

BARAK VALLEY CEMENTS LIMITED

**Annual Report
2012-2013**



Barak Valley Cements Limited

Annual Report 2012-2013

Composition of Board

Sh. Bijay Kumar Garodia
Sh. Kamakhya Chamaria
Sh. Mahendra Kumar Agarwal
Sh. Santosh Kumar Bajaj
Sh. Prahlad Rai Chamaria
Sh. B. P. Bakshi
Dr. D. R. Agarwal
Sh. Ramesh Chandra Bajaj
Sh. Vishal More
Sh. E.E. Fernandes

Chairman
Vice Charman and Managing Director
Vice Chairman
Whole Time Director
Director
Director
Director
Director
Nominee Director (IDBI)

Company Secretary

Ms. Bhavna Jangid

Auditor

M/s. Kumar Vijay Gupta & Co.
Chartered Accountants,
304, SSR Corporate Park, 13/6,
Matura Road, Faridabad,
Haryana-121003

Bankers and FIs

Industrial Development Bank of India (IDBI)
North Eastern Development Finance Corporation (NEDFi)

Offices:

Regd. Office:
202, Royal View, B.K.
Kakoti Road, Ulubari,
Guwahati, Assam-781007

Corp. office:

281, Deepali, Pitam Pura,
Delhi-110034

Works:

Debendranagar, Jhoom
Basti,
Badarpurghat, Distt.
Karimganj,
Assam-788803

Branches:

1. Bharat Trade Building,
Shyama Prasad Road,
Silchar, Assam
2. CF-361, Salt Lake City,
Kolkata, West Bengal-
700064

Contents

S. No	Particulars	Pg. No.
1.	Notice	1
2.	Directors Report	4
3.	Management Discussion and Analysis	9
4.	Corporate Governance Report	14
5.	Independent Auditors' Report	25
6.	Balance Sheet	28
7.	Statement of Profit & Loss A/c	29
8.	Cash flow Statement	30
9.	Significant Accounting policies & Notes to Financial Statements	31
Consolidated Financial Statements		
1.	Consolidated Independent Auditors' Report	45
2.	Consolidated Balance Sheet	46
3.	Consolidated Statement of Profit & Loss Account	47
4.	Consolidated Cash Flow Statements	48
5.	Significant Accounting Policies & Notes to Consolidated Financial Statements	49
6.	Information with regard to Subsidiary Companies	63

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of **BARAK VALLEY CEMENTS LIMITED** will be held on Monday, the 23rd day of September, 2013, at the 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007 at 2:30 P.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013 and Statement of Profit and Loss A/c for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint Director in place of Sh. Bijay Kumar Garodia, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Director in place of Dr. Dhanpat Ram Agarwal, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Director in place of Sh. Santosh Kumar Bajaj, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint M/s Kumar Vijay Gupta & Co., Chartered Accountants as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD
For BARAK VALLEY CEMENTS LIMITED

Place : Delhi
Date : 29.05.2013

Sd/-
(Bijay Kumar Garodia)
Chairman

NOTES :

1. ***A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her self and the proxy need not be a member of the Company.***
2. The instrument appointing a proxy, to be effective, must be duly filled, stamped and must reach the company's registered office not later than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this notice.
3. As required by Clause 49 of the Listing Agreement, the relevant details of the Directors liable to retire by rotation and seeking re-appointment are annexed herewith.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 17th day of September, 2013 to Monday, the 23rd day of September, 2013 (both days inclusive).
5. M/s MCS Limited is the Registrar & Share Transfer Agent (R&T Agent) of the Company. All investors related communications may be addressed to MCS Limited at the following address:

M/s MCS Limited

Unit: Barak Valley Cements Limited

F-65, Okhla Industrial Area,

Phase-I, New Delhi-110020

Ph: 011-41406149; Fax: 011-41709881; E-Mail: admin@mcsdel.com

6. Members are requested to notify about any changes in address/ bank details/ECS (Electronic Clearing Service) mandate to:
(a) the Company or its R&T Agent viz. M/s MCS Limited, if shares are held in physical form; and
(b) their respective Depository Participants (DPs), if shares are held in electronic form.
7. Members are requested to convert their share(s) lying in physical form to the demat form for easy transferability of shares. For any help the shareholders may contact the Company Secretary at email id cs@barakcement.com.
8. Dividend for the financial years 2007-08, 2008-09, 2009-10, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund established under Section 205C of the Companies Act, 1956. Shareholders who have not encashed the dividend warrant(s) so far for the financial years 2007-08, 2008-09, 2009-10 are requested to make their claim forthwith to the Registered / Corporate Office of the Company / R & T Agent. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie in respect thereof.
9. Members/proxies are requested to kindly take note of the following:
(a) Attendance Slip, as sent herewith, is required to be produced at the venue duly filled in and signed for attending the meeting;
(b) Entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips and;
(c) In all correspondence with the Company and/or the R&T Agent, Folio No./DP & Client ID no. must be quoted.
10. Members are requested to send their queries, if any, at least 10 days in advance of the meeting so that the information can be compiled in advance.
11. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
13. For any investor related queries, communication may be sent by e-mail to **cs@barakcement.com**.
14. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R&T Agent.
15. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the company or its R & T Agent in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
16. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
17. The Ministry of Corporate Affairs vide Circular No.17/2011 and 18/ 2011 dated 21.04.2011 and 29.04.2011 respectively, clarified that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notice/documents through e-mail. A recent amendment to the listing agreement with the stock exchanges permits companies to send soft copies of the annual reports to all those Members who have registered their e-mail address for the said purpose. Members are requested to register their e-mail address and changes therein from time to time, with their Depository Participant (in case of shares held in dematerialised form) or with the Company's R & T Agent (in case of shares held in physical form) for receiving annual reports electronically.
18. The Annual Report of the Company for the year 2012-13, circulated to the Members of the Company, will also be made available on the Company's website viz. www.barakcement.com. The Annual Accounts of the Company's Subsidiary Companies and the related detailed information shall be made available to the shareholders seeking such information at any point of time.
19. Members may please note that briefcase, bag, mobile phone and/or eatables shall not be allowed to be taken inside the hall for security reasons.

BY ORDER OF THE BOARD
For BARAK VALLEY CEMENTS LIMITED

Place : Delhi
Date : 29.05.2013

Sd/-
(Bijay Kumar Garodia)
Chairman

ANNEXURE TO NOTE NO. 3 OF THE NOTICE

Details of the Directors seeking re-appointment in the 14th Annual General Meeting of the Company pursuant to Clause 49 of the Listing Agreement.

I. BRIEF RESUME

Sh. Bijay Kumar Garodia

Sh. Bijay Kumar Garodia, aged about 55 years is the Promoter Director of your Company. He is a Commerce Graduate. He has vast knowledge, experience in promoting and developing various industries in North-East Region.

He started his business career in 1978 by establishing a small-scale industry and within a decade he established himself as a successful entrepreneur, he has also promoted Forest Product based industry in the North-Eastern state of Assam and Arunachal Pradesh.

Sh. Garodia was duly appointed as a Director of the Board of Arunachal Pradesh Forest Product Corporation Limited in 1995 and subsequently awarded the "National Citizenship Award" for his dedicated services to the backward areas in North East India by the Honorable Prime Minister of India in the year 1995.

Dr. Dhanpat Ram Agarwal

Dr. Dhanpat Ram Agarwal, aged about 54 years, is associated with your Company as Independent Director since March, 2006. He is a qualified Chartered Accountant, holds degree of Law and is having doctorate Degree in Economics. He has authored books on WTO, IPR and Direct Taxes.

He has done extensive foreign travelling on professional and academic assignment. He is a resource person for WTO outsourcing roster for the delivery of training and technical co-operation activities.

Sh. Santosh Kumar Bajaj

Sh. Santosh Kumar Bajaj, aged about 55 years is a Promoter Director of your Company. He is an industrialist and businessman of good repute and having expertise knowledge and marketing skills.

Sh. Bajaj started his business career as a trader, joining his family business and is representing third generation of his family in Cement Business, which act as a valuable source of vast knowledge for your Company.

II. OTHER DETAILS

Name of Director	Sh. Bijay Kumar Garodia	Dr. Dhanpat Ram Agarwal	Sh. Santosh Kumar Bajaj
Category	Promoter and Executive Director	Independent Director	Promoter and Executive Director
Date of Birth	26.08.1957	13.01.1959	09.08.1957
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	31/05/2004	13/03/2006	13/03/2006
Qualifications	Commerce Graduate	Chartered Accountant, holds degree of Law and is having Doctorate degree in Economics	Graduate
Inter-se Relationship with Other Directors	Brother of Sh. Mahendra Kumar Agarwal's wife	None	None
Number of Shares Held in the Company	21,62,500	Nil	18,84,500
Expertise in Functional Areas	Developing and promoting various industries	Economic, Financial, Technical & Operational Research & Analysis	Trading and Marketing Skills
List of Directorships held in other Companies	<ul style="list-style-type: none"> ● Meghalaya Cements Limited. ● Top Metals Limited. ● Goombira Tea Co. Limited 	<ul style="list-style-type: none"> ● TCI Finance Limited ● ITAG Business Solutions Limited 	<ul style="list-style-type: none"> ● Cement International Limited ● Goombira Tea Co. Limited
Chairman/Member of the Committees of the Boards (across all Companies)	<ul style="list-style-type: none"> ● Meghalaya Cements Limited- Member, Audit Committee 	<ul style="list-style-type: none"> ● Barak Valley Cements Limited - Member, Shareholder's / Investor's Grievance Committee 	None

Note:

- The aforesaid information is as at 31st March, 2013.
- The Directorships/Committee Memberships exclude private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.
- Only two committees viz. Audit Committee and Shareholder's Grievance Committee have been considered for determining Chairmanship/Membership which is pursuant to Clause 49 of the Listing Agreement.

DIRECTORS' REPORT

To
The Members,
Barak Valley Cements Limited

The Directors of your company are glad to present the 14th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March 2013.

FINANCIAL RESULTS

The summary of your Company's financial performance during Financial Year ended 31st March, 2013 is as under:

(Rs. in Lacs)

Particulars	Year Ended as at 31 st March, 2013	Year Ended as at 31 st March, 2012
Revenue from Operations (net)	10888.17	9722.84
Other Income	30.18	19.71
Total Sales & other Income	10918.36	9742.55
Income before Finance cost, Depreciation and Amortization and Income tax	1326.15	544.83
Less: Depreciation and Amortization expenses	519.44	496.41
Profit before Interest and Income Tax	806.71	48.42
Less: Finance Cost	836.42	717.74
Profit before Income Tax	(29.71)	(669.32)
Less: Exceptional Items	8.55	(17.06)
Less: Provision for Income tax	—	5.84
Earlier year provisions written back	—	—
Current Income Tax	—	—
Deferred Tax liability/(Assets)	(15.59)	12.79
Profit After tax	(22.68)	(670.89)
Less: Balance brought forward from last year	4157.11	4828.00
Profit available for appropriation	4134.42	4157.11
Less: Appropriations:	--	--
Transfer to General Reserves	--	--
Proposed Dividend on Equity shares	--	--
Corporate Dividend Tax	--	--
Balance Transfer to Reserve and Surplus	4134.42	4157.11

CHANGES IN CAPITAL STRUCTURE

The Equity Shares of the Company are being traded on National Stock Exchange of India Limited and Bombay Stock Exchange Limited, since 23rd November, 2007.

As at 31st March, 2013 the paid-up capital of the Company was Rs. 22,16,00,000/- divided into 2,21,60,000 Equity Shares of Rs. 10/- each and there was no change in the capital structure of your Company during the year under report.

OPERATIONS

Standalone

The Standalone turnover of the company stood at Rs. 10,888.17 Lakhs during the year 2012-13, which is an increase over previous year turnover of Rs. 9,722.84 Lakhs. However, the Company losses were reduced to Rs. 22.68 Lakhs during the financial year 2012-13, when compared with the previous year loss of Rs. 670.89 Lakhs.

Consolidated

Pursuant to the requirements of Clause 32 of the Listing Agreement, the audited consolidated financial results are also attached with the standalone financial results in this Annual Report. During the year 2012-13 the

Annual Report 2012-13



consolidated revenue from operations increased to Rs. 13,078.93 Lakhs as compared to Rs. 12,201.83 Lakhs in the period 2011-12. The consolidated loss has reduced from Rs. 1,065.10 Lakhs in 2011-12 to Rs. 447.98 Lakhs in the current period.

DIVIDEND

Your Directors after considering the performance of the Company for the Financial Year 2012-13 have decided not to recommend Dividend this year.

SUBSIDIARIES

Your Company has seven wholly owned subsidiaries viz. (i) Cement International Limited, (ii) Badarpur Energy Private Limited, (iii) Meghalaya Minerals and Mines Limited, (iv) Singlacherra Tea Company Private Limited, (v) Goombira Tea Company Limited, (vi) Chargola Tea Company Private Limited and (vii) Valley Strong Cements (Assam) Limited during the year under review.

The statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiaries is annexed to this report. Pursuant to General Circular No. 2/2011 dated 8th February, 2011, the Board of Directors of Company in their Meeting held on 12th February, 2013, subject to conditions mentioned in the said circular resolved, not to attach Balance sheet of subsidiaries with Balance Sheet of Company for the Financial Year 2012-13.

The annual accounts of the subsidiary companies and the related detailed information shall be made available to Members of the Company and that of subsidiary companies who are seeking such information at any point of time and a hard copy of details of accounts of subsidiaries will be provided to Member on demand. A statement giving certain information as required by the said circular is annexed herewith along with the Consolidated Accounts.

Further the annual accounts of the subsidiary companies will also be kept open for inspection by any Member of the Company in the head office of the Company and of the Subsidiary Companies concerned.

Business of the Company and its Subsidiaries

S. No	Company and its Subsidiaries	Nature of business activity
1.	Barak Valley Cements Limited	Manufacturing and dealing of cement and carrying other allied activities
2.	Cement International Limited	Manufacturing and dealing of cement and carrying other allied activities
3.	Meghalaya Minerals and Mines Limited	Extraction / mining and crushing of limestone and other minerals
4.	Badarpur Energy Private Limited	Power Generation and Distribution business
5.	Goombira Tea Company Limited	Tea plantation and other agricultural activities
6.	Chargola Tea Company Private Limited	Tea plantation and other agricultural activities
7.	Singlacherra Tea Company Private Limited	Tea plantation and other agricultural activities
8.	Valley Strong Cements (Assam) Limited	Manufacturing and dealing of cement and carrying other allied activities

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the Clause 49 of the Listing Agreement, Management Discussion and Analysis Report is annexed herewith and is an integral part of this report.

CORPORATE GOVERNANCE REPORT

Your Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your Company was in compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchange relating to corporate governance.

The Report on Corporate Governance in terms of clause 49 of the Listing Agreement is annexed and forms part of the Annual Report of the Company. A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed.

DIRECTORS

In accordance with the provision of Section 255 & 256 of Companies Act, 1956, Sh. Bijay Kumar Garodia, Dr. Dhanpat Ram Agarwal and Sh. Santosh Kumar Bajaj, Directors of the Company are liable to retire by rotation and they have offered themselves for re-appointment.

AUDITORS

Statutory Auditors

The Statutory Auditors of the Company M/s Kumar Vijay Gupta & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting of the Company and are eligible for re-appointment. They have sought re-appointment and have confirmed that their appointment, if made, shall be within the limits laid down under Section 224(1B) of the Companies Act, 1956. Further M/s Kumar Vijay Gupta & Co. has subjected themselves to the peer review process of ICAI and holds a valid certificate issued by the Peer Review Board of ICAI.

Annual Report 2012-13



The Board of Directors proposes the re-appointment of M/s Kumar Vijay Gupta & Co., Chartered Accountants, as Statutory Auditors of the Company on the recommendation of Audit Committee, to hold the office from the conclusion of ensuing Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Cost Auditors and Cost Audit Report

Cost audit records have been maintained for the financial year 2012-13 and pursuant to directives of central government and provisions of Section 233B (2) of Companies Act, 1956, the Board of Directors on the recommendation of the Audit Committee has proceeded to appoint Sh. Nirmalendu Kar Purkayastha, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2013-2014.

The Audit Committee has also received a Certificate from the Cost Auditor Certifying their independence and arm's length relationship with the Company.

AUDIT COMMITTEE

Your Company has an Audit Committee, in terms of Companies Act, 1956 and that of Listing Agreement, further details of Audit Committee are given in the Corporate Governance Report.

