitability due to increase in cost of production - raw materials, freight cost and other elements. The realization of company improved at Rajban Plant by 5.10% and Bokajan by 9.46%. However, at Tandur, the realization marginally reduced due to sluggish market, poor demand and stiff competition due to many new companies entering into the market. The company has posted ₹ 316.56 crore sales turnover during the financial year 2012-13.

In order to cut down the loading time of cement into railway wagons, mechanical loaders and electronic packers have been installed at Tandur Cement Plant, which has helped in reducing the time considerably from 16 to 18 hrs on an average to 11 to 13 hrs.

A heavy duty Weigh Bridge (80 MT) have also been installed which helped in enhancing supply of loose cement in bulk to major potential buyers like RMC plant, Power Project etc.

To enhance the marketing network, especially in the State of Karnataka and Maharashtra, more attention has been given to dispatch of cement through road from the Factory. This has enabled the company to penetrate newer markets such as Gadag, Bagalkot, Belgaum, Koppal, Bellary and Hospet.

Major strategic activities have also been undertaken during the year for expanding marketing net work and increasing sales:-

- MOU signed with Malabar Cement Ltd, for sale of cement and clinker in Kerala State.
- Network of Dealers expanded in Karnataka, Andhra Pradesh, Maharashtra, North and Eastern market by adding more than 100 dealers in the financial Year 2012-13.
- New Dumps/Market network established in South for covering new market area for Tandur - Gadag, Bagalkot, Belgaum, Koppal, Bellary and Hospet.
- Reduced storage expenses by taking strategic decision to shift from daily rented plan to monthly rented plan with CRWC.
- Monitoring at Corporate level for Sales, collection and outstanding led to better control and enhanced sale in the market.
- Procured Bulk order for loose cement generated at better realization to improve the profitability of Tandur Unit.

7. Customer Care

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

8. Quality

(View of Bokajan Plant)

Quality aspects are given utmost importance in all the three operating units of CCI. Regular quality monitoring and control activities from raw material stage to product stage are being done in own well equipped laboratories by well qualified and trained personnel. Besides, cement samples are tested for complete physical & chemical parameters in reputed govt. laboratories such as NTH, NCB etc.

CCI, Tandur is already having ISO 9001 certification. Action has been initiated for obtaining ISO 9001 certification at Rajban & Bokajan units also. Tandur unit is in the process of obtaining ISO 14001.

9. Implementation of ERP

In today's fast paced technological environment, for faster decision making computerization of all functions of the organization has become imperative. Our company is also going ahead for adoption of technology to help management to take faster and informed decision in a transparent environment by computerization of all the activities of the Corporation. Our company has taken up ERP project which once implemented shall completely transform the working environment of the organization, augment the efficiency and bring about transparency. The process of implementation of ERP across all units, Marketing Offices and Corporate Office has started and going ahead with full pace. The end-to-end consultant for the purpose of implementation of ERP was appointed during the month of September, 2012. The 'As is Study' to identify all the activities being carried out in the organization is almost complete and full implementation of ERP is scheduled for January, 2015.

10. Human Resource Management & Industrial Relations

(Bokajan Cement Factory receiving the Second Prize)

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.

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. In order to have an extensive study of manpower restructuring, the company has appointed M/s Administrative Staff College of India(ASCI), Hyderabad for conducting the study of manpower in the Corporation. The officials of ASCI have visited all the operating plants, Regional Offices and Corporate Office. The team has collected requisite data. A preliminary report in this regard has been submitted by the ASCI to the Management and some suggestions were given to the company which are to be incorporated in the report. After receiving the consolidated and final report, suitable manpower restructuring will be taken up.

12. Official Language Implementation

(Prize Distribution on the Hindi Pakhawara)

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 activities of 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.

13. Compliance with Corporate Governance

CCI is a Central Public Sector Enterprise and the entire shareholding is held by Govt. of India. The company has been making efforts continuously towards raising the standards of Corporate Governance. Report on Corporate Governance as per DPE guidelines is enclosed.

14. Activities and achievements of the Vigilance Department

Like other disciplines, Vigilance is also an important management function. The prime function of the vigilance is to create vigilance awareness amongst its employees at all levels in the Corporation and to promote the culture of honesty, efficiency and transparency in the decision making. The existing guidelines, system and procedure are examined with a view to simplify the same and plug the loopholes giving scope for indulging in malpractices. The 'Agreed List' and 'List of Officers of Doubtful Integrity' have been prepared and officers figuring in the List are posted to non-sensitive areas.

(Vigilance Awareness Week)

As a part of preventive vigilance, surprise and regular checks are also conducted in sensitive areas. Property Returns are scrutinized. The review of vigilance activities is being regularly undertaken by the Board of Directors of CCI on Half Yearly basis. All complaints with vigilance angle are looked into in accordance with the CVC's guidelines. CCI's Whistle Blower Policy has also been implemented. The CVC's instructions on leveraging of technology on e-tendering, e-payment, Right to Information Act, Vigilance complaint section and other statutory information are being implemented and uploaded on CCI's web site.

In the punitive side, it ensured that deterrent action is taken against the erring employees. The principle of fair play is practiced in vigilance and efforts have been made that no guilty official should go scot-free and the punishment should commensurate with the gravity of misconduct proved against the employee(s). All prescribed Returns pertaining to vigilance activities are being sent to CVC/DHI, etc. regularly.

15. Status of sale of CCI Units

Sale of Non-Operating units is in progress under guidance of Assets Sale Committee constituted by Hon'ble BIFR. The valuation of Mandhar, Akaltara, Kurkunta and Nayagaon units has been finalized and Global Expression of Interest (EOI) has been invited with last date of submission EOI as 2nd September, 2013. The response of EOI is encouraging and action is being taken to expedite the sale process.

16. 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 31.03.2013 - 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.

17. 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.

18. Auditors

M/s. SPG Associates, Chartered Accountants, Gurgoan were appointed as Principal Statutory Auditors for the year 2012-13 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. Jyoti Agrawal & Co., M/s. S S R & Co., M/s. Luharuka and Associates were appointed as Branch Auditors. The report of the Statutory Auditor and replies thereto, and comments of the Comptroller & Auditor General of India and are annexed to this report.

19. Audit Committee

The Audit Committee discussed in detail the draft Annual Accounts for 2012-13 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.

20. Board of Directors

During the period under review, Shri Harbhajan Singh (Govt. nominee) ceased to be Director of the Company. In his place, Shri S.S. Mahlawat, Deputy Secretary, Govt. of India, Department of Heavy Industry joined the Board (Govt. nominee) w.e.f. 5.6.2013. Shri V.K. Aggarwal and Shri Pankaj Agarwal who had been appointed as Part-time Non-official (Independent) Directors have ceased to be Directors on the Board of CCI w.e.f. 8.9.2013 on completion of their tenure.

21. Acknowledgement

Board acknowledges the support and guidance to 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, PESB, 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, New Delhi. The Directors wish to place on record their deep appreciation for the dedication of employees of the Corporation.

Place : New Delhi
Date : 25th September 2013

(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. Idle running of compressors and other auxiliary drives is eliminated/ minimized by close monitoring and synchronization with the running hours of the main equipment.

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

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

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

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

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

vii. 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.

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

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

x. Low wattage luminaries have been installed in place of high wattage MV/SV lamps in plant as well as in colony areas.

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

1. **Electricity**

			(2012-2013) (Operating Units only)	(2011-2012) (Operating Units only)
a)	**Purchased**			
	i)	Units	103706130	122902111
	ii)	Total amount	463040561	473466984
	iii)	Rate per Unit	4.46	3.85
b)	**Own generation**			
	i)	Through Diesel Generation Unit (KWH)	2238716	767656
		Unit/ liter of diesel oil (KWH/litre)	2.93	2.56
		Cost per Unit(₹/KWH)	11.28	15.42
2.	**Coal**			
	i)	Qty.consumed (Tonne)	167024	202484
	ii)	Total Cost(₹)	788974759	928047625
	iii)	Average rate (₹/MT)	4723.72	4583.31

Consumption per unit of production

i)	Electricity (KWH/ tonne of packed cement incl. Township)	150 *	146
ii)	Booked coal (kg./kg. of clinker/ production)	0.2386	0.2416
iii)	Coal Quality (UHV) (K.Cal/kg. of coal)	4158	4150

*** Power consumption at Tandur was higher due to the power consumed during shut down period when clinker production was totally stopped. Besides, the total production at Tandur in the year was also low due to the shut down of 3 months.**

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.8 are undertaken.

ii) Benefits derived as a result of the R&D: Proper maintenance of quality of cement.

iii) Future plan of action:

iv)	**Expenditure on R&D (2012-13) :**	**₹ in crores)**
a)	Capital	——
b)	Revenue	3.40
c)	Total	3.40
d)	Total R&D Exp. As a % of total turnover	1.07

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 far 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.

Total foreign exchange used and earned :	**(₹ in Crores)**
Total foreign exchange used during the year	NIL
Total foreign exchange earned during the year	NIL

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance:

The philosophy of the Company in relation to Corporate Governance is that Cement Corporation of India Ltd (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.

The Company is committed to confirming to the highest standards of Corporate Governance.

2. Board of Directors:

i. Size of the Board:

Cement Corporation of India Limited is a Government company as defined under Section 617 of the Companies Act, 1956. As per the Articles of Association of the company, the power to appoint directors rests with the President of India. The strength of the Board shall not be less than 3 Directors and not more than 12 provided that the number of independent directors in any case shall not be less than one third of the actual strength of the Board.

ii. Composition of Board :

The Board of CCI comprises eight Directors out of which three are functional Directors including the Chairman & Managing Director and two are Part-time official Directors, who are nominees of the Administrative Ministry, Government of India, one Special Director is BIFR nominee and two are part time non-official Directors.

The name and categories of Directors, their attendance in Board Meeting held during the year and at the last Annual General Meeting as well as the number of Directorship and Committee (Audit Committee) positions are given in Table 1.

Table 1: Categories of Directors and the Directorship and Committee positions held by them

SN	Name of Directors	Board Meeting held during the tenure of Directors	No. of Board Meeting Attended	Attendance in AGM (held on 18.09.2012)	No. of Directorship held* as on 31.03.2013	No. of Committee membership held on 31.03.2013
Functional Directors:						
1.	Shri R.P. Tak (Chairman & Managing Director)	04	04	Yes	NIL	NIL
2.	Shri Manoj Misra Director (Human Resource)	04	04	Yes	NIL	NIL
3.	Shri S.C. Agrawal Director (Finance) from 05.09.2012	03	03	Yes	NIL	NIL
Government Nominee Directors:						
4.	Shri Harbhajan Singh.	04	04	No	07	NIL
5.	Shri R. Asokan (Upto 21.05.2012)	0	0	No	NIL	NIL
6.	Shri S.K. Goyal (w.e.f. 21.5.2012)	04	04	Yes	03	NIL
Independent Directors:						
7.	Shri V.K. Aggarwal	04	04	No	03*	NIL
8.	Shri Pankaj Agarwal	04	03	Yes	03	NIL
9.	Smt. Divjot Kohli (BIFR Nominee)	04	04	Yes	01	NIL

The company held four Board Meetings on 27.06.2012, 18.09.2012, 28.12.2012 and 22.01.2013 during the year under report and ***time gap between two Board Meetings of IInd quarter and IIIrd quarter was more than three months***.

iii. Scheduling and selection of agenda items for Board/Committee meetings:

The meetings are convened by giving appropriate notice after obtaining the approval of the Chairman of the Board/Committee. Detailed agenda notes, management reports, and other explanatory statements are circulated in advance among the members to facilitate meaningful, informed, and focused decisions during the meeting. When urgent issues need to be addressed, meetings are called at shorter notice or resolutions are passed by circulation.

Wherever it is not practical to attach any document to the agenda notes due to its confidential nature, or in special and exceptional circumstances,additional or supplemental items, such papers are placed on the table in the meeting.

The agenda papers are circulated after obtaining the approval of the functional director/CMD

Presentations are made in the Board/ Committees meetings on matters related to Finance, Operations, Human Resources, etc. to enable members to take informed decisions.

The members of the Board have complete access to all information of the Company. The Board is also free to recommend any issue that it may consider important for inclusion in the agenda. Senior management officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

iv. Recording of minutes of the Board/ Committee meetings:

Minutes of the proceedings of each Board/ Committee meeting are duly recorded in the minutes book. The minutes of each Board meeting are circulated among Board members in the next Board meeting for their confirmation.

v. Follow-up mechanism:

An action-taken report on the decisions of the Board/Committee members is presented in subsequent meetings. This acts as an effective follow-up, review, and report process.

vi. Compliance:

It is our endeavour to ensure that all applicable provisions of law, rules, and guidelines are adhered to while preparing the agenda notes. The Company ensures compliance of all the applicable provisions of the Companies Act, 1956 and various other statutory requirements under different laws. The following information is regularly provided to the Board:

- Annual operating plans and related updates.
- Capital budgets and related updates.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Show cause, demand, prosecution notices, and penalty notices, if any, which are materially important.
- Fatal or serious accidents, dangerous occurrences.
- Major investments, formation of subsidiaries, joint ventures, and strategic alliances.
- Disclosure of interest by Directors about directorships and committee positions occupied by them in other companies/ firms, etc.
- Award of large contracts.
- Other items in accordance with the law and DPE Guidelines.

vii. Non-Executive Directors' compensation and disclosures:

The company did not pay sitting fee to Government Nominee Directors. However, the independent Directors were paid sitting fees at the rate of ₹ 6000/- (Rupees six thousand only) per meeting and out of pocket expenses for attending the meeting of Board of Directors and Committees thereof during the financial year 2012-13.

viii. Directorship and Membership in Committee of Board of Directors of other Companies held

S. N.	Name of Directors	Category	Directorship in other companies / Disclosures
Functional Directors:			
1.	Shri R.P. Tak	Chairman & Managing Director	NIL
2.	Shri Manoj Misra	Director(HR)	NIL
3.	Shri S.C. Agrawal (w.e.f. 5th Sep, 2012)	Director(Fin)	NIL
Government Nominee Directors			
4.	Shri Harbhajan Singh (Joint Secretary, Ministry of HIPE.)	Govt. Director	(1) Andrew Yule Company Limited, (2) HMT Ltd. (3) HMT International Ltd. (4) HMT Machine Tools Ltd. (5) Heavy Engineering Corporation Limited

			(6) NTPC-BHEL Power Projects Private Limited (7) Scooters India Limited,
5.	Shri R. Asokan (upto 21.05.2012)	Govt. Director	NIL
6.	Shri S.K. Goyal (from21.5.2012)	Govt. Director	(1)Andrew Yule & Company Limited, (2) NEPA Limited (3) Scooters India Limited
Independent Directors:			
7.	Shri V.K. Aggarwal*	Part-time non-official Director	(1) National Commodity Exchange, Mumbai (2) Cricket Club of India, Mumbai (Member)
8.	Shri Pankaj Agarwal	Part-time non-official Director	(1) Mazagon Dock Ltd. (2) Neeraj Agrawal & Co. (Partner) (3) Transparency International India (Governing Body Member
9.	Smt. Divjot Kohli	BIFR nominee	M/s Supriya Pharmaceuticals Ltd.