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the shareholders does not contain any qualifications. Notes on Accounts referred to the Auditor's Report are self explanatory and thereafter do not call for further comments.

PARTICULARS OF EMPLOYEES

None of the employee of the Company was in receipt of remuneration in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that they have taken all reasonable steps, as are required to ensure:

- i. that all the applicable accounting standards have been followed in preparation of the financial statements and there are no material departures from the said standards;
- ii. that reasonable and prudent accounting policies have been used in preparation of the financial statements, that they have been consistently applied and that reasonable and prudent judgments and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs and the loss of the company for the year ended 31.03.2013;
- iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the financial statements have been prepared on a going concern basis.

INSURANCE

All the properties of the Company including building, plant and machinery and stocks, where necessary and to the extent required have been adequately insured against major risks.

PUBLIC DEPOSITS AND BUY BACK OF SHARES

During the period under review, your Company has not accepted any deposit from public/ shareholders in accordance with Section 58A of the Companies Act, 1956 and rules made there under and hence no amount of principal or interest was outstanding as on 31st March, 2013.

No Buy Back of Shares was proposed or pending during the Financial Year ended on 31st March, 2013.

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

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are set out in Annexure 'A' forming part of this report.

APPRECIATION

Your Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work and commitment. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

Your Directors take this opportunity to express their deep sense of gratitude to the banks, financial institutions, central and state governments and their departments and the local authorities for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the total commitment, dedication and hard work put in by every member of the BVCL family.

Your Directors are also grateful to the shareholders for their confidence and faith reposed in the Company.

For BARAK VALLEY CEMENTS LIMITED

Place : Delhi
Date : 29.05.2013

Sd/-
(Bijay Kumar Garodia)
Chairman

Annexure 'A' to Director's Report

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

a) **Energy Conservation Measures Taken:**

- i. Auxiliary Drive in Raw Mill No.1.
- ii. VFD in different fan provided to reduce the power consumption.
- iii. Cement Mill No.3 Cement to Old Silo diverted.
- iv. Kiln Inlet- Recycling of inlet dust to riser duct.
- v. Alternate fuel feeding arrangement.
- vi. Utilization of cooler heat for drying the additives.
- vii. Crushing of boulders & gypsum ball.
- viii. Optimizing the dryer replacing 110 kw motor to 55 kw motor.
- ix. Clinker crushing in clinker storage hall to increase the cement mill TPH.

b) **Additional investment and proposal, being implemented for reduction of energy consumption.****Precalciner to maintain the production for 600 T/Day constantly.**

- i. Replacement of screw conveyor into weigh feeder in main firing of coal.
- ii. Weigh feeder in raw material grinding.
- iii. To replace the girth gear of coal mill no. 2 and optimize the loading of grinding media to increase the production.
- iv. Close circuiting of raw mill no. 3.
- v. Replacement of existing spillage from 125 m/m to 250 m/m size.
- vi. Replacement of gun metal bearing in phosphorus bronze to increase the life of bearing.
- vii. Clinker shed in front of cooler.
- viii. To change bad tyres and shell of kiln.
- ix. To change Polyacrolonitrile Bags to Nomex Bag or P-84 in high temperature bag filters.
- x. To change manual packing m/c. in electronic packing m/c.

c) **Impact of measure at (a) and (b) above for reduction of energy consumption and consequent impact on the production.**

After implementation of the above measure, power consumption will decrease and production will increase.

d) **Total Energy Consumption and Consumption per unit of production as per Form A in respect of Industries specified in the schedule:****FORM – A****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONVERSATION OF ENERGY:**

Power And Fuel Consumption		2012-2013	2011-12
a)	Purchase Units (KWH)	2,28,81,138 Units	2,31,51,900 Units
	Total Amount (Rs. in Lakhs)	1,134.67	1,046.22
	Rate/Unit (Rs.)	4.96	4.52
	Own Generation (KWH)	7,01,019 units	12,90,616 Units
	Total Amount (Rs. in Lakhs)	96.47	150.91
	Rate/Unit (Rs.)	13.76	11.69
b)	Coal Consumption	27,129 MT	29,461 MT
	Total Amount (Rs. in Lakhs)	2049.58	1,615.21
	Rate/MT (Rs.)	7,554.95	5,482.59
Consumption per unit of production (Unit/MT)		<u>Power (Per MT of Cement)</u>	<u>Coal (Per MT of Clinker)</u>
	Standard, if any	129	0.20
	Current Year	119	0.16
	Previous Year	124	0.19

FORM-B**TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT****1. Research and Development (R&D)****a) Specific Areas in which Research and Development (R&D) is being carried out by the Company**

- (i) Use of waste heat of kiln to dry the biomass.
- (ii) Direct firing of saw dust in kiln.

b) Benefits derived as a result of the above efforts.

Cost of Clinker will reduce by 2 to 3%

c) Future Plan of Action

To modify the preheater with precalciner to maintain the production of clinker 600 MTD on sustained basis.

d) Expenditure on R&D

Particulars	<u>2012-13</u>	<u>2011-12</u>
i) Capital Expenditure	NIL	NIL
ii) Recurring Expenditure	12,02,205	17,21,352
iii) Total Expenditure	<u>12,02,205</u>	<u>17,21,352</u>

2. Technology absorption, adaptation and innovation during 2012-2013 the following jobs were taken up:

- a) (i) Use of alternative fuel.
- (ii) Manufacturing belt conveyors without troughing rollers.
- (iii) Drier with spiral hanging chains.

b) Benefit derived as a result of the above efforts:

The installed capacity of the kiln production will go to 600 T/Day of clinker and 750 MT of Cement.

c) Foreign Exchange earnings and outgo:

Due to demand supply gap in North Eastern areas, the company is able to sell its entire production in the domestic market itself. Hence, the company is not engaged in any activity relating to import or export.

Foreign Exchange Earned	:	NIL
Foreign Exchange Used	:	NIL

For BARAK VALLEY CEMENTS LIMITED

Place : Delhi
Date : 29.05.2013

Sd/-
(Bijay Kumar Garodia)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

According to Economic survey 2012-13 India's current economic slowdown is deeply rooted in external causes and domestic weakness. Monetary tightening had been inevitable in the face of increased external headwinds and spiking inflation on account of stimulus support prompting consumption boost matched by inadequate supply-side flows.

The macro-economic scenario in FY13 has hence been characterized by :

- Wholesale Price Index(WPI) has registered some moderation, Consumer Price Index(CPI) remains high; food inflation resurfacing;
- WPI to settle in the range of 6.2% - 6.6% in March 2013;
- Fall in savings;
- Widening current account deficit; and
- Lower-than-targeted growth in tax and non-tax revenue coupled with increase in government expenditure (particularly fuel subsidy bill).

Domestic Macro-economic Indicators (%):

	FY09	FY10	F11	FY12	FY13
GDP growth	6.7	8.6	9.3	6.2	5.0
Inflation	8.1	3.8	9.6	8.9	7.6#
Savings	32.0	33.7	34.0	30.8	N.A.
Investment	34.3	36.5	36.8	35.0	N.A.

Source: Economic Survey F Y 2011-12
April-January FY 12

OVERVIEW OF INDIAN CEMENT INDUSTRY

Today, the Indian cement industry is very large, second only to China with a total installed capacity of around 300 million tonnes per annum (MTPA) as on March 31, 2012 and cement production of 225 million metric tonnes (MMT) in FY12. The cement industry occupies an important place in the national economy because of its strong linkages to other sectors such as construction, transportation, power, real estate, and coal, besides the financial markets. The industry is also one of the major contributors to the exchequer by way of indirect taxes.

OPPORTUNITIES

During the Twelfth Five Year Plan (2012-17), the Government of India plans to increase its investment in infrastructure to US \$ 1 trillion, which is nearly double of the US\$ 514 billion expected to be spent on infrastructure development under the Eleventh Five Year Plan (2007-12). Projects such as the dedicated freight corridors, upgraded & new airports and ports are expected to enhance the scale of economic activity, leading to a substantial increase in cement demand.

India would require overall cement capacity of around 480 MT. The industry will have to add another 150 MT of capacity during the period, according to the latest report from the working group on the industry for the 12th Five Year Plan (2012-17).

The government intends to expand the capacity of the railways and the facilities for handling and storage to ease the transportation of cement and reduce transportation costs.

NORTH EAST INDIA: A LAND OF OPPORTUNITIES FOR CEMENT INDUSTRY

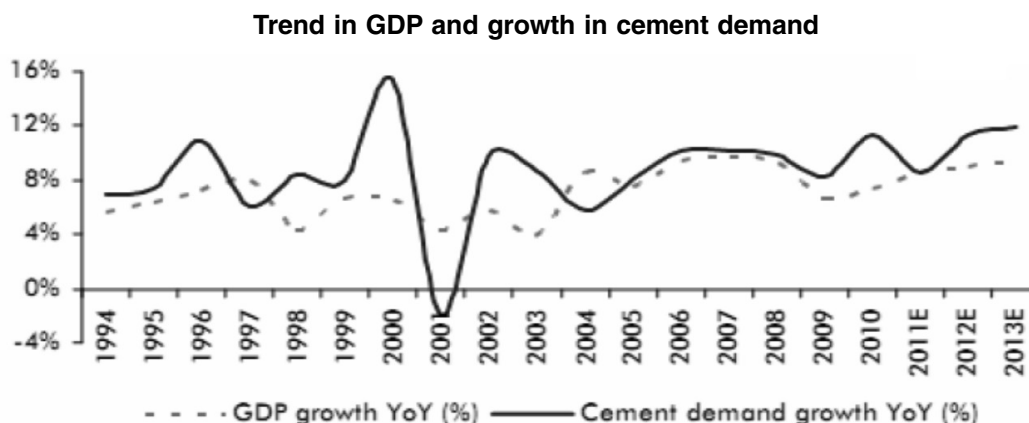
The North East (NE) region has consistently been a cement deficit region over several years. Cement manufactured locally is inadequate to meet the local demand for cement. The deficit is met through cement purchased from other parts of India which leads to increase in the price of cement due to high transportation cost.

At present, cement demand in the NE region is about 5.2 MTPA as compare to supply of 3.0 MTPA only. In order to reduce the demand and supply gap, the Government has approved a package of fiscal incentives and other concessions for the North East Region by formulating a policy, namely the North East Industrial and Investment Policy, 2007, effective from 1 April, 2007.

OUTLOOK

The Union budget 2013-14 is a pragmatic and growth oriented one. Infrastructure sector has been given due thrust in the budget. As the Government of India is expanding its investment in the Infrastructure sector, the demand for Commercial Real Estate segments, comprising retail space, office space and hotels, as well as civic facilities including hospitals, multiplexes and schools, has been rising due to the growth in economy. Estimated demand by real estate segment between 2010 and 2014: Office (240 million sq ft), Retail (55 million sq ft), Hospitality (78 million room nights).

Trend in GDP and growth in Cement Demand



COMPANY PERFORMANCE

The following are the highlights of the performance of the Company:

	(Rs. In Lakhs)	
	<u>2012-2013</u>	<u>2011-2012</u>
Net Sales	10888.17	9722.84
Profit/(Loss) after tax	(22.68)	(670.89)
Net Worth	8299.90	8322.58
Borrowings(Long Term)	3050.67	2772.22
EPS	(0.10)	(3.03)
Production (MT)	181109.00	183073.00
Despatches (MT)	180544.40	186655.00

During the year ending on 31.03.2013 your company has suffered loss of Rs.22.68 Lakhs in comparison of loss of Rs. 670.89 Lakhs in the previous year.

PERFORMANCE OF SUBSTANTIAL SUBSIDIARIES

The performance of the subsidiary companies viz. Cement International Limited (CIL), Badarpur Energy Private Limited (BEPL) & Meghalaya Minerals and Mines Limited (MMML) for the financial year 2012-13 as compared to the financial year 2011-12 is as under:

CEMENT INTERNATIONAL LIMITED

	<u>FY 2012-13</u>	<u>FY 2011-12</u>
Production (MT)	49264.00	59,560.00
Despatches (MT)	49497.00	60,105.00
Turnover (Rs. in lakhs)	2798.10	2913.18
Profit after Tax (Rs. in lakhs)	5.93	83.89

BADARPUR ENERGY PRIVATE LIMITED

	<u>FY 2012-13</u>	<u>FY 2011-12</u>
Units Generated/ Sold (in Lakhs)	—	—
Turnover (Rs. in Lakhs)	—	—
Profit after Tax (Rs. in Lakhs)	(287.22)	(426.55)

MEGHALAYA MINERALS AND MINES LIMITED

	<u>FY 2012-13</u>	<u>FY 2011-12</u>
Limestone Extracted/Purchased (MT)	1,42,360	1,47,670
Limestone Dispatched (MT)	1,44,177	1,83,681
Turnover (Rs. in Lakhs)	937.85	1,254.68
Profit after Tax (Rs. in Lakhs)	(76.08)	1.58

SALES & MARKETING

Your company has a diversified customer base in Tripura, Mizoram and Barak Valley Region consisting of potential customers, contractors, builders, institutions, Government Agencies. Your company's brand "Valley Strong" is a brand of trust and reliance for the people of North East since inception and therefore the entire production of the Company is sold in North east region.

During the year the Net Revenue from operations were Rs. 10,888.17 Lakhs in comparison of previous year Rs. 9,722.84 Lakhs which is an increase of about 12 %. However, the NCR of cement was Rs. 220.34 per bag as against the NCR of Rs. 191.84 per bag in 2011-12. Your company had also incurred Rs. 138.12 Lakhs in the year 2012-13 as compared to Rs. 151.99 Lakhs in the year 2011-12 in the Advertisement, Publicity & Sales Promotion expenses.

COSTS

(a) Raw Material

(i) Lime Stone :

During the year, the company has consumed 2,10,182 MT of Lime stone as compared to 1,92,212 MT of Limestone during last year. The main source of Limestone is from Meghalaya Minerals & Mines Ltd., which is a wholly owned subsidiary of your company. The per tonne limestone cost for producing cement comes out to Rs. 700/- this year as compared to Rs. 633/- last year. The consumption of limestone per ton of clinker in the current year was Rs 913/- (1.28 MT) against Rs. 832/- (1.22 MT) during the previous year.

(ii) Fly Ash:

During the year, the company has consumed 37034 MT of Fly ash against 41,364 MT during last year. The average acquisition cost per MT of Fly ash has been Rs. 1,696/- per MT in current year as compared to Rs. 1,750/- per MT in the last year. The total cost of fly ash in the year 2012-13 was Rs.629.59 Lakhs & in the year 2011-12 it came out to be Rs. 722.47 Lakhs. In current financial year 2012-13, overall Fly ash cost constitutes 23 % of overall Raw material cost as compared to 29% of raw material cost in the earlier year.

The company has produced 112918 MT of PPC cement as compared to 1,26,143 MT of PPC cement in the last year. The per tonne fly ash cost of producing PPC Cement comes out to Rs. 348/- per MT as compared to Rs. 395/- per MT of producing cement in the last year. During the year the fly ash consumption was 32.80% of the cement production which is almost remain same as compared to last year.

(iii) Gypsum:

Gypsum consumption of the company in the period 2012-13 was 304 MT as compared to 323 MT in the year 2011-12. The overall gypsum consumption cost comes to 0.58% of overall raw material cost as compared to 0.64% in the last year. The total cost of gypsum in the year 2012-13 was Rs. 15.55 Lakhs & in the year 2011-12 it came out to be Rs. 15.76 Lakhs. The average cost of Gypsum for producing per MT cement comes out to Rs. 8.59/- as compared to Rs. 8.61/- last year.

(b) Fuel and Power

(i) Coal:

During the year, the company has consumed 27,129 MT of coal, which constitutes 17% of per MT clinker production as compared to 29461 MT during last year (19% of per MT clinker production). In current year, the company has incurred Rs. 2049.58 lakhs on coal as compared to Rs. 1615.21 lakhs in previous year. In 2012-13 average coal costing comes out to Rs. 7555/- per MT as compared to Rs. 5,482/- per MT in 2011-12. The coal cost per ton of cement comes out to be Rs. 960/- in the year 2012-13 when compared with Rs. 780/- in the previous year 2011-12.

(ii) Power:

In current year, the company has purchased 228.81 lakhs units from ASEB as compared to 231.52 lakhs units purchased from ASEB in the last year.