*Mr. V. K Aggarwal, ceased to be Director on the Board of National Commodity Exchange, Mumbal as disclosed by him in the meeting of Board of Directors held on 27th June, 2012.

ix. Training of Board Members

CCI takes initiatives to train its Board members about CCI's profile, business, etc. All the relevant issues and significant developments related to the working of CCI are imparted to part-time Directors on the Board of CCI {(official) and (non-official)}, as the case may be} by the management of CCI from time to time.

x. Code of Conduct

The company is committed to conduct its business in accordance with the highest standards of business ethics and comply with all applicable laws, rules and regulations. ***It is confirmed that the code of Business conduct and Ethics for Board Members and Senior Management level personnel are under process and yet to be implemented in the company.***

xi. Policies for Risk Management

The risk management system is an integrated and aligned with the corporate and operational objectives. Risk management is undertaken as part of normal business practice and not as a separate task at set time. ***It is confirmed that the Policies for risk management are under process and yet to be implemented in the company.***

3. Audit Committee

As per the provisions of Section 292-A of the Companies Act, 1956, the Company is having an Audit Committee consisting of the following Director's

1. Shri V.K. Aggarwal, Part-time non-official Director, Chairman
2. Shri S.K. Goyal, Part-time official Director, Member
3. Shri Pankaj Agarwal, Part-time non-official Director, Member

The Audit Committee has the powers, role and terms of reference in accordance with the Companies Act, 1956 and the Guidelines on Corporate Governance as issued by Department of Public Enterprises.

During the year 2012-13, four Audit Committees Meetings were held on 27.6.2012, 4.9.2012, 12.12.2012 and 15.3.2013 and attended by following members:-

Name	No. of meetings held during the year	Meetings attended
Sh. V.K. Aggarwal	4 Nos.	4 Nos.
Sh. S.K. Goyal	4 Nos.	4 Nos.
Sh. Pankaj Agarwal	4 Nos.	3 Nos.

4. Remuneration Committee

Remuneration and allowances payable to Directors are determined by the President of India. However, Department of Public Enterprises has directed that each CPSE will constitute a Remuneration Committee headed by a Part-time Non-official Director which will decide the Annual Bonus/Variable pay policy for its distribution across the Employees

(i) Composition of Remuneration Committee:

After the approval of the Board of Directors, the Remuneration Committee was formed consisting of the following Directors:-

1. Shri V.K. Aggarwal, (Independent Director), Chairman

2. Shri S.K. Goyal, (Independent Director), Member

3. Shri Pankaj Agarwal, (Independent Director), Member

No meeting of remuneration committee was held during the financial year ended as on 31st March,2013.

(ii) Detail of Remuneration paid to Functional Directors:

Details of remuneration paid to functional Directors of the Company for the year 2012-13 are given below :-

((₹ in Lakhs))

S. N.	Name	Salary & allowances	Other benefits	Contribution to PF	Total
1.	Shri R.P. Tak	18.29	20.01*	1.55	39.85
2.	Shri Manoj Misra	17.48	8.64	1.48	27.60
3.	Shri S.C. Agrawal**	8.68	2.31	0.75	11.92

* Includes PRP of Rs. 15.40 lakhs for the year 2007-08 & 2008-09

** Joined Directorship of the Company w.e.f 5th September, 2012.

5. Share holders/ Investors grievances committee

Cement Corporation of India Limited is an Unlisted Government Company and the entire share capital is held by Hon'ble President of India and his nominees. Hence, no such committee is required to be constituted.

6. Meeting of Independent Directors

A separate meeting of Independent Directors without the presence of any Functional Directors, Government Nominee directors and management personnel of CCI Limited, was held on 15th March,2013 under the Chairmanship of Shri V.K. Aggarwal. All the Independent Directors were present in the meeting.

7. Subsidiary Companies

The Company has no Subsidiary Company.

8. Annual General Meeting

Details of Annual General Meetings for the last three years is given hereunder

S. N.	Year	Location	Date & Time	Whether any special resolution passed
1.	2009-10	New Delhi	16.9.2010 (12.00 Noon)	No
2.	2010-11	New Delhi	21.9.2011 (12.30 PM)	No
3.	2011-12	New Delhi	18.9.2012 (12.30 PM)	No

Current Year Detail of AGM: Wednesday, the 25th September,2013 at 12.30 pm.

9. Disclosures

I. Related Party Transactions:

The Company has not entered into any significant related party transactions with the Directors or their relatives (Disclosure made by directors individually pursuant to Section 299 of Companies Act) having potential interest with the Company at large.

II. Compliance of Guidelines:

The Company has taken steps to comply with the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE) released in May 2010 ***subject to the observations and remarks issued by the Practicing Company Secretary in its Report as annexed hereto.***

The Company has not been imposed penalty by any statutory authority owing to non-compliance under laws, during the last three years.

There are no personal expenses incurred for the Board of Directors except which are as per terms of appointment as contractual obligations.

iii. Accounting Treatment:

The company followed the accounting standards as prescribed by the Institute of Chartered Accountants of India subject to the comments & observations as given by the Statutory Auditors in its Report for the financial Statement prepared for the financial year ended as on 31st March,2013.

Further, the Board of Directors in its meeting held on 17th May,2013 modified the Accounting Policy on (i) Revenue Reorganization (ii) Depreciation with effect from 1st April,2012.

iv. President Directives:

The company has not received any Presidential directives during the financial year 2012-13 and last three years.

10. Vigilance

CCI, being a PSU, the records of the Company are open to Audit by Comptroller and Auditor General of India and open to inspection by Vigilance, CCI has a Vigilance Department, headed by CVO.

11. Means of communication

Annual financial performance is posted in the Company's website. www.cementcorporation.co.in The Company also hosts official news on significant corporate decisions and activities on the website of CCI from time to time.

12. Audit Qualifications

The Company has been putting all the efforts towards ensuring a regime of unqualified financial statements however there are certain qualifications and adverse remarks in the Statutory Auditor's report in the financial year 2012-13 which will be resolved and complied with in due course.

13. Whistle Blower Policy:

The company has established a mechanism for employees to report concern about unethical behavior, actual or suspected fraud or violation of policy. The employees have direct access to the CMD of the company. The whistle Blower Policy is hosted on the official website of the Company www.cementcorporation.co.in.

14. Compliance Certificate

Certificate from M/s P. C. Jain & Co., Company Secretaries in Whole Time Practice confirming the compliance subject to the their remarks and observation thereon with the Conditions of Corporate Governance as stipulated under the guidelines issued by Department of Public Enterprises forms part of the Annual Report for the financial year 2012-13 **as annexure-"A".**

Place : New Delhi
Date : 25 September 2013

For and on behalf of the Board of Directors
(Chairman & Managing Director)

Annexure-'A'

P. C. JAIN & CO.
COMPANY SECRETARIES

238 2, Sector-16 , 1st Floor,
Opp . Sagar Cinema,
Faridabad - 121002 (Haryana)
Ph . : 0129 -4043338, 9811078338
E-mail : pcjcs@airtelmail.in

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

Cement Corporation of India Limited,

1. We have examined the compliance of conditions of Corporate Governance by Cement Corporation of India Limited , for the financial year ended on 31.03.2013, as stipulated in Guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt of India, May,2010 (as amended from time to time).

2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned DPE Guidelines except the following :

   a. The Board of Directors deliberated on implementation of Code of Business Conduct and Ethics for the members of the Board of Directors and Senior management personnel in the Company however the same yet to be implemented.

   b. The Company has not implemented the Policy for Risk Management.

   c. The Audit Committee and Board of Directors made a review of compliances reports of all laws as applicable to the company for the quarter ended 31st December, 2012 and 31st March , 2013 only respectively However the periodicity of the review of the compliance report needs to be enhanced .

   d. The time gap between two Board Meetings i,e, IInd quarter and IIIrd quarter was more than three months .

4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For- P.C. Jain & Co.
Company Secetaries

Place: Faridabad
Date : 25.09.2013

(P.C. Jain)
Proprietor
CP No. 3349

MANAGEMENT DISCUSSION AND ANALYSIS

1. Over view

The global economy continued to show a dismal picture amidst difficult financial situation in many European countries in the year 2012-13. Though the US economy is showing some improvements, Japan and European Union countries slipped into recession whereas the growth in China declined. Though fear of collapse in European economy is subsided, still the continued global uncertainty and slowdown has impacted India GDP growth which is approx. 5% in the financial year 2012-13. It is slowest pace of growth in the past 10 years arising out of sharp slow down in investment, weakening consumption and declined exports. Inflation remained high, given supply side bottlenecks limiting the scope of monetary easing. Sharp decline of rupee during the first half of the financial year 2012-13 further widened the current account deficit which is continuing till date.

Though we have seen a difficult year, the global and domestic economy scenario is expected to improve marginally in the year 2013-14. Monetary stimulus measures in advanced as well as emerging economies should help to support growth. Even, in India, the Govt. commenced various policy reforms measurements during the year.

Overall weak domestic conditions posed challenge in the company business. Prices remained weak due to surplus capacity. Cement sector witnessed a slowdown in demand in the second half of the year.

2. Outlook

The growth prospects of the cement industry are closely linked with the growth of overall economy in general and the real estate, construction sector and infrastructure in particular. The housing sector consumes nearly 2/3rd of the total country's cement and is the most important cement driver. If the present slowdown in organized real estate sector persists for exceptional long period, it may impact the growth in consumption of cement.

The Govt. focus on infrastructure development should boost cement demand. Higher infrastructure spending, robust growth in rural housing and expected decline in interest rates augur well for the cement industry and therefore, the long drivers for cement demand remain intact.

3. Financial review and analysis

The net profit during the year is decreased to ₹. 8.11 crores as against net profit of ₹ 19.43 crores during the previous year. The dispatches during the year were 7.06 lakhs MT of Cement as against 8.53 lakh MT during the previous year. The decrease in profit is primarily on account of reduction in production and dispatches due to shut down of Tandur Plant for about 3 months for major repairs/ upgradation and sluggish market conditions.

4. Risk and concerns

Risk Management is an important aspect in today's business environment. The aim of Risk Management is to identify, monitor and take mitigation measures in respect of events that may pose risks for the business. The company Risk Management is embedded in the business processes. Your company has identified the following risks :-

(a) Commodity price risk

This risk impacts the Corporation by way of price fluctuations in raw materials, energy as well as finished goods. As per the Sanctioned Scheme, CCI is installing energy saving equipments for conservation of energy so as to optimize the power consumption. Also other measures are also taken for conservation of energy, such as, replacing inefficient/higher capacity motors with energy efficient low capacity motors, installing demand controllers for effective control of maximum demand, arresting leakages in pre-heater tower to maintain oxygen percentage in exit gasses at the optimum level. Conventional lights, fans have been replaced with new energy efficient chokes and regulators etc.

(b) Securing Internal Resources

The cement business operations are dependent on continuous availability of quality coal at economic prices. The unavailability of limestone may impact cement growth plans in long term.

For reducing the input cost at Rajban Unit, CCI has requested Coal India Limited to shift the linkage of Rajban plant from Eastern Coalfields Ltd .to Northern Coalfields Ltd. All the three operating units of CCI are having its own captive mines for limestone, shale, etc.

(c) Project Execution Risks

Your Company has undertaken expansion of Bokajan Expansion plan which are exposed to risk of time and cost over runs. Any delay in project implementation may impact the revenue and profit for the delayed period.

CCI has planned to mitigate the risk by executing the projects through dedicated project implementation team which reviews the project execution on continuous basis.

(d) Human Resource Risk

Company's ability to deliver value is dependent on its competence to attract, retain and nurture talent. Attrition and non-availability of the required talent resources can effect the performance of CCI. In this regard, CCI is continuously bench marking of the past HR practices across the industry and carrying out necessary improvements to attract and retain the best talent.

(e) Competition risk

Presently, there is no barriers for entry of new cement manufacturers in the market. CCI is always exposed to competition risk. The increase in competition can create pressure on margin, market share etc.

CCI is continuously making efforts to enhance the brand image of the company by focusing on quality, timely delivery and customer service.

(f) Compliance Risk

Any deficit in compliance of various rules, regulations, guidelines of Central Govt. and State Governments can attract penal provisions. The company is regularly monitoring and reviews the changes being brought in regulatory frame work and necessary actions are being taken accordingly.