During the year Company has generated 7.01 Lakhs power units with DG sets at an average cost of Rs. 13.76 per unit as compared to 12.91 Lakhs units in 2011-12 at an average cost of Rs. 11.69/-. In the current year, the company has incurred Rs. 1231.14 lakhs on power cost with an average of Rs.5.22/- per unit as compared to 1197.13 lakhs (Rs. 4.90/- per unit) in last year.

The cost of power per ton of cement comes out to be Rs. 597/- in the year 2012-13 when compared with Rs. 594/- in the previous year 2011-12.

(c) Salaries, Wages and Labour Cost

In current year 2012-13, the company has incurred Rs. 851.64 lakhs on salaries, wages and labour cost as against Rs. 793.17 lakhs in 2011-12. In overall terms in current year, wages cost comes out to Rs. 369 /- per MT of Cement cost as compared to Rs. 329/- per MT in the last year.

(d) Transportation Cost

The Company has dispatched 1,80,544 MT of cement as compared to 1,86,655 MT of cement in the previous financial year. However, the overall transportation cost had increased to Rs. 1854.82 lakhs as compared to Rs. 1816.59 lakhs in the last year.

(e) Financial Costs

During the year the company had faced a remarkable increase in Interest & Financial Costs against the last year. In 2012-13 the financial costs rose to Rs. 836.43 Lakhs from Rs. 717.74 Lakhs in the previous year 2011-12 due to higher lending rates charged by the bankers and others.

RISKS AND AREAS OF CONCERN

● INPUT COST

Rising input costs of key raw material i.e. Coal has become a critical issue impacting the profitability of cement industry. Off-late, the cement companies depending on imported coal have seen some easing in cost pressures due to decline in price of imported coal. However, the benefit of declining prices has been offset by rupee depreciation to some extent. Rising domestic coal prices and non-availability of low cost linkage coal has increased the power and fuel cost for cement manufacturers. As per industry research reports, raw materials account for 10% of total costs and have grown at a CAGR of c.25% during last seven years. Key raw materials comprise limestone (c. 10% of raw material), gypsum (35%) and additives like fly ash (55%).

● TRANSPORT

Transportation cost is a significant cost driving the profits in this industry and the same has also increased due to an increase in the surcharge and cess by Indian Railways in Oct, 2011 and increase in freight rates for some commodities in Mar, 2012. Recently announced hike in diesel prices by Rs. 5/litre in Sept, 2012 which increased the cost by Rs. 3/- per bag for cement companies will further escalate the cost of production for cement companies.

● RAW MATERIAL COST

The costs of limestone and gypsum are directly or indirectly co-related with diesel used for both excavation and transportation. With rise in diesel price, an upward movement is expected in the prices of key raw materials. Establishment of new power plants at coal mine pithead or near a port by companies has created scarcity of fly ash near the cement consumption centre. This in turn has made fly ash to cost around INR 400-500/tonne which once used to be free of cost.

● CHANGES IN GOVERNMENT POLICY

Growth prospects in the Cement Industry are highly dependent on various Government Policies. With the boost given by the government to various infrastructure projects, road network and housing facilities, growth in the cement consumption is anticipated in the coming year. Any change in the same may have an adverse impact on the demand for the cement and consequently will have a negative impact on the sales and profitability of the company.

● LAW & ORDER IN NE REGION

The North East Region had been prone to many terrorist attacks and various acts of violence which had given a very adverse effect on the law and order in the region. The continuance of such fanatic activities is also a major area of concern as they may affect the business, results, operations and financial conditions of your company.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The Company has appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting and controls, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibilities for all managerial positions have also been institutionalized. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them, from time to time. The Internal Control Systems are reviewed and revised periodically as per the business environment.

HUMAN RESOURCES

The Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talent. The employees are encouraged to offer constructive suggestions for improvement in their respective areas which are thoroughly discussed in departmental meetings. The Company continuously benchmarks HR policies and practices with the best in the industry and carries out the necessary improvements to attract and retain the best talent. We fully recognize that people are the lifeline of the Organisation.

The Company maintains absolute harmony with its work force. Since inception there has not been even a single instance of strike or lock-out at any of the Company's work place. The total manpower strength of the Company as on 31st March, 2013 was 245.

CORPORATE SOCIAL RESPONSIBILITY

Your Company not only focuses to be a pioneer in its business and in the industry but also understands its responsibility towards the environment and people in and around the company. The goal of Corporate Social Responsibility is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. To name a few, the social responsibilities carried out by the company during the year 2012-13 are highlighted herein below:

Health Care Initiatives

With determination to provide better health care facilities BVCL has set up free Health care centre at Debendra Nagar, Badarpur Ghat, Distt. Karimganj, Assam for the welfare of Local Community dedicated to providing excellent primary Health Care free of cost to needy people. Health care activities like pulse polio Immunization programme, family planning programme, vaccination for child, provisions of safe drinking water, Yoga camp, Diabetic Camp are also being organized.

Educational Initiatives

The Company has also sponsored a school namely "Vivekananda Kendra Vidhalaya" to provide modern day schooling to the students at Debendra Nagar, Badarpurghat, Assam. The Company has also sponsored students of this locality for education at V.K.V. School, Debendra Nagar and also provided Furniture, Black Board etc.

Environmental Initiatives

The Company has also initiated 'Mass Trees Plantation' motto, in which various unused/waste lands lying in the area are taken up by the Company through mutual understanding with landlords for planting various types of trees which have a significant environmental impact.

Recognizing the importance of environment the Company celebrates every year 5th june by planting more variety of trees with the collaboration of various organizations and forest department.

Community Welfare Initiatives

Under community welfare concerns the company has undertaken various initiatives like:

- Mass marriage programme for scheduled caste couples, exhibitions and training on balanced diet and food preservation for women and girl students, awareness drive on knowledge, attitude and practices are being conducted to increase woman empowerment.
- The Company has also constructed various waiting sheds for common mass people at Badarpurghat, Silchar and Ziribum.
- The Company has also constructed a park namely Valley Strong Island at Badarpurghat at tri-junction on NH-44 and NH-53.

CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements. These statements being based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Companies operations include economic conditions affecting domestic demand-supply conditions, finished goods prices, changes in Government regulations and tax regime etc. the Company assumes no responsibility to publicly, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

For BARAK VALLEY CEMENTS LIMITED

Place : Delhi
Date : 29.05.2013

Sd/-
(Bijay Kumar Garodia)
Chairman

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Corporate Governance is all about how a Company is operated. At Barak Valley Cements Limited, Corporate Governance has been an integral part of the way, we have been doing our business since inception. Our governance practice stem from an inherent desire to provide full disclosure of material information and reflects the culture of trusteeship that is deeply ingrained in our value system and reflected in our thought process. Today, your Company's corporate governance practices rests on five basic tenets:

- ❖ Board's accountability towards Shareholders and Company;
- ❖ Protection of Minority Interest;
- ❖ Transparency and Timely disclosures;
- ❖ Equality; and
- ❖ Commitment

Your Company believes in achieving business excellence and optimizing long-term value for its shareholders on a sustained basis through ethical business conduct.

In terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details of compliance for the year ended 31st March, 2013 are as follows:

I. BOARD OF DIRECTORS

● Composition

The Company has a very balanced structure of the Board of Directors, which primarily take care of the business needs and stakeholder's interest. The composition of the Board also complies with the provisions of the Companies Act, 1956 and the Listing Agreement.

The Board of Directors as on 31st March, 2013, comprised of Ten Directors, where Chairman of the Board is an Executive Director and Promoter of the Company. Since the Chairman is an Executive Director, the Board has an optimum combination of Five Independent Directors and Five Non-Independent Directors. None of the Directors is a director in more than 15 public companies and member of more than 10 committees or act as Chairman of more than 5 committees across all the companies in which they are Directors.

Pursuant to provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, all the Board Members have given their complete disclosure about other directorships and the committee positions held by them in other companies in the financial year 2012-13. Following is the list of Directors of the company showing details of their inter-se relations along with directorships in other companies and memberships & chairmanships in committees:

S.No.	Name of Director	Category	Inter-se Relationship amongst Directors	Details of Directorships in other companies*	Position in Other Committees	
				Public	Member**	Chairman**
1	Sh. Prahlad Rai Chamaria	Promoter, Non-Executive and Non-Independent Director	Brother of Sh. Kamakhya Chamaria	5	Nil	Nil
2	Sh. Bijay Kumar Garodia	Promoter, Executive and Non-Independent Director	Brother of Sh. Mahendra Kumar Agarwal's wife	3	1	Nil
3	Sh. Kamakhya Chamaria	Executive and Non-Independent Director	Brother of Sh. Prahlad Rai Chamaria	4	Nil	Nil
4	Sh. Mahendra Kumar Agarwal	Promoter, Non-Executive and Non-Independent Director	Brother-in-law of Sh. Bijay Kumar Garodia	13	1	Nil
5	Sh. Santosh Kumar Bajaj	Promoter, Executive and Non-Independent Director	Nil	2	Nil	Nil
6	Sh. Brahm Prakash Bakshi	Independent and Non-Executive Director	Nil	1	Nil	Nil
7	Dr. Dhanpat Ram Agarwal	Independent and Non-Executive Director	Nil	2	Nil	Nil

8	Sh. Edwin Especiano Fernandes	Independent, Non-Executive and Nominee Director	Nil	1	Nil	Nil
9	Sh. Ramesh Chandra Bajaj	Independent and Non-Executive Director	Nil	Nil	Nil	Nil
10	Sh. Vishal More	Independent and Non-Executive Director	Nil	1	Nil	Nil

Notes:

- * Excluding alternate directorships and directorships in private limited companies, foreign companies and the Companies under section 25 of the Companies Act, 1956 ('the Act').
- ** Only two Committees viz Audit Committee and the Shareholder's/Investor's Grievance Committee of all Public Limited Companies (whether listed or not) are being taken for the purpose of considering the Membership & Chairmanship in committees of other companies.

● **Meetings and Attendance**

The Board of Directors of your company met 4 (four) times during the year 2012-13 i.e. on 30th May, 2012, 14th August, 2012, 09th November, 2012, 12th February, 2013 to transact various businesses.

During the year 2012-13 the maximum time gap between two meetings of the Board did not exceed more than four months and have an adequate quorum in every meeting.

The attendance of the Board Members in the Board Meetings and the Annual General Meeting is detailed herein below:

S.No	Name of Director	Attendance	
		Board Meeting	Last AGM
1	Sh. Bijay Kumar Garodia	2/4	Yes
2	Sh. Kamakhya Chamarla	4/4	Yes
3	Sh. Mahendra Kumar Agarwal	0/4	Yes
4	Sh. Santosh Kumar Bajaj	3/4	No
5	Sh. Prahlad Rai Chamarla	3/4	Yes
6	Sh. Brahm Prakash Bakshi	0/4	No
7	Dr. Dhanpat Ram Agarwal	0/4	No
8	Sh. Edwin Especiano Fernandes	2/4	No
9	Sh. Ramesh Chandra Bajaj	2/4	No
10	Sh. Vishal More	3/4	Yes

● **Information placed before the Board of Directors**

The Board of your company is regular in conducting Board Meetings periodically to transact various businesses. As sound practice of good corporate governance a detailed Agenda assisted with relevant Annexures is sent to all the Board Members well before time including the following items:

- a) Annual operating plans and budgets and any updates.
- b) Capital budgets and any updates.
- c) Quarterly financial results for the company and its operating divisions or business segments.
- d) Minutes of meetings of audit committee and other committees of the Board.
- e) The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- f) Show cause, demand, prosecution notices and penalty notices which are materially important.
- g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- h) Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.
- i) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- j) Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- k) Other information that seek the prior attention of the Board to carry out their responsibilities in a prudent manner.

● **Code of Conduct**

Your company has also framed a Code of Conduct for all the Board Members and Senior Management personnel of the company which is posted on its website, www.barakcement.com.

All the Board Members and Senior Management personnel have affirmed their compliance with the said code. A declaration to that effect signed by the CEO is attached and forms part of the Annual Report of the Company.

● **Other Provisions**

The Board periodically reviews the compliance reports of all laws applicable to the company as well as steps taken by the Company which ensures their timely and adequate compliances.

II. COMMITTEES OF THE BOARD

In order to carry out the responsibilities & decision making more smoothly and in prudent manner the Board has formed various committees which are headed and constituted by various learned members of the Board having expertise and reservoir of experience in their respective fields such as finance, legal, accounts, marketing, etc.

The decisions and recommendations of the Committees are placed before the Board for information or approval. BVCL is having following Board Level Committees:

- ❖ Audit Committee
- ❖ Sub-Audit Committee
- ❖ Remuneration Committee
- ❖ Share Transfer Committee
- ❖ Shareholders' / Investor's Grievance Committee
- ❖ General Purpose Committee

A. AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, Company have a duly qualified and Independent Audit Committee, presided by an Independent Director. The Audit Committee of the Board comprises three Non- Executive Independent Directors and one Executive Non-Independent Director. All the members of the Audit Committee are financially literate. Sh. Vishal More, being the Chairman of the Committee is Masters in Economics and credential holder of Chartered Financial Analyst from the CFA Institute, USA and proficient in accounting and financial management.

● **Meetings**

During the Financial Year 2012-13 the Audit Committee met 4 (Four) times on 30th May, 2012, 14th August, 2012, 6th November, 2012, and 12th February, 2013. The following table displays the attendance of the members in the said meetings of the committee:

Sl.No.	Name of the Member	Designation in Committee	Category	Attendance
1	Sh. Vishal More	Chairman	Independent and Non-Executive Director	4/4
2	Sh. Brahm Prakash Bakshi	Member	Independent and Non-Executive Director	0/4
3	Sh. Ramesh Chandra Bajaj	Member	Independent and Non-Executive Director	1/4
4	Sh. Kamakhya Chamaria	Member	Non-Independent and Executive Director	4/4

Notes:

- a) The Company Secretary acts as the Secretary of the Committee.
- b) The time gap between the two meetings doesn't exceed by more than four months, and have an adequate quorum in every meeting.
- c) The Chairman of the Audit Committee was present in Annual General Meeting to answer the queries of the Shareholders.
- d) The Auditors and the Internal Auditors of the Company have attended and participated in the Committee Meetings without right to vote.

● **Terms of Reference**

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges read with section 292A of the Companies Act, 1956 gist of terms of reference is as follows:

- a) The Audit Committee has power, to investigate any activity, seek information from any employee and to obtain outside legal or other professional advice, to secure attendance of outsiders with relevant expertise, when ever consider fit and proper by the Committee.
- b) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- c) Recommending to the Board, regarding the appointment, re-appointment, the replacement and removal of the statutory auditor and cost auditors, along with fixation of audit fees and other payments payable to Auditor for other services rendered by him.
- d) Reviewing, with the management, the quarterly financial statements, annual financial statements before submission to the Board for approval.
- e) Reviewing, with the management and performance of statutory and internal auditors, and adequacy of the internal control systems and internal audit function, if any, including staffing and seniority of the official heading the department, reporting structure coverage.
- f) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- g) Discussion with the Statutory and Cost Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- h) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- i) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

- j) The Audit Committee is empowered to review the Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions, submitted by management, internal audit reports relating to internal control weaknesses, and appointment, removal and terms of remuneration of the Chief Internal Auditor.

● **Sub-Audit Committee**

The Board has also set up a Sub-Audit Committee on 15th May, 2009 in order to strengthen the Internal Audit procedure by keenly observing and implementing the findings & comments of the Internal Auditors of the company and reporting the same to the Audit Committee.

The committee consists of following executives of the company:

1. Sh. S.K.P Dalmia
2. Sh. Shishir Bajoria
3. Sh. Ramesh Chand Pareek
4. Sh. Rajesh Aggarwal

*The Sub-Audit Committee was reconstituted, due to resignation of Sh. R. G. Keyal as the Member of the Committee w.e.f. 30.05.2012.

B. REMUNERATION COMMITTEE

As stipulated in Companies Act, 1956 and the Listing Agreement as well, the Board had constituted a Remuneration Committee on September 07, 2006 headed by Sh. Brahm Prakash Bakshi who is an Independent and Non- Executive Director.

The terms of reference for this committee is to formulate a Remuneration Policy for the Directors & other Managerial Personnel and decide upon their Remuneration packages including pension rights and any compensation payment.

The Remuneration of the Directors is decided keeping in view the industrial standards, ambit of job responsibilities, experience of the Director, company's financial performance and prospective growth of the company.