5. Internal Control System

The Corporation's internal control system is commensurate with its needs. Internal Auditors have been selected from the list of firms obtained from C&AG. Further, no major internal control weakness has been reported by the Auditors.

In order to strengthen internal control system and internal checks in the organization, Internal Audit Team conducts internal audits at operational level. Actions are taken against discrepancies/deviations, if any. The Audit Committee reviews the Internal Audit Reports and observations and suggestions given by the Audit Committee are appropriately implemented for strengthening the control of various business processes.

6. CSR Policy

The company has a CSR policy approved by the Board of Directors which is based on philosophy wherein CCI serve the interest of the 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.

The policy also empowering and inspiring communities in the locational periphery of factories for attaining long-term sustenance through voluntary social actions covering micro-enterprises, self-help groups etc. and regarding the community as a major stakeholder and accordingly identifying their needs and addressing their concern areas has ensured a better quality of life. CCI has been playing a dominant role in the socio-economic development of the North-East Region and regions surrounding Tandur and Rajban Cement plants and recognizes that its business activities have direct and indirect impact on the society. The company strives to integrate its business values and operations in an ethical manner to demonstrate its commitment to sustainable development.

7. Other disclosures

Chapter-7 of Guidelines on Corporate Governance for Central Public Enterprises (CPSEs) provides that as a part of Directors' Report or as an addition thereto, a Management Discussion and Analysis Report should form part of the Annual Report which includes discussion on various matters within the limits set by the company's competitive position. As regards segmentwise and productwise performance, the company deals only in one segment i.e. various brands of cement. The topics such as Human Resources, Industrial Relation front and Environmental Protection and conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation these have already been covered in Directors' Report.

Conclusion

The demand growth slowdown in global economy coupled with surplus capacities may impact company's profitability. However, efforts are made to inroad in newer areas for marketing the products to meet the short term challenges. The company will continue to focus on cost reduction measures and improving its productivity and also to utilize the 'assets of non-operating units to generate the additional revenue to improve the financial performance of the Corporation.

Cautionary Statement

Statements in this "Management Discussions & Analysis" describing companies objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied depending upon economic conditions, Govt. policies and other factors.

Resources and Utilisation of Resources

(₹ in lakhs)

PARTICULARS	2012-13	2011-12	2010-11
Resources			
Net worth	**(1,58,08)**	(1,65,24)	(1,85,36)
Borrowings	**3,73,38**	3,73,38	3,71,71
TOTAL	**2,15,30**	2,08,14	1,86,35
Utilisation of Resources			
Fixed Assets	**7,53,46**	7,10,01	6,87,95
Less : Depreciation	**5,77,23**	5,71,67	5,65,20
SUB TOTAL	**1,76,23**	1,38,34	1,22,75
Investments	**2,28**	2,28	2,28
Net Current Assets	**36,79**	67,52	61,32
TOTAL	**2,15,30**	2,08,14	1,86,35
Income & Expenditure			
Income			
Sales & Despatches	**2,84,27**	3,32,73	3,02,03
Accretion/(Decretion) to Semi finished goods and transfer of clinker	**17,91**	23,40	0,83
Other Income	**46,94**	40,70	58,93
TOTAL	**3,49,12**	3,96,83	3,61,79
Expenditure			
Raw materials & Stores	**51,99**	56,01	55,25
Depreciation	**8,11**	7,44	7,74
Interest	**4,46**	9,11	36,83
Other Expenses	**2,76,45**	3,04,84	2,34,84
SUB TOTAL	**3,41,01**	3,77,40	3,34,66
Profit/(Loss)	**8,11**	19,43	27,13
TOTAL	**3,49,12**	3,96,83	3,61,79

What We Earned and How we Spent

(₹ in lakhs)

PARTICULARS	2012-13	2011-12	2010-11
1. What we earned			
Sales and despatches & clinker transfer	**2,84,27**	3,32,73	3,02,03
Misc. Income	**46,94**	40,70	58,93
Accretion/(Decretion) to Semi-finished goods and finished goods	**17,91**	23,40	0,83
TOTAL	**3,49,12**	3,96,83	3,61,79
2. How we Spent			
Raw Materials	**36,65**	39,11	38,22
Stores & packing Materials	**15,34**	16,90	17,03
Emp. Remuneration & Benefits	**56,50**	60,45	49,97
Power	**46,32**	47,76	44,67
Coal & fuel	**81,48**	94,23	64,50
Repairs & Maintenance	**16,18**	27,05	16,77
Selling Expenses	**33,34**	41,68	36,07
Interest	**4,46**	9,11	36,83
Depreciation	**8,11**	7,44	7,74
Other Expenses	**42,63**	33,67	22,86
SUB-TOTAL	**3,41,01**	3,77,40	3,34,66
Profit/(Loss)	**8,11**	19,43	27,13
TOTAL	**3,49,12**	3,96,83	3,61,79

Contribution to Exchequer

(₹ in lakhs)

PARTICULARS	2012-13	2011-12	2010-11
Excise Duty	**32,56**	38,20	25,60
Sales Tax	**29,62**	38,50	33,26
Royalty & Cess	**7,05**	7,68	7,79
TOTAL	**69,23**	84,38	66,65

Sources & Application of Funds

(₹ in lakhs)

PARTICULARS	2012-13 Sources	2012-13 Uses	2011-12 Sources	2011-12 Uses	2010-11 Sources	2010-11 Uses
A. Internal Generation :						
Additions to Reserves & Surplus	**8,11**	**0**	19,43	0	27,13	0
Depreciation	**8,11**	**2,55**	7,44	97	7,74	95
Provisions	**0**	**0**	4,04	0	0	3,34
TOTAL	**16,22**	**2,55**	30,91	97	34,87	4,29
B. Long term sources & uses						
Share Capital	**0**	**0**	0	0	0	0
Long term loans	**0**	**0**	1,67	0	31,58	1,28,62
Investments	**0**	**0**	0	0	0	0
Additions to Fixed Assets	**0**	**43,44**	0	23,64	0	6,43
TOTAL	**0**	**43,44**	1,67	23,64	31,58	1,35,05
C. Short Term Sources & uses						
Increase/(Decrease) in working capital	**30,72**	**0**	0	8,66	71,77	0
Deferred Revenue	**0**	**0**	0	0	0	0
Expn. written off	**0**	**95**	69	0	1,12	0
TOTAL	**30,72**	**95**	69	8,66	72,89	0
Summary						
Internal Generation	**16,22**	**2,55**	30,91	97	34,87	4,29
Long term sources & uses	**0**	**43,44**	1,67	23,64	31,58	1,35,05
Short term sources & uses	**30,72**	**95**	69	8,66	72,89	0
TOTAL	**46,94**	**46,94**	33,27	33,27	1,39,34	1,39,34

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Value Added Statement

(₹ in lakhs)

PARTICULARS	2012-13	2011-12	2010-11
Value of Production, Sales & Services	3,02,18	3,56,13	3,02,86
Less : Direct Materials consumed	1,28,93	1,45,18	1,14,36
Value Added	1,73,25	2,10,95	1,88,50
Other Misc. Income	46,94	40,70	58,93
Distributed as follows :			
Employees :			
Salaries, Wages and other benefits	56,50	60,45	49,98
Suppliers of Materials & Services:			
Stores & Spares	12,94	24,60	16,08
Power	46,32	47,76	44,67
Repairs & Maintenance	7,78	7,51	6,07
Other production expenses	6,71	7,90	5,13
Selling Expenses	33,34	41,68	36,07
Others	35,92	25,77	17,73
TOTAL	1,43,01	1,55,22	1,25,75
Suppliers of Capital:			
Interest on Govt. Loans	0	1,67	29,14
Interest on Other Loans	4,46	7,44	7.69
TOTAL	4,46	9,11	36,83
Retained in Business:			
Depreciation for Replacement of Assets	8,11	7,44	7,74
Profit/(Loss)	8,11	19,43	27,13
TOTAL	16,22	26,87	34,87
Average Number of Employees	906	907	988
Value Added per Employee (₹ in lakhs)	19,12	23,26	19,07

Ten Year Digest

(₹ in lakhs)

PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
STATEMENT OF PROFIT & LOSS										
Sales & despatches and Accretion/ (Decretion) to stock	**30218**	35613	30286	33426	32356	29209	28903	19523	14889	13133
Other Income	**4694**	4070	5893	3462	4402	2325	14906	94724	946	4655
Raw Materials consumed	**5137**	4899	3969	3630	3412	2883	2911	3616	2058	1510
Stores & packing material consumed	**1534**	1690	1703	1640	1670	1368	1531	1216	1065	702
Employees Remuneration & Benefits	**5650**	6045	4997	4597	5724	3689	3595	6943	2654	3452
Interest	**446**	911	3683	3752	3738	3465	3110	1152	18672	5661
Depreciation	**811**	744	774	899	1107	1150	1669	1687	1851	1811
Other Manufacturing Expenses	**20523**	23451	18340	17095	15852	14890	14332	16449	11429	12747
Profit (+)/Loss (-)	**811**	1943	2713	5275	5255	4089	16661	83184	(21894)	(8095)
BALANCE SHEET										
Equity	**81141**	81140	81140	81140	81140	81140	80609	44682	42928	42928
Reserves & Surplus	**0**	0	0	0	0	0	0	0	0	0
Loans	**37338**	37338	37172	46875	44083	44519	41772	88288	174213	153467
Net Fixed Assets	**12911**	9863	10224	10734	11474	10982	11990	13600	15199	16756
Current Assets	**40710**	42486	39269	49033	41763	37285	29141	19898	15192	16015
Current Liabilities & Provisions	**37033**	35737	33137	36059	37404	38116	37305	35513	34945	37683
Capital W.I.P.	**4713**	3973	2051	1577	1329	2224	1375	1081	1105	1078
Other Assets (Including DRE)	**1821**	1726	1795	1907	1963	1931	1738	1802	5304	6837
Other Intangible Assets	**95356**	96167	98110	100823	106098	111353	115442	132102	215286	193392
Capital Employed	**16588**	16612	16356	27533	19499	13179	15943	9514	1259	942
No. of Employees (Nos.)	**906**	907	988	1078	1159	1460	1523	1570	1586	1607

BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in lakhs)

PARTICULARS	NOTE NO		AS AT 31ST MARCH 2013		AS AT 31ST MARCH 2012
I. EQUITY AND LIABILITIES					
(1) SHAREHOLDER'S FUNDS					
a) Share Capital	1	**8,11,41**		7,69,65	
b) Reserves & Surplus	2	**(9,53,56)**		(9,61,67)	
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		**0**	**(1,42,15)**	41,75	(1,50,27)
(3) NON CURRENT LIABILITIES					
a) Long Term Borrowing	3	**1,87,90**		1,87,90	
b) Other Long Term Liabilities	4	**3,76,01**		3,76,74	
c) Long Term Provisions	5	**97,75**		89,10	
			6,61,66		6,53,74
(4) CURRENT LIABILTIES					
a) Short Term Borrowings	6	**0**		0	
b) Trade Payables	7	**16,05**		10,89	
c) Other Current Liabilities	8	**55,63**		52,09	
d) Short Term Provisions	9	**10,37**		14,03	
			82,05		77,01
TOTAL			**6,01,56**		5,80,48
II. ASSETS					
(1) NON CURRENT ASSETS					
a) Fixed Assets					
i) Tangible Assets	10	**1,29,11**		98,63	
ii) Capital work in Progress	11	**47,12**		39,71	
iii) Intangible Assets-Under Development	11 A	**2**		2	
b) Non-Current Investments	12	**2,28**		2,28	
c) Long term loans and Advances	13	**19,56**		18,38	
d) Other non-current Assets	14	**76**		30	
e) Unamortised expenses	15	**15,93**		14,98	
TOTAL NON CURRENT ASSETS			**2,14,78**		1,74,30
(2) CURRENT ASSETS					
a) Current Investments	16	**0**		0	
b) Inventories	17	**1,62,36**		1,59,66	
c) Trade Receivables	18	**16,67**		21,86	
d) Cash and Cash equivalents	19	**1,76,72**		1,90,41	
e) Short Term loans and Advances	20	**21,61**		25,26	
f) Other Current Assets	21	**9,42**		8,99	
TOTAL CURRENT ASSETS			**3,86,78**		4,06,18
TOTAL			**6,01,56**		5,80,48

Significant Accounting Policies, (Notes No. 32) and the accompanying notes no. 1 to 31 forming part of the Financial Statements

Place : New Delhi
Dated : 30/07/2013

Sd/-	Sd/-	Sd/-
(A K SHARMA)	SC AGRAWAL	(R.P. TAK)
Dy. Company Secretary	Director-Finance	Chairman & Managing Director

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

Place : New Delhi
Dated : 30/07/2013

(S P GOEL)
Partner
Membership No. 083131

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹in lakhs)