● **Composition**

The Committee consists of four Directors out of which three are Non-Executive and Independent Directors and one is an Executive and Non-Independent Director:

Sl. No	Name	Designation in Committee	Category
1	Sh. Brahm Prakash Bakshi	Chairman	Non-Executive & Independent Director
2	Dr. Dhanpat Ram Agarwal	Member	Non-Executive & Independent Director
3	Sh. Ramesh Chandra Bajaj	Member	Non-Executive & Independent Director
4	Sh. Bijay Kumar Garodia	Member	Executive & Non-Independent Director

- ❖ The Company Secretary of the Company acts as the Secretary to the Committee

● **Meetings**

During the year 2012-13, no meeting of the Remuneration Committee was held.

● **Details of Remuneration**

The Directors in the Board were entitled to the following remuneration during the Financial Year 2012-13.

Sl. No	Name of Director	Managerial Remuneration (In Rs./- p.a)	Sitting Fees (In Rs./- p.a)	No. of Shares as on 31.03.2013
1	Sh. Prahlad Rai Chamaria	Nil	Nil	19,84,800
2	Sh. Bijay Kumar Garodia	Nil	Nil	21,62,500
3	Sh. Kamakhya Chamaria	12,00,000	Nil	3,40,000
4	Sh. Mahendra Kumar Agarwal	Nil	Nil	17,62,632
5	Sh. Santosh Kumar Bajaj	Nil	Nil	18,84,500
6	Sh. Brahm Prakash Bakshi	Nil	Nil	Nil
7	Dr. Dhanpat Ram Agarwal	Nil	Nil	Nil
8	Sh. Edwin Especiano Fernandes	Nil	Nil	Nil
9	Sh. Ramesh Chandra Bajaj	Nil	Nil	Nil
10	Sh. Vishal More	Nil	15,000	Nil

Notes:

- a) The Managerial Remuneration has been paid in accordance with Companies Act, 1956 and as per their respective agreements with the company.
- b) The Non-Executive Directors are entitled only to the sitting fees which are within specified limits as per Companies Act, 1956 and none of the non-executive directors have no other pecuniary relationship with the company.
- c) The Chairman of Remuneration Committee is an Independent Non Executive Director.
- d) Company has not issued any convertible instruments during the year 2012-13.

C. SHARE TRANSFER COMMITTEE

To expedite the process of transferring the shares along with their registration, the Share Transfer Committee was set up on September 07, 2006. The terms of reference of the committee includes approval of share transfer, issue of duplicate/rematerialized shares, transmission of shares, consolidation, splitting of share certificates.

● Composition

The detail of the members of the Share Transfer Committee is as follows:

Sl.No	Name	Designation in Committee
1	Sh. Prahlad Rai Chamaria	Chairman
2	Sh. Santosh Kumar Bajaj	Member
3	Ms. Bhavna Jangid	Member*

* The Share Transfer Committee was reconstituted on 12th February, 2013 wherein Ms. Bhavna Jangid was co-opted as the Member due to the resignation of Ms. Nidhi Sharma.

● Meetings

No meeting of the Share Transfer Committee was held during the year ending 31st March, 2013.

D. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

The said committee has been constituted at the Board level, under the Chairmanship of Sh. Brahm Prakash Bakshi, a Non-Executive, Independent director. The Committee was formed on September 07, 2006 in conformity with the provisions of the Listing Agreement.

The terms of reference to Committee includes dealing with redressal of shareholder's complaints like transfer of shares, non-receipt of balance sheet or annual reports, non-receipt of declared dividend, issue of duplicate share certificates, delay in transfer of shares, and any other complaints of shareholders.

● Composition

The Committee is constituted by 3 (three) scholarly members- Sh. Brahm Prakash Bakshi as its Chairman, Sh. Kamakhya Chamaria & Dr. Dhanpat Ram Agarwal as its Members.

● Meetings

No meeting of the Shareholder's / Investor's Grievance Committee was held during the year 2012-13.

● Details of Complaints

Pursuant to the requirement stipulated in the Listing Agreement the following are the details of complaints received & resolved during 2012-13:

Period	Complaints Received	Complaints Resolved	Pending Complaints
2012-13	Nil	Nil	Nil

● Compliance Officer

Name : Ms. Bhavna Jangid
Designation : Company Secretary
Contact : E-mail: cs@barakcement.com
Phone: 91-11-49805200/300
Fax: 91-11-27033830

E. GENERAL PURPOSE COMMITTEE

The Board had constituted a General Purpose Committee on 30th January, 2010 to smoothly and swiftly carry out the day to day businesses and transactions of the company. The Committee is headed by Sh. Kamakhya Chamaria who is also the Vice-Chairman & Managing Director of the Company.

● Composition

The Committee consists of five Directors out of which four are Executive Directors and one is Non-Executive Director. The Committee is under the guidance & Chairmanship of Sh. Kamakhya Chamaria.

● Meetings

During the Financial year 2012-13 the General Purpose Committee met 2 (Two) times on 24th August, 2012 and 03rd May, 2013 with following attendance:

Sl. No	Name	Designation in Committee	Attendance
1	Sh. Kamakhya Chamaria	Chairman	2/2
2	Sh. Bijay Kumar Garodia	Member	1/2
3	Sh. Mahendra Kumar Agarwal	Member	0/2
4	Sh. Santosh Kumar Bajaj	Member	1/2
5	Sh. Prahlad Rai Chamaria	Member	1/2

III. SUBSIDIARIES

Your Company has 7 (seven) wholly owned subsidiaries namely:

Sl. No	Name of the Subsidiary	Address		Main Business Activity	Date of Acquisition
		Registered Office	Works		
1.	Cement International Limited	Village Lumshonong, District Jaintia Hills, Meghalaya-793002	Debendra Nagar, Jhoom Basti, P.O Badarpurghat, Distt. Karimganj, Assam- 788803	Manufacturing & Selling of cement	31.03.2006

2	Badarpur Energy Private Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Debendra Nagar, Jhoom Basti, P.O Badarpurghat, Distt. Karimganj, Assam- 788803	Generation of Electricity	31.03.2006
3	Meghalaya Minerals & Mines Limited	Village Lumshonong, District Jaintia Hills, Lumshnong, Khliariat, Meghalaya-793200	Village Lumshnong, Distt. Jaintia Hills, Meghalaya-793002	Mining of Limestone	31.03.2006
4	Goombira Tea Company Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam-788737	Tea, Rubber & Biomass Plantation	01.10.2010
5	Singlacherra Tea Company Private Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam- 788737	Tea , Rubber & Biomass Plantation	01.10.2010
6	Chargola Tea Company Private Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam- 788737	Tea, Rubber & Biomass Plantation	01.10.2010
7	Valley Strong Cements (Assam) Limited	Debendra Nagar, Jhoombasti, PO Badarpurghat, Badarpur, Assam-788803	Debendra Nagar, Jhoom Basti, P.O Badarpurghat, Distt. Karimganj, Assam-788803	Proposing to start manufacturing of cement	31.03.2011

❖ The Audit Committee and the Board reviews the minutes, financial statements, significant transactions and working of the unlisted subsidiary companies.

IV. GENERAL BODY MEETINGS

● Annual General Meeting

The details of the last three AGMs held are as follows:

Sl. No.	Year	Date of AGM	Day & Time	Venue	Details of Special Resolution, if any
1	2009-10	07.08.2010	Saturday, 02:00 P.M.	202, Royal View, B.K. Kakoti, Ulubari, Guwahati, Assam-781007	Resolution to change name of the company to 'Barak Cement Limited' passed under Section 21 of the Companies Act , 1956
2	2010-11	06.08.2011	Saturday, 02:00 P.M.	202, Royal View, B.K.Kakoti, Ulubari, Guwahati, Assam-781007	Nil
3	2011-12	09.08.2012	Thursday, 01:00 P.M.	202, Royal View, B.K.Kakoti, Ulubari, Guwahati, Assam-781007	Nil

● Extra-ordinary General Meeting

No Extra-Ordinary General was held during the Financial Year 2012-13.

● Postal Ballot

No resolution on matters requiring Postal Ballot as per Section 192A of the Companies Act, 1956 was passed during the year 2012-13, therefore the information regarding Voting Pattern and the person who conducted the postal ballot exercise are not applicable for the company. The Special Resolution, if any, proposed to be conducted by Postal Ballot shall be in accordance with law.

V. DISCLOSURES

● Related Party Transactions

In compliance with the Companies Act, 1956 and Listing Agreement the Directors of the Company have from time to time disclosed their concern and interests in contracts or arrangements made by or on behalf of the Company. The detail thereof has been placed before the Audit Committee. There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large.

Related party transactions are more fully mentioned in relevant Schedule of Notes on Account. However, all these transactions are on normal commercial arm's length basis. None of the transactions with any related parties are in prejudice to the interest of the Company.

Further senior management has no personal interest in material financial or commercial transactions which may have potential conflict with the interest of the Company.

- **Disclosure of Accounting Treatment**

Your Company has followed all relevant Accounting Standards issued by ICAI in the preparations of financial statements. The significant accounting policies which are consistently applied have been set out in the Notes on Accounts. There is no material change in the Accounting Policies.

- **Risk Management**

The Company has established a procedure to enable Board Members to assess the prospective risk and to take proactive steps to mitigate the same. The established procedures are being evaluated from time to time to determine their relevance and reliability.

- **Proceeds from public issues, rights issues, preferential issues, etc.**

During the year, your Company did not raise any funds by way of public, rights, preferential issues, etc.

- **Management**

The Management Discussion and Analysis forms part of the Annual Report and is in accordance with the requirements laid out in Clause 49 of the listing Agreement.

No material transaction has been entered into by your Company with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of your Company.

- **Non-Compliance/Penalties/Strictures Imposed**

There had been neither any non-compliance by the company nor any penalties, strictures have been imposed on the Company by the Stock Exchange(S) or the SEBI or any other statutory authority on any matters related to capital markets during the last three years.

- **Details of compliance with Mandatory and adoption of non mandatory requirements**

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and non-mandatory requirements are being reviewed as follows:

- i. Audit Qualifications-The Company has moved towards a regime of unqualified financial statements.
- ii. Remuneration Committee- Necessary provisions for the Remuneration Committee have been adopted and complied by the company.
- iii. Whistle Blower Policy- Although no Whistle Blower policy exists in your company but the access to the Chairman of the Audit committee is never denied to the employees. They may even contact the management to report about any irregularity, actual or suspected fraud, unethical behavior, etc.

- **CEO/CFO Certification**

The Chief Executive Officer and Chief Financial Officer of your Company have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is attached and forms integral part of this Report.

- **Report Corporate Governance**

The Corporate Governance report forms part of the Annual Report. Your Company complies with the provisions of Clause 49 of the Listing Agreement with the Stock exchanges.

- **Compliance**

Certificate from the Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock exchanges forms part of the Annual Report.

VI. MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual Results of the company are sent to the Stock Exchanges immediately after conclusion of every Board Meeting either through Fax or E-mail.

After their approval from Board and in consistency with the requirement of Clause 41 of the Listing Agreement, the Financial Results are published in English Language Newspaper ('Financial Express'), Hindi Newspaper ('Jansatta') and Regional Newspaper ('Jansadharan').

The Financial Results & other information about the company are also available on its website www.barakcement.com.

VII. GENERAL SHAREHOLDER INFORMATION

In Compliance with the requirements stated in Clause 49 of the Listing Agreement the General Shareholder Information is herein below:

- i **Annual General Meeting**

Date : Monday, 23rd September, 2013

Time : 2:30 P.M.

Venue : 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007

- ii **Financial Year**

From : 1st April, 2012

To : 31st March, 2013

Annual Report 2012-13



iii Book Closure Date

From : 17th September, 2013
To : 23rd September, 2013 (Both days inclusive)

iv Dividend Payment Date

No Dividend is proposed for the Financial Year 2012-13.

v Stock Exchange & Code

Sl. No	Stock Exchange	Code
a)	Bombay Stock Exchange	532916
b)	National Stock Exchange	BVCL

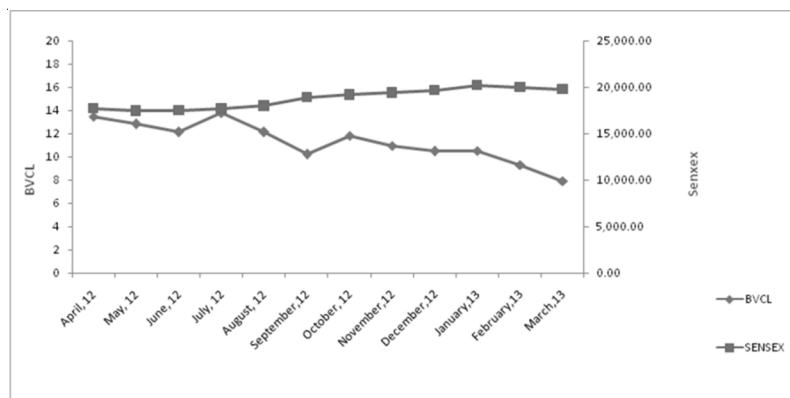
vi Payment of Listing Fees

The payment of Listing Fees has been timely made to both the Stock Exchanges on which the securities of the company are listed i.e to National Stock Exchange & Bombay Stock Exchange.

vii Market Price & Data

Month	Bombay Stock Exchange Limited		National Stock Exchange Of India Limited	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April'12	13.45	12.08	13.6	12
May'12	12.8	10.75	12.5	10.8
June'12	12.12	10.5	11.9	10.65
July'12	13.75	10.15	12.65	10.5
Aug'12	12.1	8.95	11.95	9
Sept'12	10.2	8.1	10.05	8.3
Oct'12	11.8	8.91	12.9	8.95
Nov'12	10.94	9	11	9
Dec'12	10.46	9	10.35	9.05
Jan'13	10.47	8.77	10.3	8.55
Feb'13	9.3	6.65	9.25	6.75
Mar'13	7.9	6.15	8.1	6.2

Viii PERFORMANCE COMPARISON



ix REGISTRAR & SHARE TRANSFER AGENTS

The details of the RTA is as follows:

MCS Limited,
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Phone: 011-41406149; Fax: 011-41709881
E-mail: admin@mcsdel.com

X. SHARE TRANSFER SYSTEM

For the Transfer of shares of the company in Dematerialized form the same is done through the Depository Participants without involvement of the company. For transfer of shares in physical form, the transfer document can be lodged with either MCS limited (the Registrar & Share Transfer Agent) or with the Company.

The Physical Shares along with valid and duly executed transfer instrument as and when received are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferee complying with the rules in force. The shares are transferred after obtaining the approval from Share Transfer Committee. Duly transfer share

certificates are returned within a period of 30 days from the date of receipt subject to the documents being valid and complete in all respects.

Xi Details of Unpaid Dividend as on 31.03.2013

Year	Amount (In Rs.)	Due Date of transfer to IEPF*
2007-08	1,16,850	30th August, 2015
2008-09	78,158	5th November, 2016
2009-10	94,322	12th September, 2017

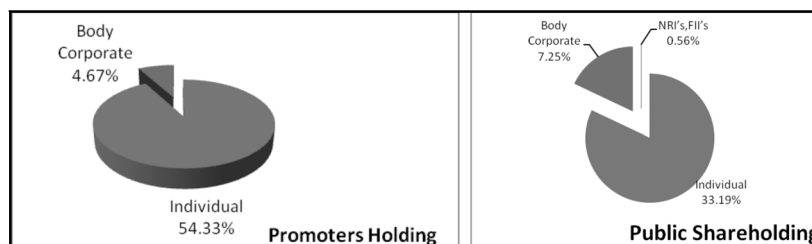
*Actual dates may vary.