	PARTICULARS	NOTE NO		For the Year ended 31st March 2013		For the Year ended 31st March 2012
	REVENUE					
I	**Revenue from operations**					
	a) Sale of Products (Including Sale of Clinker ₹ 107 Lakhs)		3,16,56		3,70,93	
	Less:- Excise Duty		32,29		38,20	
				2,84,27		3,32,73
	b) Other Operating Revenues			3,08		1,94
	Net from operation			2,87,35		3,34,67
II	**Other Income**	22		40,31		37,55
III	**Total Revenues**			3,27,66		3,72,22
	EXPENSES					
	Cost of Materials Consumed	23		36,75		39,21
	Purchase of Clinker			14,72		9,89
	Change in Inventories of Finished Goods, Work-in-progress and Stock in Trade	24		(17,97)		(23,40)
	Employees Benefits Expenses	25		56,50		60,25
	Other Expenses	26		2,15,70		2,51,61
	Finance Cost	27		4,46		9,11
	Depreciation and Amortisation			8,01		7,33
IV	**Total Expenses**			3,18,17		3,54,00
V	**Profit before Exceptional and Extraordinary Item**			9,49		18,22
VI	Exceptional Items	28(A)		3,55		1,21
VII	**Profit before Extraordinary Items**			13,04		19,43
VIII	Extraordinary items	28(C)		(4,93)		0
IX	**Profit before tax**			8,11		19,43
X	**Tax Expense of Continuing operations**			0		0
XI	**Profit/(Loss) for the year from continuing Operations**			20,38		39,14
XII	**Profit/(Loss) from discontinuing operations**			(12,27)		(19,71)
XIII	**Current Expenses of discontinuing operations**			0		0
XIV	**Profit/(Loss) from discontinuing operations After Tax**			(12,27)		(19,71)
XV	**Profit / (Loss) for the year**			8,11		19,43

Significant Accounting Policies, (Note No. 32) and the accompanying notes no. 1to 31 forming part of the Financial Statements

Place : New Delhi
Dated : 30/07/2013

Sd/-	Sd/-	Sd/-
(A K SHARMA)	SC AGRAWAL	(R.P. TAK)
Dy. Company Secretary	Director-Finance	Chairman & Managing Director

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

Place : New Delhi
Dated : 30/07/2013

(S P GOEL)
Partner
Membership No. 083131

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STATEMENT OF REVENUE & EXPENSES OF CONTINUING AND DISCONTINUING OPERATION FOR THE YEAR ENDED 31.03.2013

(₹in lakhs)

PARTICULARS	Continuing Operation 2012-13	Continuing Operation 2011-12	Discontinuing Operation 2012-13	Discontinuing Operation 2011-12	Total 2012-13	Total 2011-12
A. Revenue :-						
Turnover (Net)	**2,84,27**	3,32,73	**0**	0	**2,84,27**	3,32,73
Other Operationg Revenue	**3,08**	1,94	**0**	0	**3,08**	1,94
Accretion/(Decretion) to Semi-Finished Goods and Finished Goods	**17,99**	23,40	**(2)**	0	**17,97**	23,40
Total Income	**3,05,34**	3,58,07	**(2)**	0	**3,05,32**	3,58,07
B. Expenses:-						
Operating Expenses	**3,18,64**	3,53,52	**13,04**	14,77	**3,31,68**	3,68,29
Total Expenses	**3,18,64**	3,53,52	**13,04**	14,77	**3,31,68**	3,68,29
C. Pre Tax Profit/(Loss) from Operationg Activities	**(13,30)**	4,55	**(13,06)**	(14,77)	**(26,36)**	(10,22)
Interest Expenses	**2,95**	2,68	**1,51**	6,43	**4,46**	9,11
D. Profit/ (Loss) Before Tax	**(16,25)**	1,87	**(14,57)**	(21,20)	**(30,82)**	(19,33)
E. Income Tax	**0**	0	**0**	0	**0**	0
F. Profit/(Loss) from Operating Activities but after Tex	**(16,25)**	1,87	**(14,57)**	(21,20)	**(30,82)**	(19,33)
G. Other Income	**36,63**	36,06	**3,68**	1,49	**40,31**	37,55
H. Exceptional items-Income/ (Expenditure)	**0**	1,21	**3,55**	0	**3,55**	1,21
I. Extra Ordinary items-Income /(Expenditure)	**0**	0	**(4,93)**	0	**(4,93)**	0
J. Net Profit/(Loss) from Operating Activities	**20,38**	39,14	**(12,27)**	(19,71)	**8,11**	19,43

NOTE NO. 1 SHARE CAPITAL

(₹ in lakhs)

PARTICULARS		AS AT 31ST MARCH 2013		AS AT 31ST MARCH 2012
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				
4559749 Equity Shares of ₹ 1000/- each Fully Paid Up (Previous year 4142249 Shares)		**4,55,98**		4,14,22
3554325 0.01% Non-cumulative Redeemable Pref. Share of ₹ 1000/- each (Previous year 3554325 Shares)		**3,55,43**		3,55,43
Total		**8,11,41**		7,69,65

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

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
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	**41,75,00**	0
Number of Shares outstanding as at the end of the year	**4,55,97,49**	4,14,22,49

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

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
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	0	0
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 2013	AS AT 31ST MARCH 2012
Surplus/(Deficit) in statement of Profit and loss		
As per Last Balance Sheet	**(9,61,67)**	(9,81,10)
Less:- Profit During the Year	**8,11**	19,43
Total	**(9,53,56)**	(9,61,67)

NOTE NO. 3 LONG TERM BORROWINGS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Unsecured		
Govt. Loans	**1,50,90**	1,50,90
Inter Corporate Borrowings	**37,00**	37,00
Total	**1,87,90**	1,87,90

Details of Default in respect of Loans & Borrowings

(₹in lakhs)

S.No	PARTICULARS	Loan Amount	Default Since	2012-13		2011-12	
				Principal	Interest	Principal	Interest
1.	M/s. Goa Shipyard Ltd.	3000	1995	3000	1369	3000	1369
2.	M/s. ONGC Ltd.	700	1991	700	4794	700	4794
3.	Govt. Of India	15090	Since Long	15090	0	15090	0
	Total	18790		18790	6163	18790	6163

*As per Sanctioned Scheme payment of above Plan Loan & Borrowings to be made out of sale proceeds of Non-Operating Units

NOTE NO. 4 OTHER LONG TERM LIABILITIES

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Trade Payable		
-MSMEs	**92**	92
-Others	**30,60**	27,33
Security & Earnest Money Received	**14,61**	12,04
Advance from Customers	**6,04**	6,04
Sales Tax Payable	**12,00**	11,73
Power	**66,58**	66,37
Royalty Payable	**8,41**	8,41
Interest Accrued and due on Borrowing- Govt Loan	**1,23,85**	1,23,85
Interest Accrued and due on Borrowing-Others	**61,63**	61,63
Others Payable	**51,37**	58,42
Total	**3,76,01**	3,76,74

NOTE NO. 5 LONG TERM PROVISIONS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Gratuity	**35,27**	31,28
Capital work in progress	**3**	3
Earned leave liability	**14,52**	12,54
Others	**47,93**	45,25
Total	**97,75**	89,10

NOTE NO. 6 SHORT TERM BORROWINGS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Loan payable on demand from bank	**0**	0
Others	**0**	0
Total	**0**	0

NOTE NO. 7 TRADE PAYABLE

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Trade Payable		
MSMEs	**24**	26
Others	**15,81**	10,63
Total	**16,05**	10,89

NOTE NO. 8 OTHER CURRENT LIABILITIES

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Advance from customers	**9,72**	13,23
Security and Earnest Money Deposits received	**8,37**	5,68
Sales tax payable	**7,54**	8,09
Excise duty payable	**83**	0
Power dues	**5,07**	4,68
Dues to Employees	**7,99**	9,53
Royalty payable	**16**	30
Others payable	**15,95**	10,58
Total	**55,63**	52,09

NOTE NO. 9 SHORT TERM PROVISIONS

(₹ in lakhs)

PARTICULARS	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Employee dues	**22**	22
Gratuity	**77**	73
Earned Leave liabilities	**42**	30
Other provisions	**8,96**	12,78
Total	**10,37**	14,03

NOTE NO. 10 FIXED ASSETS

(₹ in lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st April, 2012	Add-/ Adjustments	Deductions/ Sales	Tra in/ Tra out	As at 31st March, 2013	As at 1st April, 2012	For the Year	Tra in/ Tra out	Adj./ Disposal	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
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	322	11	0	0	333	321	332
Plant Buildings	8884	0	0	0	8884	7372	186	0	0	7558	1326	1512
Non-Plant Buildings	1054	0	0	0	1054	511	17	0	0	528	526	543
Water Supply, Drainage & Sewerage	1015	0	0	0	1015	960	1	0	0	961	54	55
Railway Siding	1823	0	0	0	1823	1518	15	0	0	1533	290	305
Electrical Installation	1970	0	0	0	1970	1795	15	0	0	1810	160	175
Plant & Machinery	42308	3830	22	0	46116	37539	501	0	22	38018	8098	4769
Aerial Ropeway	706	0	0	0	706	672	0	0	0	672	34	34
Railway Rolling Stock	459	0	36	0	423	440	0	0	34	406	17	19
Quarry Equipments	2936	3	198	0	2741	2761	4	0	189	2576	165	175
Vehicles	434	17	6	0	445	359	11	0	6	364	81	75
Furniture &Fixtures	264	2	0	0	266	245	2	0	0	247	19	19
Office Equipments	415	9	0	0	424	368	7	0	0	375	49	46
Misc. Equipments	820	7	3	0	824	694	9	0	3	700	124	126
P&M Costing ₹5000/-	48	1	0	0	49	48	1	0	0	49	0	0
TOTAL WORKS	64824	3869	265	0	68428	55908	780	0	254	56434	11994	8915

(₹ in lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st April, 2012	Add-/ Adjustments	Deductions/ Sales	Tra in/ Tra out	As at 31st March, 2013	As at 1st April, 2012	For the Year	Tra in/ Tra out	Adj./ Disposal	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
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	906	28	0	0	934	820	848
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	1	0	123	103	3	0	1	105	18	21
Furniture & Fixtures	20	0	0	0	20	18	0	0	0	18	2	2
Office Equipments	3	0	0	0	3	3	0	0	0	3	0	0
Misc. Equipments	20	0	0	0	20	18	0	0	0	18	2	2
Total Township	2207	0	1	0	2206	1259	31	0	1	1289	917	948
Total Works & Township	67031	3869	266	0	70634	57167	811	0	255	57723	12911	9863
Previous Year	66745	388	102	0	67031	56521	744	0	98	57167	9863	10224

NOTE NO. 10 FIXED ASSETS (Contd...)

Depreciation charged to :-

	Current Year	Previous Year
Statement of Profit & Loss	8,01	7,33
Quarry (Note -23)	10	10
Past Years- Expenses (Note-28B)	0	1
	8,11	7,44

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 ₹ 0.23 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, 2012	Additions during the year	Adjustments	Capitalised during the year	Balance as at 31st March, 2013
Mechanical Consultancy	1,13	7	0	5	1,15
Civil Engineering Works	7,52	9,17	22	0	16,47
Plant & Machinery Incl. Awaiting Erection	29,19	7,24	0	9,49	26,94
Erection Expenses of Plant & Machinery	1	0	0	0	1
Incidental Expenditure Pending Allocation	1,26	9	0	0	1,35
Capital Stores	12	0	0	0	12
Others	48	65	5	0	1,08
TOTAL	39,71	17,22	27	9,54	47,12

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

(₹ in lakhs)

PARTICULARS	Balance as at 1st April, 2012	Additions during the year	Adjustments	Capitalised during the year	Balance as at 31st March, 2013
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 2013	As at 31st March 2012
Employees Remuneration and Benefits		
Salaries, Wages & Allowances	7	12
Contribution to Provident Fund	0	1
Misc. Expenses	3	4
Legal Expenses	0	1
Security Expenses	8	8
Net Expenditure during the year	18	26
Bal. Tfd. to NYO Expansion	9	10
Addition during the year	9	16
Summary of IEDC Account		
Opening Balance of IEDC	1,26	1,10
Addition during the year	9	16
Less:- Capitalised during the year	0	0
Adjustment during the year	0	0
Closing balance of IEDC TFD. to capital WIP	1,35	1,26

NOTE NO.12 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

PARTICULARS	Market Value as at 31-03-2013	Book Value as at 31-03-2013	Market Value As at 31-03-2012	Book Value as at 31-03-2012
Long Term Investments				
Quoted Shares (Fully Paid) At Cost				
(i) 31 Equity Shares of ₹ 10/-each of Andhra Cement Co Ltd. M. value@ ₹ 6.55 per share on NSE (Previous year ₹ 9.75 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 certificates are awalted Market Value @ ₹ 1159.20 Per share on NSE (Previous Year ₹ 1359.45 per Share)	3	@	3	@
Unquoted Shares (Fully Paid) At Cost				
(i) 1 Equity Share of ₹ 10/- each 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 Ltd. (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	2,28
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 ₹1,00,000/-

*** 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 2013	As at 31st March 2012
Capital Advances		
-Secured, Considered Good	61	80
-Unsecured, Considered Good	1,91	3,08
--Doubtful	13	13
Less: Allowance for Bad and Doubtful Advances	13	13
Sub Total	2,52	3,88
Security Deposits		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	0	0
-Doubtful	0	0
Less : Allowance for Bad and Doubtful Advances	0	0
Sub Total	0	0
Deposits		
-Central Excise		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	1,85	1,31
-Doubtful	28	28
Less : Allowance for Bad and Doubtful Advances	28	28
Sub Total	1,85	1,31
Other Deposits		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	9,75	7,70
-Doubtful	16	15
Less : Allowance for Bad and Doubtful Advances	16	15
Sub Total	9,75	7,70
Contractors & Suppliers		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	79	26
-Doubtful	2,33	2,33
Less : Allowance for Bad and Doubtful Advances	2,33	2,33
Sub Total	79	26
Balance with Govt. Deptt.		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	1,18	1,41
-Doubtful	52	52
Less : Allowance for Bad and Doubtful Advances	52	52
Sub Total	1,18	1,41