Xii Distribution of Shareholding as on 31.03.2013

Range	Shareholders			
	Number	% of Total	Amount (in Rs.)	% of Total
1-500	6414	83.06	1,04,85,480	4.74
501-1000	606	7.84	5,18,8,070	2.34
1001-2000	280	3.62	4,47,3,900	2.02
2001-3000	122	1.58	3,17,0570	1.43
3001-4000	50	0.65	1,73,8,290	0.78
4001-5000	53	0.69	2,46,1,210	1.11
5001-10000	74	0.96	5,56,6,750	2.51
10001-50000	61	0.79	1,29,20,930	5.83
50001-100000	26	0.34	1,97,35,930	8.91
And Above	36	0.47	15,58,58,870	70.33
Total	7722	100	22,16,00,000	100

Shareholding Pattern as on 31st March, 2013

Category	No. of Shares	% of Holding
Promoter		
Individual	1,20,39,371	54.33
Body Corporate	10,35,000	4.67
Sub Total (A):	1,30,74,371	59.00
Public:		
Individual	7,35,4,708	33.19
Body Corporate	1,60,7,182	7.25
Financial Institutions/Bank	Nil	---
NRI's, Foreign Nationals, FII's	1,23,739	.56
Others	Nil	---
Sub Total (B):	90,85,629	41.00
Total (A+B):	2,21,60,000	100%



xiii Dematerialized of Shares and liquidity as on 31.03.2013

Particulars	No. of Shares	Percentage (%)
Dematerialization		
NSDL	1,74,93,130	78.95
CDSL	3,99,4,864	18.03
Sub Total	2,14,87,994	96.98
Physical	6,72,006	3.02
Total	2,21,60,000	100

xiv Outstanding GDRs/ADRs/Warrants or any convertible Instruments

There are no outstanding GDRs/ADRs/Warrants or any other convertible instruments of the company.

xv Financial Calender:

The following Financial Calendar is proposed for the year 2013-14 and is subject to change:

Quarter Ending 30th June, 2013	On or before 14th August, 2013
Quarter Ending 30th September, 2013	On or before 14th November, 2013
Quarter Ending 31st December, 2013	On or before 14th February, 2014
Quarter Ending 31st March, 2014	On or before 30th May, 2014

xvi (a) International Securities Identification Number (ISIN): INE139I01011

(b) Company Identification Number (CIN): L01403AS1999PLC005741

xvii Plant Locations

Debendra Nagar, Jhoom Basti, P.O.Badarpurghat,

Distt. Karimganj, Assam-788803

Phone: 03843-269435/881

Fax: 03843-268965

xviii Address for Correspondence

- a) **Registered Office:** 202, Royal View, B.K.Kakoti Road Ulubari, Guwahati, Assam-781007
Ph: 0361-2464670-71; Fax: 0361-2464672
E-mail:- globalghy@sify.com
- b) **Corporate Office:** 281, Deepali, Pitampura, Delhi-110034
Ph: 011-49805200/300; Fax: 011-27033824/30
E-mail:- delhi@barakcement.com
- c) **Branch Office:** CF-361, Salt Lake City, Sector-1, Kolkata-700064
Ph: 033-40046161/62; Fax: 033-40046164
E-mail:- bvcl.kol64@gmail.com
- d) **Compliance Officer:** Bhavna Jangid
(Company Secretary)
Ph: 011-49805200/300; Fax: 011-27033824/30
E-mail:- cs@barakcement.com

ANNEXURE**DECLARATION**

I, Kamakhya Chamaria, Vice Chairman & Managing Director of the Company do hereby declare that during the Financial Year ended on 31.03.2013, all the board members and senior management personnel have affirmed compliance with the code of conduct of the Company.

Place : Delhi
Date : 29.05.2013

For Barak Valley Cements Limited
Sd/-
(Kamakhya Chamaria)
Vice Chairman & Managing Director

CEO/CFO Certification

To
The Board of Directors
Barak Valley Cements Limited

We, Chief Executive Officer & Chief Financial Officer, do hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
- d. We have indicated to the auditors and the Audit committee :
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Barak Valley Cements Limited

Sd/-
Sushil Kumar Kothari
(Chief Financial Officer)
Place : Kolkata
Date : 27.05.2013

Sd/-
Kamakhya Chamaria
(Chief Executive Officer)
Place : Delhi
Date : 28.05.2013

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Barak Valley Cements Limited

1. We have examined the compliance of conditions of Corporate Governance by **Barak Valley Cements Limited** for the year ended on March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of the 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 statements 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 Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Kumar Vijay Gupta & Co.
Chartered Accountants
Sd/-
(CA. Mahesh Goel)
Partner
M No.088958

Date : 27.05.2013
Place : Faridabad

INDEPENDENT AUDITOR'S REPORT

To the Members of
Barak Valley Cements Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Barak Valley Cements Limited ("the Company")**, 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.

Management's Responsibility 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 Company 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.

Auditor's 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 Company'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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.
2. 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. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Kumar Vijay Gupta & Co.,
Chartered Accountants
Sd/-
(CA. Mahesh Goel)
Partner
M.No. 88958
Firm Regn. No. : 007814 -N

New Delhi, 29th May' 2013

ANNEXURE "A" TO THE AUDITOR'S REPORT

Re: Barak Valley Cements Ltd. —

Annexure 'A' referred to in paragraph 1 of our report of even date:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii)
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii)
 - (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) of the Order are not applicable.
 - (b) According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v)
 - (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public to which the directions issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
- (viii) We have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix)
 - (a) According to the records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income tax, service tax, excise duty/ cess and any other material statutory dues applicable to it, with the appropriate authorities. There were no arrears of statutory dues as at 31st March, 2013 except for a sum of Rs. 2,34,977/- on account of Service Tax and Rs. 8,57,485/- on account of Cess on Cement for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, details of disputed statutory dues, which have not been fully deposited with the appropriate authorities, are as under:

(Rs. in Lakhs)

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income-Tax Demand	356.69	Assessment Year 2005-06	ITAT, Guwahati.
Income- Tax Act, 1961	Income-Tax Demand	262.88	Assessment Year 2006-07	ITAT, Guwahati.
Income -Tax Act, 1961	Income-Tax Demand	286.63	Assessment Year 2009-10	ITAT, Guwahati.
Assam Entry Tax Act, 2008	Entry-Tax Demand	122.56	2005-06 to 2008-09	Commissioner of Taxes, Assam.

- (x) The Company does not have accumulated losses at the end of the financial year under report. The company has not incurred cash losses during the financial year covered by our audit but has incurred cash loss amounting to Rs. 1,61,68,505/- during the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- (xvi) According to the information and explanations given to us by the management, term loans were applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company 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.
- (xix) According to information and explanations given to us, the company has not issued Debentures during the period covered by our report. As such, no securities or charge has been created in respect of such issue.
- (xx) According to the information and explanations given to us, the company has not raised money by public issues during the year. As such, reporting on this clause does not arise.
- (xxi) According to information and explanations given to us, and based upon the audit procedures performed during the year, we report that no fraud on or by the Company has been noticed or reported during the year.

For Kumar Vijay Gupta & Co.,
Chartered Accountants,
Sd/-
(CA. Mahesh Goel)
Partner
M.No. 88958
Firm Regn. No. : 007814 -N

New Delhi, 29th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Notes	31.03.2013	31.03.2012
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	3	221,600,000	221,600,000
Reserves and Surplus	4	608,389,913	610,658,259
		829,989,913	832,258,259
<u>Non-Current Liabilities</u>			
Long Term Borrowings	5	305,066,666	277,222,280
Deferred Tax Liabilities (Net)	6	11,006,353	12,565,058
Other Long Term Liabilities	7	37,944,572	32,179,237
Long Term Provisions	8	5,442,819	4,028,913
		359,460,410	325,995,488
<u>Current liabilities</u>			
Short Term Borrowings	9	293,033,265	385,808,158
Trade Payables	10	43,018,927	44,861,541
Other Current Liabilities	11	194,827,788	128,873,696
Short Term Provisions	12	7,143,028	10,922,666
		538,023,007	570,466,060
TOTAL		1,727,473,331	1,728,719,808
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Fixed Assets	13		
-Tangible Assets		451,338,374	479,547,371
-Intangible Assets		-	178,803
		451,338,374	479,726,174
Non Current Investments	14	571,205,279	525,574,502
Long Term Loans and Advances	15	262,288,404	255,500,424
		1,284,832,057	1,260,801,100
<u>Current Assets</u>			
Inventories	16	73,471,778	75,486,053
Trade Receivables	17	108,377,198	102,602,982
Cash and Cash Equivalents	18	8,177,221	31,697,267
Short Term Loans and Advances	19	252,615,077	258,132,406
		442,641,274	467,918,708
TOTAL		1,727,473,331	1,728,719,808

Significant accounting policies and notes on accounts 2

The accompanying notes 1-40 are an integral part of the financial statements

As per our report of even date

For Kumar Vijay Gupta & Co.,

Firm Registration No. 007814-N

Chartered Accountants,

Sd/-

(CA. Mahesh Goel)

Partner

M.No. 88958

For & on behalf of the Board

Sd/-

(Bijay Kumar Garodia)

Chairman & Whole Time Director

Sd/-

(Kamakhya Chamaria)

Vice-Chairman & Managing Director

Sd/-

(Sushil Kumar Kothari)

Chief Financial Officer

Sd/-

(Santosh Kumar Bajaj)

Whole Time Director

Sd/-

(Bhavna Jangid)

Company Secretary

New Delhi, 29th May, 2013

BARAK VALLEY CEMENTS LIMITED / 28

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

		(Amount in Rs.)	
Particulars	Notes	31.03. 2013	31.03.2012
Income			
Revenue from Operations (Gross)	20	1,113,030,951	997,792,417
Less: Excise Duty		24,214,314	25,508,469
Revenue from Operations (Net)		1,088,816,637	972,283,948
Other Income	21	3,018,830	1,971,255
Total Revenue (I)		1,091,835,467	974,255,203
Expenses			
Cost of Raw Materials including packaging material consumed	22	270,118,497	245,674,857
(Increase) / Decrease in Inventories	23	(4,020,323)	27,719,493
Employee Benefit Expenses	24	91,366,127	86,078,436
Finance Costs	25	83,642,674	71,774,054
Depreciation and Amortization Expenses	13	51,943,753	49,641,118
Other Expenses	26	601,756,024	560,299,053
Total Expenses (II)		1,094,806,752	1,041,187,011
Profit / (Loss) before exceptional items and tax (I) - (II)		(2,971,286)	(66,931,808)
Exceptional items		855,764	(1,706,056)
Profit / (Loss) before tax		(3,827,050)	(65,225,752)
Tax Expenses			
- Current Tax		-	-
Less: MAT Credit entitlement		-	-
- Net Current Tax		-	-
- Earlier year tax provisions written back		-	583,871
- Deferred Tax Liability/ (Assets)		(1,558,704)	1,279,285
Profit / (Loss) for the year		(2,268,346)	(67,088,908)
Earnings Per Equity Share (face Value of Rs. 10/-each) (refer note-35)			
Basic Earning Per Share		(0.10)	(3.03)
Diluted Earning Per Share		(0.10)	(3.03)
Significant accounting policies and notes on accounts		2	

he accompanying notes 1-40 are an integral part of the financial statements

As per our report of even date

For Kumar Vijay Gupta & Co.,

Firm Registration No. 007814-N

Chartered Accountants,

Sd/-

(CA. Mahesh Goel)

Partner

M.No. 88958

For & on behalf of the Board

Sd/-

(Bijay Kumar Garodia)

Chairman & Whole Time Director

Sd/-

(Kamakhya Chamaria)

Vice-Chairman & Managing Director

Sd/-

(Sushil Kumar Kothari)

Chief Financial Officer

Sd/-

(Santosh Kumar Bajaj)

Whole Time Director

Sd/-

(Bhavna Jangid)

Company Secretary

New Delhi, 29th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		(Amount in Rs.)	
S.No.	Particulars	31.03.2013	31.03.2012
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit before Tax and exceptional items	(2,971,286)	(66,931,808)
	<u>Adjustment for:</u>		
	Add : Depreciation & Misc. expenditure	44,102,518	47,090,60
	Interest & finance charges	83,642,674	71,774,054
	Operating Profit before working capital changes	124,773,906	51,932,855
	<u>Adjustment for change in :</u>		
	Trade & other receivables	(2,299,029)	(164,807,101)
	Inventories	2,014,275	22,422,112
	Trade and other payables	(32,443,053)	39,248,705
	Cash generated from Operations	92,046,099	(51,203,429)
	Direct Taxes Paid	(4,745,839)	(2,462,045)
	Prior period adjustments / Exceptional Items	(855,764)	1,122,185
	Net Cash Flow from operating activities	86,444,496	(52,543,289)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Acquisition of Fixed Assets	(15,714,719)	(27,743,828)
	Purchase of Investments	(45,630,777)	(10,500,000)
		(61,345,496)	(38,243,828)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Net proceeds from issue of Equity Shares	-	-
	Increase in Bank & Other borrowings	35,023,627	152,103,910
	Dividend (including CDT)	-	-
	Interest and finance charges paid	(83,642,674)	(71,774,054)
		(48,619,047)	80,329,856
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(23,520,046)	(10,457,263)
	Add:- Cash & Cash Equivalents at the beginning of the year	31,697,267	42,154,530
	Cash & Cash Equivalents at the Closing of the year	8,177,221	31,697,267

Note : Figures in brackets indicate cash outflow.

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

For Kumar Vijay Gupta & Co.,

Firm Registration No. 007814-N

Chartered Accountants,

Sd/-

(CA. Mahesh Goel)

Partner

M.No. 88958

For & on behalf of the Board

Sd/-

(Bijay Kumar Garodia)

Chairman & Whole Time Director

Sd/-

(Kamakhya Chamaria)

Vice-Chairman & Managing Director

Sd/-

(Sushil Kumar Kothari)

Chief Financial Officer

Sd/-

(Santosh Kumar Bajaj)

Whole Time Director

Sd/-

(Bhavna Jangid)

Company Secretary

New Delhi, 29th May, 2013

1. **CORPORATE INFORMATION**

Barak Valley Cements Limited (the company) is a public limited company incorporated under the provisions of the Companies Act, 1956. The shares of the company are listed on National Stock Exchange and Bombay Stock Exchange of India. The manufacturing unit of the company is located at Badarpurghat, Distt. Karimganj, Assam. The company is engaged in the manufacturing and selling of various brands of Cement primarily in north eastern states.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

2.1 **BASIS OF PREPARATION:**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis and on the basis of going concern.

2.2 **ESTIMATES:**

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.3 **FIXED ASSETS:**

- (a) Tangible Fixed Assets are stated at their original cost of acquisition, installation or construction (net of Cenvat credit, if any) less accumulated depreciation and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the assets to its working condition for its intended use, less trade discounts, rebates, specific grants received.
- (b) An Intangible asset is recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful economic life. Expenditure on purchased software and IT related expenditure are written off over a period of three years.
- (c) Capital Work -In -Progress: Capital work in progress is carried at cost comprising direct cost and preoperative expenses during construction period to be allocated to the fixed assets on the completion of construction.

2.4 **DEPRECIATION:**

Depreciation on fixed assets has been provided on Written down Value (WDV) Method at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of put to use and in the case of a new project, the same is provided on a pro-rata basis from the date of commencement of commercial production. Depreciation on assets sold, discarded or scrapped, is provided up to the date on which the said asset is sold, discarded or scrapped. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

2.5 **GOVERNMENT GRANTS/SUBSIDIES :**

Government grants and subsidies are recognized when there is reasonable assurance that the same will be received and company will comply with the conditions attached to them. Revenue grants in the nature of recoupment or reimbursement of any particular items of expenses are recognized in the statement of profit and loss as deduction from related item of expenditure. Capital grants/ subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants/ subsidies are credited to the capital reserve.

2.6 **INVESTMENTS:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long- term investments. Current investments are stated at lower of cost and fair value determined. Long term Investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

2.7 **INVENTORIES:**

Inventories are carried at the lower of cost and net realisable value. Cost for the purpose is worked out on weighted average basis and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In case of finished goods, semi-finished goods and work in progress, an appropriate overhead are allocated on full absorption costing basis and includes excise duty wherever applicable.

2.8 **REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The Sales are accounted for on dispatch of goods to the customer and are stated exclusive of excise duty, VAT/ Sales Tax and are net of trade discounts, sales commission and sales return. Other items of revenue are recognised in accordance with the Accounting Standard (AS - 9). Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate.

2.9 **IMPAIRMENT OF ASSETS:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds

its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

2.10 RETIREMENT BENEFITS:

(i) Defined Contribution Plan

Employees benefits in the form of provident fund and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are recognized in the statement of profit and loss.

2.11 INCOME TAXES:

Income Tax expenses comprise current and deferred tax charge or credit. Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of MAT at each Balance Sheet date and adjusts MAT credit entitlement to the extent there is convincing evidence to the effect that the company will pay normal income tax during the specified period.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized and carried forward for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets / liabilities are reviewed at the end of each reporting period based on the development during the year to reassess realizations or liabilities.

2.12 RESEARCH AND DEVELOPMENT EXPENDITURE:

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year in which it is incurred and are included under the related head of expenditure. Capital expenditure is added to the cost of fixed assets in the year in which they are incurred.

2.13 BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are occurred.

2.14 INTANGIBLE ASSET:

An Intangible asset is recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased / developed software are written off over a period of three years.

2.15 PROVISIONS AND CONTINGENCIES:

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. Liabilities which are material in nature and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

2.16 CASH & CASH EQUIVALENTS:

Cash and cash equivalent comprise cash in hand and deposits with banks and corporations. The company considers all highly liquid investments with a original maturity period of three months or less and that are readily convertible to known amount of cash to be cash equivalents.

2.17 EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

3. SHARE CAPITAL	31.03.2013	31.03.2012
Authorised Capital {2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2012) of Rs. 10/- each}	250,000,000	250,000,000
Issued, Subscribed, Called & fully Paid -up shares {2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.12) of Rs. 10/- each, fully paid up.}	221,600,000	221,600,000
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares	No of Shares	No of Shares
At the beginning of the year	22,160,000	22,160,000
Issued during the year	-	-
Outstanding at the end of the year	22,160,000	22,160,000
(b) Terms/Rights attached to equity shares		
The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share.		
In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(c) Details of Shareholders holding more than 5% shares in the company		
<u>Name of the Shareholders</u>	No of Shares % of holding	No of Shares % of holding
Sh. Bijay Kumar Garodia	2,162,500 9.76%	2,162,500 9.76%
Sh. Prahlad Rai Chamaria	1,984,800 8.96%	1,984,800 8.96%
Sh. Santosh Kumar Bajaj	1,884,500 8.50%	1,884,500 8.50%
Sh. Mahendra Kumar Agarwal	1,762,632 7.95%	1,843,700 8.32%
As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial owner.		

(Amount in Rs.)

4. RESERVES & SURPLUS	31.03.2013	31.03.2012
Securities Premium Account		
Balance as per last financial statements	151,439,581	151,439,581
Addition/(Deduction) during the year	-	-
	151,439,581	151,439,581
General Reserve		
Balance as per last financial statements	43,507,527	43,507,527
Addition/(Deduction) during the year	-	-
	43,507,527	43,507,527
Surplus/ (Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	415,711,151	482,800,060
Profit / (Loss) for the year	(2,268,346)	(67,088,908)
Amount available for appropriation	413,442,805	415,711,151
Less: Appropriations	-	-
Net Surplus in the statement of profit and loss	413,442,805	415,711,151
Total Reserves and Surplus	608,389,913	610,658,259

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

5. LONG TERM BORROWINGS	31.03.2013	31.03.2012
<u>Term Loans</u>		
Rupee Loans from Banks (Secured)	207,600,000	141,718,178
Rupee Loan from a Financial Institution (Secured)	200,000,000	185,000,000
<u>Other Loans & Advances</u>		
-Hire Purchase Finance from banks (Secured)	1,304,381	2,815,320
-Hire Purchase Finance from financial institutions (Secured)	1,989,806	4,237,055
	410,894,187	333,770,552
Less: Current Maturities of long term borrowings	105,827,521	56,548,272
	305,066,666	277,222,280
<p>(i) Rupee Term Loan of Rs.1,076.00 lakhs (sanctioned amount Rs. 2,000.00 lakhs) from a bank is repayable in 59 equal monthly installments of Rs. 33.00 lakhs and 1 installment of Rs. 53.00 lakhs ending in September' 2015. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company. Further, the loan has been guaranteed by personal guarantees of some of Directors of the Company.</p> <p>(ii) Working Capital Term Loan(WCTL) of Rs.1,000.00 lakhs (sanctioned amount Rs. 1,000.00 lakhs) from a bank is repayable in 36 equal monthly installments of Rs. 27.78 lakhs commencing from January' 2014. The Loan is secured by extension of charge on the current assets as well as fixed assets (both present and future) of the company. Further, the loan has been guaranteed by personal guarantees of some of Directors of the Company.</p> <p>(iii) Rupee Term Loans of Rs. 2,000.00 lakhs from financial institution (sanctioned limit Rs. 2,000.00 lakhs) is repayable in 50 equal monthly installments of Rs. 40.00 lakhs each commencing from April' 2013. The loan is secured by first charge on fixed and immovable assets of company's assets on pari-passu basis in respect of Rs. 750.00 lakhs and by second charge on fixed and immovable assets of the company in respect of remaining Rs. 1250.00 lakhs. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.</p> <p>(iv) Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within next year.</p>		
6. DEFERRED TAX LIABILITIES (NET)	31.03.2013	31.03.2012
<u>Deferred Tax Liability</u>		
-Fixed assets	12,979,746	14,525,892
Gross deferred tax liability	12,979,746	14,525,892
<u>Deferred Tax Assets</u>		
-Leave encashment	1,144,386	759,431
- Gratuity to staff	829,007	1,201,402
Gross deferred tax asset	1,973,393	1,960,833
Net Deferred Tax Liability	11,006,353	12,565,059
7. OTHER LONG TERM LIABILITIES	31.03.2013	31.03.2012
<u>Others</u>		
-Security Deposits	17,944,572	12,179,237
- Advance received for capital assets	20,000,000	20,000,000
	37,944,572	32,179,237

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	(Amount in Rs.)	
	31.03.2013	31.03.2012
8. LONG TERM PROVISIONS		
Provisions for employee benefits		
- Leave Encashment	2,759,950	1,571,206
- Gratuity	2,682,869	2,457,707
	<u>5,442,819</u>	<u>4,028,913</u>
9. SHORT TERM BORROWINGS		
Working Capital facilities from Banks		
- Cash Credit (Secured)	250,633,265	355,808,158
Loans from Other parties (Unsecured)	42,400,000	30,000,000
	<u>293,033,265</u>	<u>385,808,158</u>
a. The above amount includes		
Secured borrowings	250,633,265	355,808,158
Unsecured borrowings	42,400,000	30,000,000
b. Working Capital facilities from banks are secured by first charge on current assets of the Company and second charge on fixed assets of the Company. The Working Capital facilities from banks have also been guaranteed by some of the Directors of the Company.		
c. Loans from Other parties are unsecured in nature and due for repayment within a period of 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.		
10. TRADE PAYABLES		
	31.03.2013	31.03.2012
Trade Payables	43,018,927	44,861,541
	<u>43,018,927</u>	<u>44,861,541</u>
11. OTHER CURRENT LIABILITIES		
	31.03.2013	31.03.2012
Current Maturities of long term borrowings	105,827,521	56,548,272
Interest accrued but not due on borrowings	21,127	161,139
Interest accrued and due on borrowings	9,172,776	2,005,090
Other Payables		
-Statutory Liabilities	22,037,227	7,086,585
-Creditors-Micro, Small & Medium Enterprises (refer Note 32)	-	-
-Advances from customer	36,380,586	40,184,237
-Salary and Bonus to employees	2,469,956	3,118,227
-Other Liabilities	18,918,594	19,770,146
	<u>194,827,788</u>	<u>128,873,696</u>
12. SHORT TERM PROVISIONS		
	31.03.2013	31.03.2012
Provisions for Employee Benefits		
-Leave Encashment	943,563	2,316,825
Provisions for selling and other expenses	6,199,465	8,605,841
	<u>7,143,028</u>	<u>10,922,666</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013

13. FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2012	Additions	Disposals / Adjustments	Total as on 31.03.2013	As on 01.04.2012	For the year	Deduction / Adjustment	Total as on 31.03.2013	As on 31.03.2013	As on 31.03.2012
A. TANGIBLE ASSETS										
Land & Site Development	111,783,110	4,414,129	6,939,908	109,257,331	-	-	-	-	109,257,331	111,783,110
Factory Building	114,474,156	1,349,317	-	115,823,473	56,556,223	5,792,163	-	62,348,386	53,475,087	57,917,934
Non Factory Building	10,213,842	7,024,151	-	17,237,993	330,193	842,140	-	1,172,333	16,065,660	9,883,649
Plant, Machinery & Equipments	702,599,791	20,286,842	9,406,389	713,480,244	412,790,191	43,129,232	6,385,763	449,533,660	263,946,584	289,809,600
Furniture & Fixtures	6,292,323	254,605	-	6,546,928	4,671,777	306,652	-	4,978,429	1,568,499	1,620,546
Vehicles	15,347,805	352,047	1,753,875	13,945,977	10,059,390	997,570	1,455,472	9,601,488	4,344,489	5,288,415
Office Equipments	6,489,759	32,500	-	6,522,259	3,952,737	391,375	-	4,344,112	2,178,147	2,537,022
Computers	6,338,046	101,300	-	6,439,346	5,630,951	305,818	-	5,936,769	502,577	707,095
Total of Tangible Assets(A)	973,538,832	33,814,891	18,100,172	989,253,551	493,991,462	51,764,950	7,841,235	537,915,177	451,338,374	479,547,371
B. INTANGIBLE ASSETS										
Computer Software	2,909,012	-	-	2,909,012	2,730,209	178,803	-	2,909,012	-	178,803
Total Fixed Assets (A+B)	976,447,844	33,814,891	18,100,172	992,162,563	496,721,671	51,943,753	7,841,235	540,824,189	451,338,374	479,726,174
Previous Year's figures	886,601,196	93,479,762	3,633,114	976,447,844	449,631,062	49,641,118	2,550,509	496,721,671	479,726,174	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

14. NON CURRENT INVESTMENTS	31.03.2013	31.03.2012
Trade Investments (valued at cost unless stated otherwise)		
Investment in Unquoted Equity Instruments		
Investment in Subsidiaries		
Badarpur Energy Private Limited	317,767,000	317,767,000
49,63,340 (49,63,340 as at 31.03.12) Equity Shares of Rs 10/- each fully paid up.		
Cement International Limited	45,607,000	45,607,000
9,92,700 (9,92,700 as at 31.03.12) Equity Shares of Rs 10/- each fully paid up.		
Meghalaya Minerals & Mines Limited	40,592,000	40,592,000
14,90,000 (14,90,000 as at 31.03.12) Equity Share of Rs 10/- each fully paid up.		
Goombira Tea Company Limited	94,426,079	62,426,079
23,27,000 (10,47,000 as at 31.03.12) Equity Share of Rs 10/- each fully paid up.		
Chargola Tea Company Pvt. Limited	14,479,000	14,479,000
7,42,000 (7,42,000 as at 31.03.12) Equity Share of Rs 10/- each fully paid up.		
Singlacherra Tea Company Pvt. Limited	23,584,200	19,449,000
7,40,900 (5,68,600 as at 31.03.12) Equity Share of Rs 10/- each fully paid up.		
Valley Strong Cements (Assam) Limited	31,750,000	22,250,000
3,86,250 (2,67,500 as at 31.03.12) Equity Share of Rs 10/- each fully paid up.		
Investment in Associates		
North East Power & Infra Limited	3,000,000	3,000,000
3,00,000 (3,00,000 as at 31.03.12) Equity Share of Rs 10 each fully paid up.		
	571,205,279	525,570,079
Non Trade Investments (valued at cost)		
Investment in Quoted Equity Instruments		
Ambuja Cements Limited	-	4,423
Nil Equity Shares (50 as at 31.03.12) of Rs 10/- each fully paid up		
	571,205,279	525,574,502
Aggregate amount of Quoted investment	-	4,423
Aggregate amount of Unquoted investments	571,205,279	525,570,079
15. LONG TERM LOANS AND ADVANCES	31.03.2013	31.03.2012
Capital Advances		
Unsecured, Considered Good	7,413,785	11,658,990
Security Deposits (unsecured considered good)	14,874,619	13,841,434
Loans and advances to related parties		
Unsecured considered Good	240,000,000	230,000,000
(Long term loan to Badarpur Energy Pvt.Ltd., a wholly owned subsidiary company)		
	262,288,404	255,500,424
16. INVENTORIES (REFER NOTE- 30)	31.03.2013	31.03.2012
Raw Materials and components	12,393,259	20,769,925
Work - In - Process	3,332,203	2,647,456
Finished Goods	5,178,087	1,842,511
Packing Material	1,890,566	2,539,309
Stores & Spares parts	50,677,664	47,686,852
	73,471,778	75,486,053

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

17.	TRADE RECEIVABLES	31.03.2013	31.03.2012
	<u>Secured Considered Good</u>		
	Over Six months	-	-
	Other Debts	4,690,488	4,768,547
		<u>4,690,488</u>	<u>4,768,547</u>
	<u>Unsecured Considered Good</u>		
	Over Six Months	20,558,645	11,483,968
	Other Debts	83,128,065	86,350,468
		<u>103,686,710</u>	<u>97,834,435</u>
	Total Trade Receivables	<u>108,377,198</u>	<u>102,602,982</u>
18.	CASH & CASH EQUIVALENTS	31.03.2013	31.03.2012
	Cash in Hand	3,984,955	4,242,198
	<u>Balance with Banks</u>		
	- In current accounts	107,103	22,835,088
	- Balance with banks held as margin money / security deposits	4,085,163	4,619,981
		<u>8,177,221</u>	<u>31,697,267</u>
19.	SHORT TERM LOANS AND ADVANCES	31.03.2013	31.03.2012
	<u>Loans and advances to related parties</u>		
	(Unsecured, Considered Good)	8,150,636	36,977,162
		<u>8,150,636</u>	<u>36,977,162</u>
	<u>Other Loans & Advances</u>		
	(Unsecured, Considered Good)		
	-Advances Receivable in cash or kind	252,722	246,610
	-Advances to suppliers	39,844,053	34,503,043
	- Advances to employees	1,029,871	2,459,640
	-Balances with/ Receivables from Government authorities	87,628,196	66,812,372
	-Subsidies Receivable from Central/State Governments	110,269,389	114,170,675
	-Advances for Services & Expenses	694,371	500,858
	-Advance Income Tax (net of provision for tax including MAT)	4,745,839	2,462,045
		<u>244,464,441</u>	<u>221,155,243</u>
	Total Short term loans and advances	<u>252,615,077</u>	<u>258,132,406</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)		
20.	REVENUE FROM OPERATIONS (REFER NOTE - 30(a))	2012-13 2011-12
	Sale of Products	1,108,106,526 991,801,302
	Other operating revenue	
	Trade Mark Fee received	4,924,425 5,991,115
	Revenue from operation (gross)	1,113,030,951 997,792,417
21.	OTHER INCOME	2012-13 2011-12
	Interest Income	2,095,714 252,729
	Dividend Income	90 140
	Other Non Operating Income	923,026 1,718,386
		3,018,830 1,971,255
22.	COST OF RAW MATERIALS (INCLUDING PACKAGING MATERIAL) CONSUMED	
	[(REFER NOTE- 30 (c))]	2012-13 2011-12
	Inventory at the beginning of the year	23,309,235 15,000,885
	Add: Purchases	261,093,087 253,983,207
		284,402,322 268,984,092
	Less :Inventory at the end of the year	14,283,825 23,309,235
	Cost of Raw Materials (including packaging material) Consumed	270,118,497 245,674,857
23.	(INCREASE)/DECREASE IN INVENTORIES [(REFER NOTE- 30(b))]	2012-13 2011-12
	Inventories at the end of the year	
	Work -in -Progress	3,332,203 2,647,456
	Finished Goods	5,178,087 1,842,511
		8,510,290 4,489,967
	Inventories at the beginning of the year	
	Work -in -Progress	2,647,456 13,429,833
	Finished Goods	1,842,511 18,779,627
		4,489,967 32,209,460
	(Increase) /Decrease in inventories	(4,020,323) 27,719,493
24.	EMPLOYEE BENEFIT EXPENSES	2012-13 2011-12
	Salaries, Wages & other manpower expenses	85,163,979 79,316,680
	Contribution to Provident and other funds	1,622,657 1,583,940
	Gratuity Expenses	749,860 888,225
	Staff welfare expenses	3,829,631 4,289,591
		91,366,127 86,078,436

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

25. FINANCE COSTS	2012-13	2011-12
Interest expenses	82,762,394	67,981,115
Other borrowing costs	880,280	1,982,711
Interest expenses on demand of taxes	-	1,810,228
	83,642,674	71,774,054
26. OTHER EXPENSES	2012-13	2011-12
Consumption of Stores & Spare parts	25,782,187	23,691,032
Power & Fuel	328,071,796	281,550,238
Rent	2,892,740	4,623,767
Repairs & Maintenance		
- Building	991,893	1,040,861
- Plant & Machinery	6,451,329	6,598,625
- Others	943,734	1,504,982
Vehicle running, maintenance & hire charges	3,635,434	4,281,915
Printing, Stationery & Computer expenses	2,128,442	2,036,852
Material Handling & Freight Charges	8,388,956	9,282,934
Travelling and Conveyance	3,612,680	5,141,861
Insurance(Net)	342,155	893,972
Rates & Taxes	302,449	277,086
Research & Development Expenses	1,202,205	1,721,352
Auditor's Remuneration	150,000	150,000
Bad debts / Advances written off	612,613	1,543,588
Director's Remuneration	1,200,000	4,725,000
Charity & Donation	1,675,690	2,631,930
Miscellaneous Expenses	12,108,435	9,719,249
Outward transportation cost	185,482,795	181,658,466
Advertisement, Publicity & Sales Promotion Expenses	13,811,808	15,198,858
Telephone expenses	1,968,683	2,026,485
	601,756,024	560,299,053

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2013

(27) Capital Commitments

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to Rs. 170.24 Lakhs (Previous Year: Rs.153.13 Lakhs)

(28) Contingent liabilities not provided for:

- (a) Bank Guarantee issued by Banks Nil (Previous Year - Nil)
- (b) Corporate Guarantee's given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: Rs.2,948.72 Lakhs (Previous Year - Rs. 6,087.43 Lakhs)
- (c) Claims against the company not acknowledged as debts: Disputed demands of Income -Tax / Entry- Tax matters pending before the Appellate Authorities: Rs.1,028.76 lakhs (Previous Year - Rs. 906.20 lakhs)

(29) Fixed Deposit Receipts pledged with the banks / Others : Rs. 35.25 Lakhs (Previous Year : Rs. 42.25 Lakhs)

(30) (a) Sales of finished products :

(Amount in Rs.)