NOTE No. 13 LONG TERM LOANS AND ADVANCES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
Insurance & Claims Others		
-Secured, Considered Good	**0**	0
-Unsecured, Considered Good	**75**	67
-Doubtful	**1,78**	1,78
Less : Allowance for Bad and Doubtful Advances	**1,78**	1,78
Sub Total	**75**	67
Loans & Advances to Employees		
-Secured, Considered Good	**1**	1
-Unsecured, Considered Good	**0**	0
-Doubtful	**0**	0
Less : Allowance for Bad and Doubtful Loan & Advances	**0**	0
Sub Total	**1**	1
Claims Recoverable Railways		
-Secured, Considered Good	**0**	0
-Unsecured, Considered Good	**7**	7
-Doubtful	**3,88**	3,88
Less : Allowance for Bad and Doubtful Advances	**3,88**	3,88
Sub Total	**7**	7
ED Relief Recoverable		
-Secured, Considered Good	**0**	0
-Unsecured, Considered Good	**29**	29
-Doubtful	**93**	93
Less : Allowance for Bad and Doubtful Advances	**93**	93
Sub Total	**29**	29
Recoverable from Employees		
-Secured, Considered Good	**0**	0
-Unsecured, Considered Good	**1**	2
-Doubtful	**8**	8
Less : Allowance for Bad and Doubtful Advances	**8**	8
Sub Total	**1**	2
Recoverable from Outside Party		
-Secured, Considered Good	**0**	0
-Unsecured, Considered Good	**2,34**	2,76
-Doubtful	**7,16**	7,16
Less : Allowance for Bad and Doubtful Advances	**7,16**	7,16
Sub Total	**2,34**	2,76
Shortage Losses pending Investigation		
-Secured, Considered Good	**0**	0
-Unsecured, Considered Good	**0**	0
-Doubtful	**5,90**	1,05
Less : Allowance for Bad and Doubtful Advances	**5,90**	1,05
Sub Total	**0**	0
Grand Total	**19,56**	18,38

NOTE No. 14 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
A) Long Term Trade Receivable		
(Including Trade Receivable on Deffered Credit Term):		
B) Interest Accrued and Due on Loans & Advances		
(Unsecured, Considered Good)	76	30
Total	76	30

NOTE No. 15 UNAMORTISED EXPENSES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
Quarry Development Expenditure		
Opening Balance	14,98	15,67
Additions	3,52	1,59
	18,50	17,26
Less : Adjusted/Capitalized	2,57	2,28
Total	15,93	14,98

NOTE No. 16 CURRENT INVESTMENT

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
Current Investments:		
A) Non Trade Investments		
1) Trade Investments	0	0
2) Other Investments	0	0
Total	0	0
1) Quoted Investments		
Aggregate Amount	0	0
Market Value	0	0
2) Unquoted Investments		
Aggregate amount	0	0
Market Value	0	0
Total	0	0

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

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
a) Stores and Spares		
-In Stock	**70,40**	81,54
-In Transit	**29**	43
Total	**70,69**	81,97
b) Work in Progress		
-In Stock	**51,91**	38,65
-In Transit	**0**	0
Total	**51,91**	38,65
c) Finished Goods		
-In Stock	**9,87**	5,82
-In Transit	**7,50**	6,57
Total	**17,37**	12,39
d) Raw Materials		
-In Stock	**10,00**	10,82
-In Transit	**2**	79
Total	**10,02**	11,61
e) Loose Tools		
-In Stock	**2**	3
-In Transit	**0**	0
Total	**2**	3
f) Packing Materials		
-In Stock	**51**	74
-In Transit	**0**	0
Total	**51**	74
g) Coal		
-In Stock	**8,61**	6,92
-In Transit	**0**	1,62
Total	**8,61**	8,54
h) Scrap		
-In Stock	**3,33**	3,60
-In Transit	**0**	0
Total	**3,33**	3,60

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

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
i) Clinker Purchased		
-In Stock	0	2,23
-In Transit	0	0
Total	0	2,23
Total Inventory	1,62,46	1,59,76
Less: Unrealisable Inventory	10	10
Grand Total	1,62,36	1,59,66

NOTE No. 18 TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
A) Trade Receivables Outstanding for a period exceeding six months:-		
-Sucured, Considered Good	0	0
-Unsecured, Considered Good	5,00	5,74
-Doubtful	12,02	10,97
Less: Allowances for bad and doubtful debts	12,02	10,97
Total (A)	5,00	5,74
B) Others Trade Recivables:		
-Sucured, Considered Good	72	72
-Unsecured, Considered Good	10,95	15,40
-Doubtful	0	0
Less: Allowances for bad and doubtful debts	0	0
Total (B)	11,67	16,12
Total (A+B)	16,67	21,86

NOTE No. 19 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
Cash in hand	3	4
Remittances in transit	0	0
Cheques in hand	72	75
Bank Deposits*	1,57,11	1,51,73
Balance with Banks - on Current Accounts	11,81	20,99
Total	1,69,67	1,73,51
Bank Balances held as margin money in form of FDR's Against Guarantees/Latter of credit		
Guarantees	7,05	13,11
Letter of Credit	0	3,79
Grand Total	1,76,72	1,90,41

*Note: Bank deposits includes deposits of ₹ 2470.00 lakhs (Previous Year ₹ 1934.54 Lakhs) whose maturity period is more than 12 months.

NOTE No. 20 SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
Balance with Govt. Deptt.		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	3,42	5,64
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	3,42	5,64
Contractors & Suppliers		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	2,32	9,12
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	2,32	9,12
Other Suppliers		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	2,77	1,45
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	2,77	1,45

NOTE No. 20 SHORT TERM LOANS AND ADVANCES (contd...)

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
Others		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	10	0
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	10	0
Insurance & Claims Others		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	8	25
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	8	25
Laons & Advances to Employees		
-Secured, Considered Good	4	4
-Unsecured, Considered Good	11	8
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	15	12
ED/Vat Relief Recoverable		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	5,81	5,93
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	5,81	5,93
Recoverable from Employees		
-Secured, Considered Good	21	9
-Unsecured, Considered Good	1	1
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	22	10
Recoverable from Outside Party		
-Secured, Considered Good	0	0
-Unsecured, Considered Good	6,74	2,65
-Doubtful	0	0
Less: Allowance for Bad and Doubtful Advances	0	0
Sub Total	6,74	2,65
Grand Total	21,61	25,26

NOTE No. 21 OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
Interest Accrued on term deposit	9,42	8,99
Total	9,42	8,99

NOTE No. 22 OTHER INCOME

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
Income from		
Rent from Property	8,89	8,36
Interest on loans and Advances-Employees.	11	6
Receipts form Township	43	37
Prior Period Income (Net) (Note No. 28 B)	4,98	1,11
Excess Provision written back	2,48	5,24
Bank Interest	18,24	18,07
Misc. Income	4,46	4,34
Profit on sale of Discarded Assets	72	0
Total	40,31	37,55

NOTE No. 23 COST OF RAW MATERIALS CONSUMED

(₹ in Lakhs)

PARTICULARS	For the year ended March 31 2013		For the year ended March 31 2012	
Opening Balance		**10,82**		11,75
Acquisition during the year				
Limestone Raising, Quarrying & Transportation @ (Refer Detalis below)		**24,53**		24,58
Other Raw Materials Purchased		**11,40**		13,70
Sub total		**46,75**		50,03
Less Closing Stock		**10,00**		10,82
Total Raw Materials Consumed		**36,75**		39,21
@ Limestone Raising, Quarrying & Transportation				
Limestone Raising & Payments to Contractors		**6,72**		4,87
Employees Remuneration & Benefits				
Salaries, Wages & Bonus	**4,49**		3,83	
Gratuity Paid	**16**		31	
Benefits to Employees	**4**		6	
Contribution to Provident Fund	**25**		17	
Contribution to Pension Fund	**6**		9	
Leave Encashment	**9**		3	
Medical Expenses	**14**		14	
Provision for Gratuity	**32**		45	
Provision for Earned Leave	**16**		25	
Stores Consumed		**5,71**		5,33
Gross Amount	**2,72**		1,89	
Less: Amount Included under Repairs	**1,46**		87	
		1,26		1,02
Power	**65**		58	
Fuel	**30**		38	
Rates & Taxes	**23**		21	
Insurance	**2**		1	
Royalty & Cess	**7,04**		8,01	
Quarry Development Expenditure Writen Off	**2,57**		2,28	
Travelling Expenses	**1**		2	
Other Expenses	**1,97**		1,87	
Depreciation	**10**		10	
		12,89		13,46
Repairs-Machinery	**67**		84	
- Building	**10**		9	
- Others	**70**		56	
		1,47		1,49
Sub Total		**28,05**		26,17
Less: Quarry Development Expenditure		**3,52**		1,59
Total		**24,53**		24,58

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 2013		For the year ended 31st March 2012
Semi-Finished Goods				
- Closing Stock	51,91		38,65	
- Opening Stock	38,65		17,48	
		13,26		21,17
Finished Goods				
- Closing Stock	9,87		5,82	
- Opening Stock	5,82		3,56	
		4,05		2,26
Finished Goods in Transit				
- Closing Stock	7,50		6,57	
- Opening Stock	6,57		6,12	
		93		45
Scrap Stock				
- Closing Stock	3,33		3,60	
- Opening Stock	3,60		4,08	
		(27)		(48)
Total Accretion/(Decretion)		17,97		23,40

NOTE No. 25 EMPLOYEES BENEFITS EXPENSES*

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries, Wages & Bonus	**40,77**	42,31
Gratuity Paid	**1,03**	4,24
Benefits to Employees	**13**	64
Provision for Earned Leave	**2,20**	1,94
Contribution to Provident Fund	**2,52**	2,26
Contribution to Pension Fund	**54**	43
Medical Expenses	**2,59**	1,98
Leave Encashment	**78**	1,93
Provision for Gratuity	**3,84**	2,56
Staff Welfare Expenses	**2,10**	1,96
Total	**56,50**	60,25

*Includes CMD and Directors Remuneration as under ;		
Salaries and Allowances	**64**	43
Rent Recovery ₹ Nil (Pre. Year ₹ 0.05 Lakhs)	**0**	0
Contribution to Provident Fund	**4**	3
Contribution to Employed Pension Fund	**0**	0
Provision for Gratuity	**4**	0
Other Benefits	**5**	2
Earned Leave Liability	**4**	0

In addition, Chairman & Managing Director and full time Directors are allowed use of company vehicle for non duty journey upto 1000 kms. per month on payment of ₹ 780/- per month upto 20-01-2013 & ₹ 2000/- per month from 21-01-2013 onward.

NOTE No. 26 OTHER EXPENSES

(₹ in lakhs)

PARTICULARS		For the year ended 31st March 2013		For the year ended 31st March 2012
Power	46,32		47,76	
Coal	78,90		92,80	
Fuel Oil	2,58		1,43	
Rent	24		26	
Excise Duty	2,13		1,57	
Rates & Taxes	1,08		92	
Insurance	28		28	
Sub-Total		1,31,53		1,45,02
Repairs & Maintenance				
Plant & Machinery	11,94		21,72	
Buildings	1,39		1,50	
Others	2,85		3,83	
Total		16,18		27,05
Other Production Expenses		6,71		7,90
Tools & Tackles Written Off		2		2
Travelling Expenses		1,17		1,14
Selling Expenses				
Freight on Cement	28,94		32,09	
Handling Charges	4,00		8,06	
Secondary Transporation	0		1	
Octoroi Paid	25		65	
Sales Promotion & Publicity	11		22	
Other Selling Expenses	4		65	
Total Selling Expense		33,34		41,68
Freight on Clinker Received		0		0
Running Expenses of Vehicles		42		41
Auditors' Remuneration				
Audit Fee	4		4	
Reimbursement of Expenses	2		2	
In Other Capacity	1		1	
Total Auditors Remunerations		7		7
Cost Audit Fee	1		1	
Cost Audit Expenses	0		0	
Total Cost Audit Expenses		1		1
Subscriptions to CRI & Others		6		8
Losses on Disposal of Fixed Assets		0		0
Communication Charges		35		40
Printing & Stationary		25		26
Hire Charges on Data Processing		2		3
Legal and Professional Fees		73		80
Security Expenses		3,01		3,46
Training of Workers & Supervisors		4		1
Miscellaneous Expenses*		2,99		3,25
Payment to Contract Labour		2,32		3,02
Expenses on closed project		9		10
Provision for Doubtful Debts		1,05		0
Sub-Total		2,00,36		2,34,71

NOTE No. 26 OTHER EXPENSES (contd...)

Stores and Spare Parts				
Gross Amount	**12,94**		24,60	
Less: Incld. Under Repairs & Maint.	**8,40**		19,54	
Net Stores & Spares Consumed		**4,54**		5,06
Packing Materials		**10,80**		11,84
Total		**2,15,70**		2,51,61
*Includes :- Entertainment Expenses		**0**		1
Director Sitting Fees		**2**		2

NOTE No. 27 FINANCE COST

(₹ in lakhs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest on		
-Government Loans	**0**	1,67
-Deposits From Stockists	**12**	13
-Others	**4,34**	7,31
Total	**4,46**	9,11

NOTE No. 28 EXCEPTIONAL, EXTRA ORDINARY ITEMS & ADJUSMENTS RELATING TO PAST YEARS

Note No. 28 (A) Exceptional Items

(₹ in lakhs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
Income		
Waiver of Interest as per Sanctioned Scheme	**7,57**	1,21
Total Exceptional Income (i)	**7,57**	1,21
Expenses		
Interest	**4,02**	0
Total Exceptional Expences (ii)	**4,02**	0
Net Exceptional Items Income/ (Expenses) (i-ii)	**3,55**	1,21

NOTE : No. 28 (B) PRIOR PERIOD ITEMS

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
Income		
Stores & Spares	**6,17**	0
Employees Remuneration & Benefits	**0**	65
Sales	**1**	0
Rates and Taxes	**0**	1
Power & Fuel	**6**	71
Total Prior Period - Income (i)	**6,24**	1,37
Expenses		
Repairs & Maintenance	**9**	0
Raw Materials	**1,04**	6
Stores & Packing Materials	**0**	1
Demurrage	**5**	0
Employees' Remuneration & Benefits	**0**	1
Depreciation	**0**	1
Power & Fuel	**1**	0
Freight Charges	**7**	0
Insurance	**0**	4
Others	**0**	13
Total Prior Period Expenses (ii)	**1,26**	26
Net Prior Period Income / (Expenses) (i-ii)	**4,98**	1,11

NOTE : No. 28 (C) EXTRA-ORDINARY ITEMS

(₹ in Lakhs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
Income	**0**	0
Total Extra Ordinary Income (i)	**0**	0
Expenses		
Loss due to Burglary/theft at AKO	**4,93**	0
Total Extra-Ordinary Expenses (ii)	**4,93**	0
Net Extra-Ordinary Income/(Expenses) (i-ii)	**(4,93)**	0

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

(₹ in Lakhs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
A) Contingent Liabillities		
a) Claims against the company not acknowledged as debts	**4,34,44**	4,34,17
b) Other money for which company is contingently liable	**0**	0
Total (A)	**4,34,44**	4,34,17
B) Commitments		
a) Estimated amount of contracts remaining to be executed on the capital accounts and not provided for	**1,73,64**	1,81,16
b) Other Commitments (specific nature)	**0**	0
Total (B)	**1,73,64**	1,81,16
Total (A+B)	**6,08,08**	6,15,33

NOTE No. 30 NOTES FORMING PART OF FINANCIAL STATMENT FOR THE YEAR ENDED 31ST MARCH 2013

1. No effect has been given in the Accounts for claims/ counter claims lodged by the Corporation for ₹ 7243.53 Lakhs (Previous year ₹ 18959.17 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 ₹ 269.21 Lakhs (Previous year ₹ 571.42 lakhs) as the same are expected to be received before final assessment is completed and/ or appeals are finalized.

   (ii) No provision has been made in respect of demands made for Sales Tax and Property Tax aggregating to ₹ 1900.23 lakhs (Previous year ₹ 1964.05 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 (Nayagoan), 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, Nayagoan 336.85 hectares, Akaltara 398.65 hectares, Adilabad 839.393 hectares and Tandur 1516.07 acres, have expired. However applications for renewal of mining leases have been filed. Mining lease in respect of Rajban Unit for 172.30 Hect. has already been renewed.

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 ₹ 30.54 lakhs (Previous year ₹ 21.34 lakhs) has been provided for in respect of 14994.548 MT (Previous year 14601.864 MT) of closing stock of naked cement lying in Silos as on 31st March, 2013. Liability for cess amounting to ₹ 0.10 lakhs (Previous year ₹ 0.10 lakhs) has also been provided for on cement stock of 14994.548 MT (Previous year 14601.864 MT) as on 31st March 2013. However, the said treatment does not vitiate true and fair view of Statement of Profit & Loss 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, in case of Rajban unit, Excise Authorities intend to levy excise duty on "Clinker" which is being produced in the course of cement production and is being captively consumed. Excise duty on such clinker estimated to be ₹ 1662.78 lakhs (previous year ₹ 1193.17 lakhs), for which no provision is considered necessary, although during the year excise duty of ₹ 227.71 lakhs from Sept 2012 to Feb. 2013 has been deposited under protest. The case of excise duty is under process for filing before the Hon'ble Supreme Court.

7. Amounts recoverable and debtors include amount aggregating to ₹ 197.00 lakhs (previous year ₹ 204.21 lakhs) due from various parties which are under disputes/courts/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, provided for in earlier years.

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. Technological up-gradation/ improvements of kiln, ESP, VRM, Coal Mill, Cement Mill and Crusher Section etc. at Tandur unit was taken up and an amount of ₹ 28.11 crore spent thereon during the year has been capitalized and depreciation charged accordingly. The matter of capitalization whether to charge depreciation at the rates applicable to individual assets or the cost of modification / upgradation / improvements to be amortised / depreciated over the period of benefits assessed by the Corporation, has been referred to the Expert Advisory Committee of the Institute of Chartered Accountants of India, New Delhi. The effect of the opinion, if any, as and when received, will be considered in the accounts in the year in which it is received.

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. 25.04.96. 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 Scheme 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 7 non-operating plants. As per sanctioned scheme 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 Court of Andhra Pradesh. Further the sanctioned scheme is under implementation

12 i) Relief's and concessions in respect of Creditors, State Governments, Other Govt. Departments and Agencies etc. will be considered appropriately as and when such payments are made and such concessions/ 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 Government of India (interest free) amounting to ₹150.90 crores (Previous year ₹ 150.90 crores) will be repaid from the sale proceeds of seven non operating units as per the sanctioned scheme dated 3rd May 2006 of Hon'ble BIFR.Further,interest accrued amount of ₹ 123.85 crores on Non Plan Loan provided by Govt.of India has been freezed with effect from 01.04.2011.The interest will be paid out of sale proceeds of Non-operating Units.

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

i)	Mandhar (Chhatisgarh)	-	06/06/1996
ii)	Charkhi Dadri (Haryana)	-	14/08/1996
iii)	Akaltara (Chhatisgarh)	-	09/12/1996
iv)	Nayagaon (Madhya Pradesh) & Nayagaon Expansion	-	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) was 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 as mentioned in the said scheme is higher than book value of Assets. 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 Yerraguntala Unit had submitted their report. Pending reconciliation and confirmation with M/s. India Cement Ltd., necessary liabilities as found accruing, on date of the sale has already been considered in the accounts.

15. As per Delhi High Court order dated 17-04-2013 in favour of M/s. Wal Chand Nagar Industries Limited pertaining to erstwhile yeraguntla unit, an amount of ₹ 4.02 crores has been shown as expenditure under 'Exceptional Items". Similarly, as per Sole Arbitrator, Permanent Machinery of Arbitrators, Govt. of India, award dated 17-04-2013 rejecting the claim of interest of M/s. SAIL in respect of Mandhar Unit, the interest liability of ₹ 6.39 crores has been withdrawn and shown as Income under 'Exceptional items'.

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

17. Depreciation on fixed assets is charged off as per rates and manner 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).

18. 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.

19. Keeping in view the nature of business & Geographical status of the Corporation, the segment reporting under AS-17 is not applicable.

20. Due to reported burglary which took place during July, 2012 at Akaltara Unit for which estimated loss was reported as ₹ 2.72 crores and FIR was lodged with the police. However, as per subsequent physical verification, the loss of stores & spares was assessed as ₹ 4.82 crores and value of missing / damaged parts of old plant & machinery was assessed as ₹ 11.00 lakhs. Accordingly loss for total estimated value of ₹ 4.93 crores has been provided for in the Accounts. Insurance cover has since been obtained.

21. 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	**32.01**	29.48	**0.11**	0.16	**4.14**	2.69	**36.04**	32.01
Bonus	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00
Capital work in progress	**0.03**	0.03	**0.00**	0.00	**0.00**	0.00	**0.03**	0.03
E. L. liability	**12.84**	10.86	**0.26**	0.20	**2.36**	2.18	**14.94**	12.84
Others	**58.25**	58.72	**58.66**	99.29	**57.52**	98.82	**57.11**	58.25

22. 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	116	118
2.	The interest due thereon remaining unpaid to supplier at the end of accounting year	274	258
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	0
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	0
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	16	16
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.	274	258

23. 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 provisions 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 accumulated 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 acturial valuation.

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

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A. Expenses recognized in Statement of Profit & Loss

(₹in lakhs)

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**
a)	Current service cost	118.36	**132.06**	59.68	**66.25**	0.94	**0.98**
b)	Interest cost	226.73	**246.97**	85.73	**101.54**	2.10	**2.01**
c)	Net actuarial (gain)/ loss recognized in the period	253.54	**135.73**	193.79	**118.43**	(3.25)	**(0.13)**
d)	Expenses recognized in the statement of profit & losses	598.64	**514.75**	339.20	**286.22**	(0.21)	**2.85**

B. Amounts recognized in Balance Sheet

(₹in lakhs)

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**
a)	Present value of obligation as at the end of the period	3087.15	**3490.67**	1269.31	**1478.75**	25.06	**26.81**
b)	Funded status/ Difference	(3087.15)	**(3490.67)**	(1269.31)	**(1478.75)**	(25.06)	**(26.81)**
c)	Net asset/ (liability) recognized in balance sheet	(3087.15)	**(3490.67)**	(1269.31)	**(1478.75)**	(25.06)	**(26.81)**

C. Change in present value obligation

(₹in lakhs)

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**
a)	Present value of obligation as at the beginning of the period	2834.17	**3087.15**	1071.64	**1269.31**	26.21	**25.06**
b)	Interest cost	226.73	**246.97**	85.73	**101.54**	2.10	**2.01**
c)	Current service cost	118.36	**132.05**	59.68	**66.25**	0.94	**0.98**
d)	Benefits paid	(345.67)	**(111.22)**	(141.53)	**(76.78)**	(0.95)	**(1.10)**
e)	Actuarial (gain)/ loss on obligation	253.55	**135.72**	193.79	**118.43**	(3.25)	**(0.13)**
f)	Present value of obligation as at the end of the period	3087.15	**3490.67**	1269.31	**1478.75**	25.06	**26.81**

D. Amount for the current period

(₹in lakhs)

		Gratuity		Leave encahsment		Other defined retirement benefits	
		31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**	31.3.2012	**31.3.2013**
a)	Present value of obligation as at the end of the period	3087.15	**3490.67**	1269.31	**1478.75**	25.06	**26.81**
b)	Surplus/(Deficit)	(3087.15)	**(3490.67)**	(1269.31)	**(1478.75)**	(25.06)	**(26.81)**

E. Actuarial Assumptions

S.No.	Description	As at 31.3.2013
i)	Retirement Age	60 years
ii)	Age	Withdrawal rate: % Upto 30 years - 00.00 From 31 to 44 - 1% Above 44 - 1%
iii)	Discounting rate	8 %
iv)	Future salary increase	6%
v)	Expected return on plan assets	-

24. 'Other Income' includes Prior Period Income of ₹ 498 Lakhs as shown in Note no. 22.

25. 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.

26. Due to change in Accounting Policy of Depreciation in respect of assets added during the year, to fall in line with the manner prescribed in Schedule- XIV of The Companies Act. 1956 the depreciation for the year is decreased by ₹ 4.13 lakhs and consequently Profit of the Corporation is increased by the same amount.

27. Figures of the previous year's have been split up and regrouped wherever necessary so as to correspond to the current year figures.

28. No effect has been given in the books of Accounts for cases lying in various Courts for compensation / promotion/ claims of employees for service matters etc. as the amount thereof is unascertainable.

Place : New Delhi	Sd/-	Sd/-	Sd/-
Dated : 30/07/2013	(A K SHARMA)	SC AGRAWAL	(R.P. TAK)
	Dy. Company Secretary	Director -Finance	Chairman & Managing Director

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

Place : New Delhi
Dated : 30/07/2013

(S P GOEL)
Partner
Membership No. 083131

NOTE No. 31 NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in lakhs)

PARTICULARS	Current Year		Previous Year	
1. Actual Production				
1.1 Portland cement				
Ordinary	**628555**	**M.Tonnes**	794355	M. Tonnes
Pozzolana	**79450**	**M. Tonnes**	60195	M. Tonnes
TOTAL	**708005**	**M. Tonnes**	854550	M. Tonnes
2. Clinker (A pre cement stage,material & not an additional product)	**700155**	**M. Tonnes**	838065	M. Tonnes
2.1 Clinker Purchased	**49922**	**M. Tonnes**	58131	M. Tonnes
3. Cement Despatches	**705614**	**M. Tonnes**	853358	M. Tonnes
	Quantity M. Tonnes	**Value (₹ in lakhs)**	Quantity M. Tonnes	Value (₹ in lakhs)
4. Opening Stock				
Stock at Factory				
Cement OPC	**82,97**	**2,48**	78,69	2,08
Cement PPC	**33,97**	**1,18**	26,40	74
Stock at Dumps				
Cement OPC	**53,33**	**2,10**	14,67	53
Cement 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				
Cement OPC	**59,37**	**0**	66,41	21
Cement PPC	**30,16**	**0**	30,16	0
TOTAL	**4,36,38**	**12,39**	4,17,03	9,68
Clinker	**17,59,78**	**35,91**	11,28,30	15,04
Clinker (Purchase)	**1,07,11**	**2,23**	56	1
TOTAL	**18,66,89**	**38,14**	11,28,86	15,05
5. Net Sales Incl. self consumption / transfer				
(A) Cement OPC	**61,36,73**	**2,83,32**	79,24,29	3,32,73
(B) Cement PPC	**7,91,86**	**0**	5,92,48	0
(C) Self Comsumption OPC	**33,16**	**0**	5,84	0
(D) Self Comsumption PPC	**2**	**0**	5	0
(E) Export of cement	**0**	**0**	0	0
TOTAL	**69,61,77**	**2,83,32**	85,22,66	3,32,73
(F) Clinker	**36,55**	**95**	0	0
TOTAL	**36,55**	**95**	0	0
6. a) Closing Stock - Cement				
Stock at Factory				
Cement in Stock OPC	**1,05,45**	**3,31**	82,97	2,48
PPC	**35,41**	**1,38**	33,97	1,18
Stock at Dumps				
Cement in Stock OPC	**1,24,61**	**4,99**	53,33	2,10
PPC	**3,84**	**19**	1,36	6
In Transit OPC	**1,88,97**	**7,43**	1,72,58	6,45
In Transit PPC	**1,32**	**7**	2,64	12
Set / Damaged cement OPC	**59,37**	**0**	59,37	0
Set / Damaged cement PPC	**30,16**	**0**	30,16	0
Total	**5,49,13**	**17,37**	4,36,38	12,39

NOTE No. 31 NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013 (Contd..)