	<u>2012 - 2013</u>	<u>2011 - 2012</u>		
(1) Cement	1,02,61,98,662	92,61,04,024		
(2) Clinker	8,19,07,864	6,56,97,278		
Total	<u>1,10,81,06,526</u>	<u>99,18,01,302</u>		
(b) Details of Inventory :	<u>2012 - 2013</u>	<u>2011 - 2012</u>		
<u>Work - in -progress :</u>				
(1) Clinker	32,95,537	24,98,434		
(2) Others	36,666	1,49,022		
	<u>33,32,203</u>	<u>26,47,456</u>		
<u>Finished Goods :</u>				
(1) Cement	<u>51,78,087</u>	<u>18,42,511</u>		
(c) Details of Raw Material				
<u>(including packaging material) consumed</u>				
	<u>2012 - 2013</u>	<u>2011 - 2012</u>		
Lime Stone	14,95,40,256	131,190,235		
Gypsum	15,54,936	1,575,568		
Fly Ash	6,29,59,009	72,247,542		
Packaging Bags	2,94,88,819	27,881,121		
Others	2,65,75,477	12,780,391		
	<u>27,01,18,497</u>	<u>24,56,74,857</u>		
(d) Details of Inventory of Raw Material				
<u>(including packaging material)</u>				
	<u>2012 - 2013</u>	<u>2011 - 2012</u>		
Lime Stone	68,28,178	14,599,677		
Gypsum	2,43,738	434,291		
Fly Ash	20,21,399	4,800,845		
Packaging Bags	18,90,566	2,539,309		
Others	32,99,944	935,113		
	<u>1,42,83,825</u>	<u>23,309,235</u>		
(e) Value of Imported and Indigenous Raw Materials, Spare parts and components consumed and percentage thereof:				
	<u>2012 - 2013</u>	<u>2011 - 2012</u>		
	Value (Rs.)	%	Value (Rs.)	%
(1) <u>Raw Materials including packaging material :</u>				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	27,01,18,497	100%	24,56,74,857	100%
(2) <u>Stores & Spare parts :</u>				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	2,57,82,187	100%	2,36,91,032	100%

Annual Report 2012-13



- (f) C.I.F. Value of Imports: Nil (Previous Year - Nil)
- (g) Earnings in Foreign Exchange: Nil (Previous Year - Nil)
- (h) Expenditure in Foreign Currency: Nil (Previous Year - Nil)

(31) Payment made to Auditor's during the year ended is as under: -

	2012-2013	2011 - 2012
a. Statutory audit fees	Rs. 95,000	Rs. 95,000
b. Tax Audit fees	Rs. 35,000	Rs. 35,000
c. Company Law and other matters	Rs. 20,000	Rs. 20,000
Total	Rs.1,50,000	Rs.1,50,000

(32) There are no Micro, Small and Medium enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the company.

(33) Employee Defined Benefits:

(a) Defined Contribution Plans

The Company has recognized an expense of Rs.16,22,657/- (Previous year Rs 15,83,940/-) towards the defined contribution plans.

(b) Defined Benefit Plans - As per Actuarial Valuation as at 31st March'2013

Particulars	2012 - 13		2011-12	
	Gratuity others	Leave Encashment	Gratuity others	Leave Encashment
I. Expenses recognised in the statement of Profit and Loss Account for the year ended 31st March' 2013				
1. Current Service Cost	476,335	1,045,612	578,320	757,512
2. Interest Cost	97,885	102,546	108,445	75,450
3. Expected Return on plan Assets	-	-	-	-
4. Curtailment cost (credit)	-	-	-	-
5. Settlement cost (credit)	-	-	-	-
6. Past Service Cost	-	-	-	-
7. Actuarial Losses/(Gains) on defined benefit obligation	175,640	235,314	201,460	101,990
8. Losses/ (Gains) on plan assets	-	-	-	-
9. Total Expenses	749,860	1,383,472	888,225	934,952
II. Net Asset / (Liability) recognised in the Balance Sheet as on 31st March' 2013				
1. Present Value of Defined Benefit Obligations	2,682,869	3,703,513	2,457,707	3,888,031
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/ (Deficit)]	(2,682,869)	(3,703,513)	(2,457,707)	(3,888,031)
4. Net Asset/ (Liability) as on 31.03.2013	(2,682,869)	(3,703,513)	(2,457,707)	(3,888,031)
III. Change in Obligation during the year ended 31st March' 2013				
1. Present Value of Defined Benefit obligation at the beginning of the year	2,457,707	3,888,031	2,035,256	3,681,720
2. Current Service Cost	476,335	1,045,612	578,320	757,512
3. Interest Cost	97,885	102,546	108,445	75,450
4. Curtailment Cost / (credit)	-	-	-	-
5. Settlement Cost/ (credit)	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Plan amendments	-	-	-	-
8. Acquisitions	-	-	-	-
9. Actual (Gains) / Losses	175,640	235,314	201,460	101,990
10. Benefits paid	(524,698)	(1,567,990)	(465,774)	(728,641)
11. Present value at the end of the year	2,682,869	3,703,513	2,457,707	3,888,031

Annual Report 2012-13



IV. Change in Fair Value of Assets during the year ended 31st March' 2013				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Expected Return on plan Assets	-	-	-	-
3. Actual Company Contributions	524,698	1,567,990	465,774	728,641
4. Employee Contributions	-	-	-	-
5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
6. Benefits paid	(524,698)	(1,567,990)	(465,774)	(728,641)
7. Plan Assets at the Closing of the year	-	-	-	-

(34) Disclosure in respect of Related Parties:

Pursuant to Accounting Standard - 18 " Related Party Disclosures" issued by ICAI, following are the related parties, description of their relationships and transactions carried out with them during the year in the ordinary course of business:

Subsidiary Companies	Meghalaya Minerals & Mines Ltd., Badarpur Energy Pvt. Ltd., Cement International Ltd., Goombira Tea Co. Ltd., Chargola Tea Co. Pvt. Ltd., Singlacherra Tea Co. Pvt. Ltd., Valley Strong Cements (Assam) Ltd.
Associates	M/s. Nefa Udyog, M/s. Meghalaya Cements Ltd., M/s. Balaji Udyog Ltd., North East Power & Infra Ltd., Valley Strong Cements Ltd.
Key Management Personnel and their Relatives	Kamakhya Chamaria (Vice Chairman & Managing Director), Bijay Kumar Garodia (Chairman & Whole Time Director), Santosh Kumar Bajaj (Whole Time Director), J.L. Anchalia (Chief Financial Officer) , Prahlad Rai Chamaria (Non -Ex. Director), Mahendra Kumar Agarwal (Vice Chairman)

Details of transactions between the company and related parties for the year ended on 31.03.2013 are given as under:

(Rs. in Lakhs)

S. no.	Type of Transaction	Subsidiary Companies		Associates		Key Management Personnel / Relatives	
		31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
1	Sale of Finished / Semi finished goods						
	: Cement International Ltd.	860.03	689.82	--	--	--	--
	: Balaji Udyog Ltd.	--	--	--	0.07	--	--
	: North East Power & Infra Ltd.	--	--	17.17	117.51	--	--
2	Sale of Stores and other services, goods						
	: Meghalaya Minerals & Mines Ltd.	--	3.26	--	--	--	--
	: Cement International Ltd.	49.24	144.38	--	--	--	--
	: Goombira Tea Co. Ltd.	--	12.13	--	--	--	--
	: Singlacherra Tea Co. Pvt. Ltd.	--	0.48	--	--	--	--
	: Chargola Tea Co. Pvt. Ltd.	--	0.59	--	--	--	--
	: Valley Strong Cements (Assam) Ltd.	--	3.60	--	--	--	--
	: Valley Strong Cements Ltd.	--	--	--	0.02	--	--
	: North East Power & Infra Ltd.	--	--	--	10.20	--	--
3	Purchase of Raw Material & goods						
	: Meghalaya Minerals & Mines Ltd.	911.84	1,282.67	--	--	--	--
	: North East Power & Infra Ltd.	--	--	--	11.31	--	--
4	Purchase of store, spares & other services						
	: Cement International Ltd.	--	16.81	--	--	--	--
	: Balaji Udyog Ltd.	--	--	--	0.39	--	--
5	Hire / Other Charges paid						
	: Meghalaya Minerals & Mines Ltd.	58.74	--	--	--	--	--
6	Investment in shares						
	: Valley Strong Cements (Assam) Ltd.	95.00	--	--	--	--	--
	: Goombira Tea Co. Ltd.	320.00	105.00	--	--	--	--
	: Singlacherra Tea Co. Pvt. Ltd.	41.35	--	--	--	--	--

7	Loan & Advances Given : : Badarpur Energy Pvt. Ltd.	100.00	1,300.00	--	--	--	--
8	Advances taken : : Cement International Ltd.	--	200.00	--	--	--	--
9	Remuneration paid	--	--	--	--	12.00	47.25

(35) Earnings per share:

The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2013 and the year ended 31st March 2012.

	2012 - 2013	2011 - 2012
(a) Profit/(Loss) attributable to Equity Shareholders	(22,68,346)	(6,70,88,908)
(b) The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS	2,21,60,000	2,21,60,000
(c) Face value per Ordinary Share (Rs.)	10	10
(d) Earnings Per Share - Basic & Diluted (Rs.)	(0.10)	(3.03)

(36) In pursuance of AS -28 "Impairment of Assets" issued by ICAI, the company reviewed its carrying cost of assets with value in use on the basis of future earnings and on such review, management is of the view that in the current financial year impairment of assets is not considered necessary.

(37) In the opinion of the management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount as they are stated in the financial statements.

(38) The company deals in only one Segment i.e. cement manufacturing. There is no separate reportable segment as required by AS - 17 "Segment Reporting".

	2012 - 13	2011 - 12
(39) Details of Exceptional items are as under :		
(a) Provision for Expenses written -back :	(14,00,000)	(13,70,000)
(b) Prior period Expenses / (Income) :	12,10,235	(4,08,661)
Recognized during the year (Net)		
(c) (Profit) / Loss on sale of assets :	10,45,529	72,605
Total	<u>8,55,764</u>	<u>(17,06,056)</u>

(40) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's Classification.

In terms of our report of even date

For Kumar Vijay Gupta & Co.,

Firm Registration No. 007814-N

Chartered Accountants,

Sd/-
(CA. Mahesh Goel)
Partner
M.No. 88958

For & on behalf of the Board

Sd/-
(Bijay Kumar Garodia)
Chairman & Whole Time Director

Sd/-
(Kamakhya Chamaria)
Vice-Chairman & Managing Director

Sd/-
(Sushil Kumar Kothari)
Chief Financial Officer

Sd/-
(Santosh Kumar Bajaj)
Whole Time Director

Sd/-
(Bhavna Jangid)
Company Secretary

New Delhi, 29th May' 2013

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of,
Barak Valley Cements Ltd.
Guwahati, Assam.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Barak Valley Cements Limited** ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the consolidated 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

The financial statement of one subsidiary as considered in the consolidated financial statements, which reflect total assets (net) of Rs. 356.04 Lakhs as at March 31, 2013, total revenue of Rs. Nil and net cash outflows amounting to Rs. 0.10 Lakhs for the year ended on that date, have been audited by other auditors whose report have been furnished to us by the Company's Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditor.

Our report is not qualified in respect of other matters.

For Kumar Vijay Gupta & Co.,
Chartered Accountants,
(Firm Regn. No. : 007814 -N)

Sd/-
CA. Mahesh Goel
(Partner)
M. No. 88958

New Delhi, 29th day of May' 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

		(Amount in Rs.)	
Particulars	Notes	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	221,600,000	221,600,000
Reserves and Surplus	4	710,170,455	756,096,390
		931,770,455	977,696,390
Non-Current Liabilities			
Long Term Borrowings	5	500,901,591	342,234,939
Deferred Tax Liabilities (Net)	6	10,907,967	9,455,836
Other Long Term Liabilities	7	21,465,312	14,229,637
Long Term Provisions	8	6,307,240	4,677,619
		539,582,110	370,598,031
Current Liabilities			
Short Term Borrowings	9	412,449,663	650,265,591
Trade Payables	10	80,698,051	76,529,700
Other Current Liabilities	11	277,508,424	159,738,103
Short Term Provisions	12	12,002,205	16,044,630
		782,658,344	902,578,023
TOTAL		2,254,010,910	2,250,872,444
ASSETS			
Non-Current Assets			
Fixed Assets	13		
-Tangible Assets		1,286,941,737	1,250,752,425
-Intangible Assets		121,939	428,638
-Capital Work in Progress		838,735	24,077,329
		1,287,902,411	1,275,258,392
Non Current Investments			
	14	3,000,000	3,004,423
Long Term Loans and Advances	15	64,775,492	74,213,513
		1,355,677,903	1,352,476,328
Current Assets			
Inventories	16	126,232,510	116,802,775
Trade Receivables	17	133,977,118	128,602,299
Cash and Cash Equivalents	18	26,016,998	54,039,024
Short Term Loans and Advances	19	612,056,379	598,902,018
Other Current Assets	20	50,000	50,000
		898,333,005	898,396,116
TOTAL		2,254,010,910	2,250,872,444
Significant accounting policies and notes on accounts		1&2	

The accompanying notes 1-40 are an integral part of the financial statements

As per our report of even date

For Kumar Vijay Gupta & Co.,

Firm Registration No. 007814-N

Chartered Accountants,

For & on behalf of the Board

Sd/-

(Bijay Kumar Garodia)

Chairman & Whole Time Director

Sd/-

(Kamakhya Chamaria)

Vice Chairman & Managing Director

Sd/-

(CA. Mahesh Goel)

Partner

M.No. 88958

Sd/-

(Sushil Kumar Kothari)

Chief Financial Officer

Sd/-

(Santosh Kumar Bajaj)

Whole Time Director

Sd/-

(Bhavna Jangid)