(₹ in lakhs)

PARTICULARS	Current Year		Previous Year	
b) **Closing Stock-Clinker**				
Clinker in Stock	25,74,45	47,89	17,59,78	35,91
Clinker (Purchase)	0	0	1,07,11	2,23
c) Cement - Used for Testing	0	0	0	0
Stock transfer to unit OPC	0	0	0	0
Shortages during transit OPC	5,51	0	3,49	0
Shortages during transit PPC	2	12	0	0
Total	5,53	12	3,49	0
7. **Clinker - Used for cement grinding**	67,56,66	1,85,59	82,23,93	1,91,75
8. **Raw Materials Consumed**				
Limestone	1,02,13,67	23,61	1,20,64,61	23,77
Laterite	83,61	20	90,33	21
Iron ore	1,57,27	6,30	1,72,32	7,01
Gypsum	1,74,66	4,40	2,25,11	5,01
Shale	5,19,52	73	7,73,73	1,90
Fly Ash	1,54,67	1,29	97,39	94
Burnt Clay	51,80	22	97,58	37
Others	0	0	0	0
Total Raw Material Consumed		36,75		39,21
9. **Value of Imports calculated on CIF basis in respect of**				
i) Raw Materials	0	0	0	0
ii) Components & Spare parts	0	0	0	3,18
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	12	8,11	10	6,15
- Indigenous	88	41,58	90	57,66
Total	1,00	49,69	1,00	63,81
11. **Amount Remitted in Foreign Currency**	0	0	0	0
12. **Earnning in Foreign Exchange**	0	0	0	0

New Delhi	Sd/-	Sd/-	Sd/-
Dated : 30/07/2013	(A K SHARMA)	SC AGRAWAL	(R.P. TAK)
	DY. COMPANY SECRETARY	Director-Finance	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 : 30/07/2013

CCI

NOTE No. 32 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2013

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 other than Railway & Insurance made are accounted for on realization 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 inclusive of Excise Duty and excluding Vat,/ Sales Tax. Excise duty is shown separately.

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 and in the manner 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 date they are capitalized and upto the date these are discarded, /Sold / demolished/ destroyed.

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 roads, stockyard, crusher 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 Deferred 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-utilized grant/subsidy for Voluntary Retirement Scheme (VRS), then terminal benefits 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 after1/4/2003 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 Institute of Chartered Accountants of India are applied for determination of its accountal under natural head of accounts 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 assets 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 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 Chartered 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 form 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.

ii) 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 Units 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, Buildings 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. Allocation 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 judgment.

Place : New Delhi	Sd/-	Sd/-	Sd/-
Dated : 30/07/2013	(A K SHARMA)	SC AGRAWAL	(R.P. TAK)
	Dy. Company Secretary	Director-Finance	Chairman & Managing Director

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

Place : New Delhi
Dated : 30/07/2013

(S P GOEL)
Partner
Membership No. 083131

49TH ANNUAL REPORT-2012-13

Cash Flow Statement for the Year ended 31st March 2013

(₹ in Lakhs)

PARTICULARS	Continuing Operation		Discontinuing Operation		Total	
	2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
I. CASH FROM OPERATING ACTIVITIES						
Net Profit/Loss (-) after taxation	**20,38**	39,14	**(12,27)**	(19,71)	**8,11**	19,43
Add:-Adjustment for						
Depreciation and amortisation (net)	**5.67**	4,45	**2,44**	2,99	**8,11**	7,44
Profit on disposal of Fixed Assets	**(72)**	0	**0**	0	**(72)**	0
Provision for doubtful debts	**1,05**	0	**4,93**	0	**5,98**	0
Finance Cost	**2,95**	2,67	**1,51**	6,44	**4,46**	9,11
DRE Adjusted	**2.57**	2,28	**0**	0	**2,57**	2,28
Less:-						
Interest income and Misc recd.	**(35,38)**	(31,25)	**(1,73)**	(1,22)	**(37,11)**	(32,47)
Other - Excess Provision Written Back	**(53)**	(4,77)	**(1,95)**	(31)	**(2,48)**	(5,08)
Operating Profit Before Working Capital Change:-	**(4,01)**	12,52	**(7,07)**	(11,81)	**(11,08)**	71
Change in working Capital :						
Adjustment For *(Increase)/decrease in operating Assets:-*						
Inventories	**(8,70)**	(29,79)	**1,19**	13	**(7,51)**	(29,66)
Trade receivable	**4,14**	(4,08)	**0**	0	**4,14**	(4,08)
Short and Long term Loans & Advances	**2,53**	(67)	**(14)**	0	**2,39**	(67)
Other Current Assets	**0**	(92)	**0**	1	**0**	(91)
Other Non Current Assets	**0**	0	**0**	0	**0**	0
Adjustment For *(Increase)/decrease in operating Liabilities*						
Trade Payable	**5,16**	3,39	**0**	0	**5,16**	3,39
Other Long and Current Liabilities	**6,30**	12,12	**(3,44)**	(94)	**2,86**	11,18
Short and Long Term Provision	**2,17**	9,30	**93**	(15)	**3,10**	9,15
DRE (Addition)	**(3,52)**	(1,59)	**0**	0	**(3,52)**	(1,59)
Net Cash From Operating Activities	**4,07**	28	**(8,53)**	(12,76)	**(4,46)**	(12,48)
II. Cash Flow From Investing Activities						
Purchase of Fixed Assets	**38,69**	3,88	**0**	0	**38,69**	3,88
Receipt on sale of Fixed Asets	**(72)**	0	**0**	0	**(72)**	0
Work in Progress	**7,41**	20,79	**0**	0	**7,41**	20,79
Net cash After Investing Activities	**(41,31)**	(24,39)	**(8,53)**	(12,76)	**(49,84)**	(37,15)
III. Cash from Financing Activities						
Share Capital	**0**	0	**0**	0	**0**	0
Funds transferred to non-operating	**(7,36)**	(11,07)	**7,36**	11,07	**0**	0
Loan Repayment to Govt of India	**0**	0	**0**	0	**0**	0
Secured & Unsecured Loans	**0**	0	**0**	0	**0**	0
Interest and other Receipts	**34,50**	31,25	**1,73**	1,22	**36,23**	32,47
Interest Paid	**(8)**	0	**0**	0	**(8)**	0
Net Cash from Financing Activities						
Net Increase(+)/ Decrease(-) in Cash & cash Equivalents	**(14,25)**	(4,21)	**56**	(47)	**(13,69)**	(4,68)
Cash And cash Equivalents (opening)	**1,90,21**	1,94,42	**20**	67	**1,90,41**	1,95,09
Cash And cash Equivalents (Closing)	**1,75,96**	1,90,21	**76**	20	**1,76,72**	1,90,41

Reconciliation of cash and cash equivalents :

	Current Year	Previous Year
Cash in Hand	**3**	4
Cheque in Hand	**72**	75
Bank Deposit	**1,57,11**	1,51,73
Current Account	**11,81**	20,99
Bank Balance held under - Guarantees	**7,05**	13,11
- Letter of Credits	**0**	3,79
Total	**1,76,72**	1,90,41

1. Additionl working capital, as when needed, is proposed to be met out of own cash resources.
2. Bank deposits includes deposits of ₹ 2470 Lakh whose maturity periot is more than 12 months.

	Sd/-	Sd/-	Sd/-
New Delhi	(A K SHARMA)	SC AGRAWAL	(R.P. TAK)
Dated : 30/07/13	Dy. Company Secretary	Director-Finance	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 31,2013 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 : 30/07/2013

Details of Investment & Expenditure on Social Overheads

(₹ in Lakhs)

PARTICULARS	Current Year	Previous Year
Capital Investment		
Township	**20,41**	20,41
Vehicles, Furniture & Misc. Equipment	**1,65**	1,66
TOTAL-CAPITAL INVESTMENT	**22,06**	22,07
Expenditure on social overheads		
Upkeep & Maintenance of Township	**53**	52
Depreciation	**30**	31
Subsidised Canteen	**51**	40
Subsidised Education	**90**	83
Subsidised Social & Clutural Activities	**45**	41
Other Expenses	**3**	7
TOTAL	**2,72**	2,54
Deduction : Receipts from Township	**43**	37
Total Net Expenditure on Social Overhead	**2,29**	2,17

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

1. **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **CEMENT CORPORATION OF INDIA LIMITED ("the Corporation")**, which comprise the Balance Sheet as at **March 31, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, 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. **MANAGEMENT'S RESPONSIBLITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. **ATTENTION IS INVITED TO THE FOLLOWING**:

a. *Execution of title and lease deeds of land of certain units in favour of corporation continues to be pending since long,[Refer Point No.3 of Note 30].*

b. *Mining lease in respect of various units of the Corporation (other than Rajban Unit) has expired since long. Corporation has applied for renewal which is pending, [Refer Point No. 4 of Note 30].*

c. *Non determination and non-provision of the liability arising out of alienation orders is 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. *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].*

e. *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.*

f. *In respect of certain units, no provision has been made for interest on* outstanding statutory dues as all the Units have not been following the same practice uniformly. Its impact on the Corporation's profit cannot be quantified, as the amount is not ascertainable.

g. 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.25 of Note 30]

h. 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 on the profit of the corporation for the year. Further as on date, the Corporation is to receive Sales Tax declaration Forms of the value of ₹ 269.21 Lakhs (Previous Year ₹ 571.42 lakhs), the impact thereof is not ascertainable. [Refer Point No.2(i) of Note 30]

i. The Corporation has shown entire Inventory of ₹ 4371.07 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 as the units have been put on sale as per BIFR sanctioned scheme.

j. The Corporation had no insurance for loss from burglary in none of its units as a result the corporation has suffered a loss of ₹ 493.00 lakhs on account of burglary/theft of stores/spares and parts of Plant & Machinery took place at Akaltara Unit during the year. In the absence of insurance claim, the same has been charged to statement of Profit & Loss under extraordinary items. [Refer Point No.20 of Note 30]

k. Trade Receivables amounting to ₹ 1202.00 Lakhs outstanding for more than 3 years have been classified under Current Assets as against Non-Current though they have been identified as Doubtful debts and provided for.

l. During the year, method of providing depreciation on fixed assets on additions has been changed from monthly pro-rata basis to daily pro-rata basis to fall in line with the manner prescribed in Schedule-XIV of the Companies Act'1956. As a result, depreciation for the year is lower by ₹ 4.13 lakhs, correspondingly, Profit for the year is higher by the same amount. [Refer Point No.26 of Note 30]

m. During the year, the corporation has incurred an amount of ₹ 28.11 Crores on technological up gradation/ improvements of Kiln, ESP, VRM, Coal Mill, Cement Mill and Crusher section etc. at Tandur Unit and the same has been capitalised and depreciation has been charged accordingly. The Corporation has sought the Opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India on the issues related to its capitalisation and charging of depreciation and its effect, if any shall be considered in the year in which such opinion is received, [Refer Point No.10 of Note 30].

n. No provision has been made by the corporation in respect of demand raised by the sales tax authorities aggregating to ₹ 1900.23 Lakhs (previous year ₹ 1964.05 lakhs) as the demands are sub-judice, [Refer Point No.2(ii) of Note 30].

o. No provision amounting to ₹ 469.61 Lakhs for the year (upto the Year ₹ 1662.78 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, (Refer Point No. 6(ii) of Note 30).

p. No allowance has been made in respect of Trade Receivables amounting to ₹ 433.95 Lakhs (in case of Tandur and Bokajan Units) outstanding for more than three years where the recoveries are not forthcoming and appears to be doubtful of recovery.

5. OPINION

Subject to our observations in Para 4 above and consequential effect thereof, in our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with Note No. 30 & 32, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of affairs of the Corporation as at March 31, 2013;

b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

(i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

(ii) As required by section 227(3) of the Act, we report that :

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;

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 financial statements 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.

For SPG ASSOCIATES
Chartered Accountants
FRN: 011217N

Place: GURGAON
Date: JULY 30, 2013

(S.P.GOEL)
PARTNER
M. No. : 083131

The Annexure referred to in paragraph 6 (i) of the Independent Auditors' Report of even date to the members of Cement Corporation Of India Limited on the financial statements for the year ended 31st March, 2013 :

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the corporation and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, 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 regard 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 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 Company pursuant to the Company (Cost Accounting Records) Rules, 2011 prescribed by the Central Govt. under 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	1786.86
Corporation Tax	NALA Tax	51.13
Corporation Tax	Property Tax	497.29
Excise & Custom	Service Tax	2.29
Excise & Customs	Excise Duty	11.20
Corporation Tax	Royalty	1009.66
Corporation Tax	Entry Tax	12.45
State Government	Mining Cess	259.58
Income tax	Interest on Late payment of Income tax	0.28
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	1867.90

10. The accumulated losses of the company 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 11 Years
Interest accrued on above	6163.15	More than 11 Years
Govt. of India	15090.00	Since Long

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
FRN: 011217N

Place: GURGAON
Date: JULY 30, 2013

(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 30.07.2013 are given here under:-

Para No. 4 (a) to (o)

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

Para No. 4 (p) and 6 (g)

Provisions already made for loans and advances, current assets and other assets of non-operating units are considered to be adequate. The position regarding impairment of assets of non operating units has been explained in point No. 13 of Note No. 30 of the 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 2013

I forward the 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 31st March, 2013. 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 : 13.09.2013

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 2013

The preparation of financial statements of Cement Corporation of India Limited for the year ended 31st March 2013 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 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the on auditing 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 30th July 2013.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) of the Companies Act, 1956 of the financial statements of Cement Corporation of India Limited for the year ended 31st March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to the inquireis of the statutory auditor and company personnel and a selective examination of some of the accounting records. Based on my supplementary 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 : 13.09.2013

WORKING RESULTS - UNITWISE

(₹ in Crores)

UNITS	PROFIT(+) LOSS (-) AS PER ACCOUNTS	PRIOR PERIOD ADJUSTMENTS, EXCEPTIONAL ITEMS & EXTRA ORDINARY ITEMS	PROFIT (+) /LOSS(-)
BOKAJAN			
2012-2013	**2.10**	**0.00**	**2.10**
2011-2012	(-)5.82	0.00	(-)5.82
2010-2011	4.92	0.00	4.92
RAJBAN			
2012-2013	**(-)9.23**	**0.00**	**(-)9.23**
2011-2012	(-)6.93	0.00	(-)6.93
2010-2011	1.80	0.00	1.80
TANDUR			
2012-2013	**27.51**	**0.00**	**27.51**
2011-2012	51.90	0.00	51.90
2010-2011	57.74	0.00	57.74
CORPORATE OFFICE			
2012-2013	**0.00**	**0.00**	**0.00**
2011-2012	0.00	0.00	0.00
2010-2011	0.00	0.00	0.00
TOTAL OPERATING UNIT			
2012-2013	**20.38**	**0.00**	**20.38**
2011-2012	39.15	0.00	39.15
2010-2011	64.46	0.00	64.46
MANDHAR			
2012-2013	**(-)1.43**	**6.38**	**4.95**
2011-2012	(-)1.29	0.00	(-)1.29
2010-2011	(-)4.23	0.00	(-)4.23
KURKUNTA			
2012-2013	**(-)1.36**	**0.00**	**(-)1.36**
2011-2012	(-)1.15	0.00	(-)1.15
2010-2011	10.37	0.00	10.37
NAYAGAON			
2012-2013	**(-)1.38**	**0.00**	**(-)1.38**
2011-2012	(-)1.25	0.00	(-)1.25
2010-2011	(-) 5.07	0.00	(-) 5.07

WORKING RESULTS - UNITWISE (Contd...)

(₹ in Crores)

UNITS	PROFIT(+) LOSS (-) AS PER ACCOUNTS	PRIOR PERIOD ADJUSTMENTS EXCEPTIONA ITEMS & EXTRA ORDINARY ITEMS	PROFIT (+) /LOSS(-)
AKALTARA			
2012-2013	**(-)7.08**	**0.01**	**(-)7.07**
2011-2012	(-)2.04	0.00	(-)2.04
2010-2011	(-) 7.95	(-) 0.01	(-) 7.96
CHARKHI DADRI			
2012-2013	**0.32**	**1.17**	**1.49**
2011-2012	(-)2.08	0.00	(-)2.08
2010-2011	(-) 4.67	0.00	(-) 4.67
ADILABAD			
2012-2013	**(-)6.46**	**0.00**	**(-)6.46**
2011-2012	(-)9.18	0.00	(-)9.18
2010-2011	(-) 12.82	0.05	(-) 12.77
NAYAGAON EXPANSION (INCLUDING D.G.U.)			
2012-2013	**(-)2.44**	**0.00**	**(-)2.44**
2011-2012	(-)2.73	0.00	(-)2.73
2010-2011	(-) 13.00	0.00	(-) 13.00
YERRAGUNTLA CONTROL ACCOUNT			
2012-2013	**4.02**	**(-)4.02**	**0.00**
2011-2012	0.00	0.00	0.00
2010-2011	0.00	0.00	0.00
TOTAL NON OPERATING UNIT			
2012-2013	**(-)15.82**	**3.55**	**(-)12.27**
2011-2012	(-)19.72	0.00	(-)19.72
2010-2011	(-) 37.37	0.04	(-) 37.33
GRAND TOTAL			
2012-2013	**4.56**	**3.55**	**8.11**
2011-2012	19.43	0.00	19.43
2010-2011	27.09	0.04	27.13

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 sixth 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			2012-2013	2011-2012
I.	**Social Benefits and Costs to Staff**			
	A.	**Social benefits to Staff**		
	1.	Medical and hospital facilities	**3,56.62**	2,54.60
	2.	Educational facilities	**1,16.19**	91.00
	3.	Canteen facilities	**55.50**	32.00
	4.	Recreation, entertainment and cultural activities	**45.00**	9.26
	5.	Housing and township facilities	**2,24.52**	2,16.14
	6.	Water Supply, concessional electricity and transport	**58.76**	68.47
	7.	Training and career development	**4.00**	1.50
	8.	Provident Fund, gratuity, Bonus & Insurance benefits	**9,26.48**	10,71.16
	9.	Holiday, leave encashment and leave travel benefits	**3,23.00**	4,15.00
	10.	Other benefits	**2,27.00**	2,66.00
	Total benefits of Staff		**23,37.07**	24,25.13
B.	**Social Costs to staff**			
	1.	Lay off and involuntary termination	—	—
	2.	Extra hours put in by officers voluntarily	**92.29**	85.57
	Total cost of Staff		**92.29**	85.57
	Net Social Income to Staff-I(A-B)		**22,44.78**	23,39.56
II.	**Social Benefits and Costs to Community**			
	A.	**Social Benefits to Community**		
	1.	Local taxes paid to Panchayat/Municipality	**31.50**	47.01
	2.	Environmental Improvements	**6.79**	5.79
	3.	Generation of job potential	**63,19.00**	71,89.67
	4.	Generation of business	**3,80.29**	4,23.18
			67,37.58	76,65.65
	B.	**Social costs to Community**		
	1.	Increase in cost of living in the vicinity on account of the Cement Plant	**95.05**	105.80
		Net Social income to community-II(A-B)	**66,42.53**	75,59.85
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	**87,08.37**	86,38.89
	2.	Taxes duties Railway Freight etc. paid to the Central Government	**57,90.32**	66,63.15
	Total Benefits to General Public		**1,44,98.69**	1,53,02.04
	B	**Social Costs to General Public**		
	1.	State services consumed-Electricity service	**46,97.00**	48,34.00
	2.	Central services consumed Telephone, Telegrams,	**7.00**	15.82
	3.	Postal services and Banking	**8.60**	9.01
		Total Social Costs to General Public	**47,12.60**	48,58.83
		Total Social Costs to General Public III (A-B)	**97,86.09**	1,04,43.21
NET SOCIAL INCOME TO STAFF COMMUNITY AND GENERAL PUBLIC (I+II+III)			**1,86,73.40**	2,03,42.62

Social Balance Sheet

(₹ in lakhs)

	LIABILITIES	As at 31.03.2013	As at 31.03.2012		ASSETS	As at 31.03.2013	As at 31.3.2012
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	**3,17,43.15**	2,69,29.91	5.	Township Electrification	**41.33**	41.33
				II.	**OTHERS SOCIAL ASSETS**		
				1.	Hospital Equipments	**5.82**	5.82
				2.	Hospital Vehicles/ Ambulances	**28.38**	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	**18.13**	17.13
				III.	**HUMAN ASSETS**	**3,17,43.15**	2,69,29.91
		3,39,49.26	2,91,36.02			**3,39,49.26**	**2,91,36.02**

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 18.65% of the total employees strength of CCI represent technically and professional qualified, degree/diploma holders. As such 20.42% of total strength of the organisation are in the age group of 26-50 year. However, average age of our employees comes to 54 years. The broad distribution of CCI's human force is as under:

Professional Profile

Sl. No.	PARTICULARS	No. of employees As on 31.3.2013	As on 31.3.2012
1.	Post Graduate Engineers	**2**	2
2.	Engineers with MBA	**2**	2
3.	Graduate Engineers	**35**	35
4.	CA/ICWA/SAS/ACS	**7**	7
5.	MBBS	**0**	0
6.	MBAs	**30**	30
7.	Engineer Diploma Holders	**69**	69
8.	Professional Diploma holders	**24**	24
9.	Post Graduate	**46**	46
10.	Graduates	**138**	138
11.	ITI Certifecate Holders	**165**	165
12.	Others	**388**	389
	TOTAL	**906**	907

The age wise and category-wise distribution of employees as on 31.3.2013 is given below :

CATEGORY	YEARS 33-35	38-40	43-45	48-50	53-55	58 & Above	Total	Avg. Age
Executives	1	0	8	33	45	48	135	53
Supervisors	0	0	5	14	43	67	129	55
Artisans (Skilled workers)	0	0	12	40	95	109	256	52
Semi Skilled	0	0	5	33	67	63	168	54
Clerical & other Supporting Staff	0	0	3	18	45	53	119	54
Unskilled	0	0	5	8	8	78	99	56
TOTAL	1	0	38	146	303	418	906	54
Percentage	0.11	0	4.30	19.51	43.66	31.65	100	54

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 31.3.2013		As at 31.3.2012		As at 31.3.2011	
	Value in Lakhs (₹)	**No. of Employees**	Value in Lakhs (₹)	No. of Employees	Value in Lakhs (₹)	No. of Employees
Executives	86,65.39	135	65,03.49	122	58,10.88	112
Supervisors	63,22.61	129	63,73.55	152	61,30.41	164
Skilled Workers	84,21.47	256	70,91.33	254	76,81.53	301
Semi-Skilled Workers	41,33.75	168	35,26.87	168	33,91.77	175
Clerical & Other Supporting Staff	24,91.26	119	19,76.06	112	14,85.62	127
Unskilled workers	17,08.67	99	14,58.61	99	11,40.39	109
TOTAL	3,17,43.15	906	2,69,29.91	907	2,56,40.60	988

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 31.3.2013 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	04	-	-	-
2.	Kurkunta (Karnataka)	369	04	-	-	-
3.	Bokajan (Assam)	452	1054	6	708	2
4.	Rajban (HP)	449	940	2	385	2
5.	Nayagaon (MP)	632	04	-	-	-
6.	Akaltara (Chattishgarh)	411	06	-	-	-
7.	Charkhi Dadri (Haryana)	259	02	-	-	-
8.	Adilabad (AP)	359	252	-	-	1
9.	Tandur (AP)	338	830	1	525	1
	TOTAL	3611	3096	9	1618	6

V. ACTIVITIES & PERFORMANCE PER EMPLOYEE

The performance & other indices of the corporation for the year 2012-2013, 2011-12, 2010-11, measured in terms of per employee are as follows:-

Sl.	PARTICULARS	Unit	2012-13	2011-12	2010-11
1.	Production	MT	**7,81**	9,42	9,11
2.	Sales turn over	₹	**3,49,40,39**	4,08,96,36	3,36,92,33
3.	Profit/(Loss)	₹	**8,95,14**	21,42,22	27,45,75
4.	Payments of Employees	₹	**62,36,20**	72,52,48	54,88,01
5.	Interest on sums borrowed	₹	**4,92,27**	10,04,41	37,28,15
6.	Provisions for replacement of assets	₹	**8,95,14**	8,20,28	7,83,72
7.	Social over heads	₹	**2,52,75**	1,59,87	2,10,23
8.	Value added	₹	**1,91,22,51**	2,32,57,99	1,90,79,09
9.	Contribution to exchequer	₹	**76,41,28**	94,24,72	66,64,92
10.	Capital investment on social benifits	₹	**24,34,87**	23,34,55	22,32,90
11.	Total Capital investment	₹	**1,94,53,64**	1,10,17,64	1,01,14,47
12.	Capital employed	₹	**1,83,09,05**	1,83,15,32	16,55,46

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.

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**3.80**	3.80	3.80
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**4,95**	(1,29)	(4,23)

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.

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**1.98**	1.98	1.98
Production (in lakh tonnes)	**-**	-	-
Value of Production (₹ in lakhs)	**-**	-	-
Profit/(Loss) (₹ in lakhs)	**(1,36)**	(1,15)	10,37

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.

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**1.98**	1.98	1.98
Production (in lakh tonnes)	**1.33**	1.03	1.33
Value of Production (₹ in lakhs)	**70,41**	58,35	60,71
Profit/(Loss) (₹ in lakhs)	**2,10**	(5,82)	4,92

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.

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**2.48**	2,48	2.48
Production (in lakh tonnes)	**1.40**	1.40	1.57
Value of Production (₹ in lakhs)	**52,25**	71,62	58,01
Profit/(Loss) (₹ in lakhs)	**(9,23)**	(6,93)	1,80

NAYAGAON (Distt. Mandsaur, Madhya Pradesh)

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

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**4.00**	4.00	4.00
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(1,38)**	(1,25)	(5,07)

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

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**5.00**	5.00	5.00
Production (in lakh tonnes)	**-**	-	-
Value of Production (₹ in lakhs)	**-**	-	-
Profit/(Loss) (₹ in lakhs)	**(2,44)**	(2,73)	(13,00)

AKALTARA (Distt. Bilaspur, Chhattisgarh)

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

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**4.00**	4.00	4.00
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(7,07)**	(2,04)	(7,96)

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.

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**1.74**	1.74	1.74
Production (in lakh tonnes)			
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**1,49**	(2,08)	(4,67)

The production remained suspended due to unit being unviable.

ADILABAD (Distt. Adilabad, Andhra Pradesh)

This unit went into commercial Production from Apri, 1984

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**4.00**	4.00	4.00
Production (in lakh tonnes)	-	-	-
Value of Production (₹ in lakhs)	-	-	-
Profit/(Loss) (₹ in lakhs)	**(6,46)**	(9,18)	(12,77)

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

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

	2012-2013	2011-2012	2010-2011
Installed capacity (in lakh tonnes)	**10.00**	10.00	10.00
Production (in lakh tonnes)	**4.35**	6.11	6.10
Value of Production (₹ in lakhs)	**2,05,81**	2,64,84	1,84,14
Profit/(Loss) (₹ in lakhs)	**27,51**	51,90	57,74