Company Secretary

New Delhi, 29th May' 2013

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

(Amount in Rs.)			
Particulars	Notes	31.03.2013	31.03.2012
Income			
Revenue from Operations (Gross)	21	1,346,923,530	1,257,519,824
Less: Excise Duty		39,030,814	37,336,615
Revenue from Operations (Net)		1,307,892,717	1,220,183,209
Other Income	22	3,265,053	2,566,958
Total Revenue (I)		1,311,157,770	1,222,750,167
Expenses			
Cost of Raw Materials including packaging material consumed	23	263,191,892	233,675,527
(Increase)/Decrease in Inventories	24	(4,167,154)	31,002,956
Employee Benefit Expenses	25	110,920,074	104,348,463
Depreciation and amortization expenses	13	84,166,636	79,490,526
Finance Costs	26	116,495,693	114,161,055
Other Expenses	27	782,311,059	764,129,522
Total Expenses (II)		1,352,918,200	1,326,808,049
Profits before Exceptional Items (I) - (II)		(41,760,431)	(104,057,882)
Exceptional items		4,310,632	187,384
Profit / (Loss) before Taxes		(46,071,063)	(104,245,267)
Tax Expenses			
- Current Tax		33,876	1,700,534
Less: MAT Credit entitlement		(33,876)	(1,700,534)
- Net Current Tax		-	-
- Earlier year tax provisions written back		577,916	1,017,467
- Deferred Tax Liabilities / (Assets)		(1,850,457)	1,247,806
Profit / (Loss) for the year		(44,798,522)	(106,510,540)
Earnings Per Equity Share (Face Value of Rs.10/-each)	36		
Basic Earning Per Share		(2.02)	(4.81)
Diluted Earning Per Share		(2.02)	(4.81)
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes 1-40 are an integral part of the financial statements

As per our report of even date

For Kumar Vijay Gupta & Co.,

Firm Registration No. 007814-N

Chartered Accountants,

Sd/-

(Bijay Kumar Garodia)

Chairman & Whole Time Director

Sd/-

(CA. Mahesh Goel)

Partner

M.No. 88958

Sd/-

(Sushil Kumar Kothari)

Chief Financial Officer

Sd/-

(Kamakhya Chamaria)

Vice Chairman & Managing Director

Sd/-

(Santosh Kumar Bajaj)

Whole Time Director

Sd/-

(Bhavna Jangid)

Company Secretary

New Delhi, 29th May' 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

S.no.	Particulars	31.03.2013	31.03.2012
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit before Tax and exceptional items	(41,760,431)	(104,057,883)
	<u>Adjustment for:</u>		
	Add : Depreciation & Misc. expenditure	83,039,223	78,842,025
	Interest & finance charges	116,495,693	114,161,055
	Operating Profit before working capital charges	157,774,485	88,945,197
	<u>Adjustment for change in :</u>		
	Trade & other receivables	(14,076,025)	(80,217,945)
	Inventories	(9,429,735)	20,909,689
	Trade and other payables	(119,919,679)	60,793,414
	Cash generated from Operations	14,349,047	90,430,355
	Direct Taxes Paid	4,984,866	4,858,490
	Prior period adjustments / exceptional items	(3,038,091)	(1,204,851)
	Net Cash Flow from operating activities	16,295,822	94,083,994
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Acquisition of Fixed Assets	(96,810,657)	(100,996,902)
	Sale/(Purchase) of Investments	4,423	-
		(96,806,234)	(100,996,902)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Net proceeds from issue of Equity Shares	-	-
	Increase in Bank & Other borrowings	168,984,079	100,380,248
	Interest and finance charges paid	(116,495,693)	(114,161,055)
		52,488,386	(13,780,807)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(28,022,026)	(20,693,715)
	Add:- Cash & Cash Equivalents at the beginning of the year	54,039,024	74,732,739
	Cash & Cash Equivalents at the Closing of the year	26,016,998	54,039,024

Note : Figures in brackets indicate cash outflow.

The accompanying notes 1-40 are an integral part of the financial statements

As per our report of even date

For Kumar Vijay Gupta & Co.,

Firm Registration No. 007814-N

Chartered Accountants,

For & on behalf of the Board

Sd/-

(Bijay Kumar Garodia)

Chairman & Whole Time Director

Sd/-

(Kamakhya Chamaria)

Vice Chairman & Managing Director

Sd/-

(CA. Mahesh Goel)

Partner

M.No. 88958

Sd/-

(Sushil Kumar Kothari)

Chief Financial Officer

Sd/-

(Santosh Kumar Bajaj)

Whole Time Director

Sd/-

(Bhavna Jangid)

Company Secretary

New Delhi, 29th May' 2013

1. Principles of Consolidation

- 1.1 In accordance with the Accounting Standard 21 on “Consolidated Financial Statement” issued by the Institute of Chartered Accountants of India (ICAI), the consolidated financial statements have been prepared on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra group balances and the unrealized profits/ losses on intra group transactions, and are presented to the extent possible, in the same manner as the Company’s separate financial statements.

The excess / shortfall of cost to the company of its investment in the subsidiary companies, over the net assets at the time of acquisition in the subsidiaries as on the date of the investment is recognized as goodwill / capital reserve as the case may be.

- 1.2 Following subsidiary companies are considered in the consolidated financial statements:

S.no.	Name of the Subsidiary (All incorporated in India)	Proportion of Ownership/Voting Power as on 31.03.2013
1	Meghalaya Minerals & Mines Ltd.	100%
2	Badarpur Energy Pvt. Ltd.	100%
3	Cement International Ltd.	100%
4	Goombira Tea Company Ltd.	100%
5	Singlacherra Tea Company Pvt. Ltd.	100%
6	Chargola Tea Company Pvt. Ltd.	100%
7	Valley Strong Cements (Assam) Ltd.	100%

- 1.3 The parent and the subsidiary companies provide depreciation on Written Down Value (WDV) method except the “Badarpur Energy Private Limited”, where depreciation is provided on Straight Line Method (SLM) at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Except this, the parent and the subsidiary have adopted uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the company’s separate financial statements.

2. Significant Accounting Policies :

2.1 Basis of Preparation :

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, to the extent applicable, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

2.2 Use of Estimates :

The preparation of financial statements in conformity with the GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements, the reported amount of revenues and expenses during the reported period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based upon management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

2.3 Fixed Assets:

Fixed Assets (Tangible and Intangible) are stated at their original cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, if any) less accumulated depreciation, amortization and impairment losses, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the assets to its working condition for its intended use. Losses arising from the retirement of and gains/ losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

Capital work in progress is carried at cost comprising direct cost and preoperative expenses during construction period to be allocated to the fixed assets on the completion of construction.

2.4 Expenditure during construction period:

In case of new projects and substantial expansion of existing projects, expenditure incurred including trial production expenses (net of revenue earned) and attributable interest and financing costs, prior to commencement of commercial production or completion are capitalized.

2.5 Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost consists of interest expense and other financial costs incurred in connection with borrowing of funds.

2.6 Depreciation and Amortisation:

Depreciation on fixed assets has been provided on Written down Value (WDV) Method at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956. Depreciation on fixed assets of 'Badarpur Energy Pvt. Ltd.', a subsidiary company is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of put to use and in the case of a new project, the same is provided on a pro-rata basis from the date of commencement of commercial production. Depreciation on assets sold, discarded or scrapped, is provided up to the date on which the said asset is sold, discarded or scrapped. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

2.7 Investments :

Investments, that are intended to be held for not more than one year, are classified as current investments. All other investments are classified as long-term investments/ non-current investments.

Long-term investments are carried at cost after deducting provisions made, if any, for diminution in value of investments other than temporary. Current investments are carried at lower of cost and fair value determined for each category of investments.

2.8 Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In case of finished goods, semi-finished goods and work in progress, an appropriate overhead are allocated on full absorption costing basis and includes excise duty wherever applicable.

2.9 Government grants / Subsidies :

Government grants and subsidies are recognized when there is reasonable assurance that the same will be received and company will comply with the conditions attached to them. Revenue grants in the nature of recoupment or reimbursement of any particular items of expenses are recognized in the statement of profit and loss as deduction from related item of expenditure. Capital grants/ subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants/ subsidies are credited to the capital reserve.

2.10 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The Sales are accounted for on dispatch and are stated exclusive of excise duty, VAT/ Sales Tax and are net of trade discounts, sales commission and sales return. Other items of revenue are recognized in accordance with the Accounting Standard (AS – 9). Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate.

2.11 Retirement Benefits:

(i) Defined Contribution Plan

Employees benefits in the form of provident fund and other labour welfare fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefits in the form of gratuity is considered as defined benefits obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-term benefits

Long-term compensated absences are provided for on the actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, if any, are immediately recognized in the statement of Profit and Loss.

2.12 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal and external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

2.13 Income Taxes:

Income Tax expenses comprise current and deferred tax charge or credit. Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of MAT at each Balance Sheet date and adjusts MAT credit entitlement to the extent there is convincing evidence to the effect that the company will pay normal income tax during the specified period.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized and carried forward for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets / liabilities are reviewed at the end of each reporting period based on the development during the year to reassess realizations or liabilities.

2.14 Research and Development Expenditure:

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year in which it is incurred and are included under the related head of expenditure. Capital expenditure is added to the cost of fixed assets in the year in which they are incurred.

2.15 Intangible Assets:

Intangible Assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. The depreciable amount of an intangible asset is allocated over its estimated useful life. Expenditure on purchased / developed software are written off over a period of three years.

2.16 Provisions and Contingencies:

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. Liabilities which are material in nature and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

2.17 Cash and Cash Equivalents:

Cash and cash equivalent comprise cash in hand and deposits with banks and corporations. The company considers all highly liquid investments with a original maturity period of three months or less and that are readily convertible to known amount of cash to be cash equivalents.

2.18 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Segment Reporting:

The company has identified that its business segments are the primary segments. The company's business are organized and managed separately accordingly to the nature of products / services, with each segment representing a strategic business unit that offers different products /services.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(Amount in Rs.)	
3.	SHARE CAPITAL	31.03.2013	31.03.2012
	Authorised Capital	250,000,000	250,000,000
	{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.12) of Rs. 10/- each}		
	Issued, Subscribed, Called & fully Paid-up shares		
	{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.12) of Rs. 10/- each, fully paid up.}	221,600,000	221,600,000
(a)	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
	<u>Equity Shares</u>	No of Shares	No of Shares
	At the beginning of the year	22,160,000	22,160,000
	Issued during the year	-	-
	Outstanding at the end of the year	22,160,000	22,160,000
(b)	Terms/Rights attached to equity shares		
	The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share.		
	In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
4.	RESERVES & SURPLUS	31.03.2013	31.03.2012
	Securities Premium Account		
	Balance as per last financial statements	151,439,581	151,439,581
	Addition/(Deduction) during the period	-	-
		151,439,581	151,439,581
	General Reserve		
	Balance as per last financial statements	47,080,126	47,080,126
	Addition/(Deduction) during the period	-	-
		47,080,126	47,080,126
	Consolidate Reserve/ (Goodwill) on Consolidation		
	Balance as per last financial statements	(22,144,177)	(22,144,177)
	Addition/(Deduction) during the period	-	-
		(22,144,177)	(22,144,177)
	Fixed Assets Revaluation Reserve		
	Balance as per last financial statements	269,295,691	270553234
	Addition/(Deduction) during the period	(1,127,413)	(1,257,543)
		268,168,278	269,295,691
	Investment Allowance Reserve		
	Balance as per last financial statements	152,512	152,512
	Addition/(Deduction) during the period	-	-
		152,512	152,512
	Surplus/ (Deficit) in the Statement of Profit and Loss		
	Balance as per last financial statements	310,272,657	416,783,197
	Profit / (Loss) for the period	(44,798,522)	(106,510,540)
	Amount available for appropriation	265,474,135	310,272,657
	Less: Appropriations	-	-
	Net Surplus in the statement of profit and loss	265,474,135	310,272,657
	Total Reserves and Surplus	710,170,455	756,096,390

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(Amount in Rs.)	
5.	LONG TERM BORROWINGS	31.03.2013	31.03.2012
	Term Loans		
	Rupee Loans from Banks (Secured)	375,408,728	179,080,337
	Rupee Loan from a Financial Institution (Secured)	208,863,706	192,090,965
	Loans & Advances from other Body Corporates (unsecured)	70,962,481	30,000,000
	Other Loans & Advances		
	-Hire Purchase Finance from banks (Secured)	2,634,500	5,527,108
	-Hire Purchase Finance from financial institutions (Secured)	2,106,487	8,535,388
		<u>659,975,902</u>	<u>415,233,798</u>
	Less: Current Maturities of long term borrowings	159,074,311	72,998,859
		<u>500,901,591</u>	<u>342,234,939</u>

- (i) Rupee Term Loan of Rs.1,076.00 lakhs (sanctioned amount Rs. 2,000.00 lakhs) from a bank is repayable in 59 equal monthly installments of Rs. 33.00 lakhs and 1 instalment of Rs. 53.00 lakhs ending on September, 2015. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company. Further, the loan has been guaranteed by personal guarantees of some of Directors of the Company.
- (ii) Rupee Term Loan of Rs.2,018.00 lakhs (sanctioned amount Rs. 2,500.00 lakhs) consists of WCTL of Rs. 2,000.00 lakhs and outstanding Term Loan of Rs. 18.00 lakhs from banks. WCTL of Rs. 1,000 lakh is repayable in 36 equal monthly installments of Rs. 27.78 lakhs commencing from January' 2014 and remaining 1,000 lakh is repayable in 24 equal monthly installments of Rs. 41.67 lakhs commencing from April '2013. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company.
- (iii) (a) Term Loan of Rs. 660.09 lakhs from bank is secured against hypothecation of all stocks of standing crops, harvested crops, receivables, book debts, plant & machineries and moveable fixed assets and other current assets of the Tea Companies. Further loan is secured by way of equitable mortgage of land and building of the company.
 (b) Term Loan for Tea, Rubber & Bio-mass (sanctioned amount : Rs.1519.00 lakhs) will be repaid after a moratorium period of 3-5 years and will concluded upto March' 21 having varying quarterly instalments for tea, rubber and bio-mass plantation.
- (iv) Rupee Term Loans of Rs. 2,000.00 lakhs from financial institution (sanctioned limit Rs. 2,000.00 lakhs) is repayable in 50 equal monthly installments of Rs. 40.00 lakhs each commencing from April' 2013. The loan is secured by first charge on fixed and immovable assets of company's assets on pari-passu basis in respect of Rs. 750.00 lakhs and by second charge on fixed and immovable assets of the company in respect of remaining Rs. 1250.00 lakhs. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company. Rupee Term Loan of Rs. 88.63 lakhs from SPTF, Tea Board (Sanctioned amount Rs. 88.63 lakhs) is secured by equitable mortgage second charge on the fixed assets including immovable properties of the company.
- (v) Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within one to two years having varying date of payment.

6.	DEFERRED TAX LIABILITIES(NET)	31.03.2013	31.03.2012
	Deferred Tax Liability		
	-Fixed assets	13,058,948	11,817,431
	Gross deferred tax Liability	<u>13,058,948</u>	<u>11,817,431</u>
	Deferred Tax Assets		
	-Leave encashment	1,273,810	1,047,590
	- Gratuity to staff	877,171	1,314,005
	Gross deferred tax asset	<u>2,150,981</u>	<u>2,361,595</u>
	Net Deferred Tax Liability	<u>10,907,967</u>	<u>9,455,836</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(Amount in Rs.)	
		31.03.2013	31.03.2012
7. OTHER LONG TERM LIABILITIES			
<u>Others</u>			
- Security Deposits		21,465,312	14,229,637
		<u>21,465,312</u>	<u>14,229,637</u>
8. LONG TERM PROVISIONS			
<u>Provisions for employee benefits</u>			
- Leave Encashment		3,370,659	1,855,501
- Gratuity		2,936,581	2,822,118
		<u>6,307,240</u>	<u>4,677,619</u>
9. SHORT TERM BORROWINGS			
<u>Working Capital facilities from Banks</u>			
- Cash Credit (Secured)		370,049,663	575,410,834
<u>Loans from Other parties (Unsecured)</u>		<u>42,400,000</u>	<u>74,854,757</u>
		<u>412,449,663</u>	<u>650,265,591</u>
Note :			
(a)	Working Capital facilities from banks are secured by first charge on current assets of the Company and second charge on fixed assets of the Company. The Working capital facilities from banks have also been guaranteed by some of the Directors of the Company.		
(b)	Loans from Other parties are unsecured in nature and due for repayment within a period of 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.		
10. TRADE PAYABLES			
Trade Payables		80,698,051	76,529,700
		<u>80,698,051</u>	<u>76,529,700</u>
11. OTHER CURRENT LIABILITIES			
Current Maturities of long term borrowings		159,074,311	72,998,859
Interest accrued but not due on borrowings		1,398,597	200,510
Interest accrued and due on borrowings		16,820,028	2,752,948
<u>Other Payables</u>			
-Statutory Liabilities		40,800,317	23,106,336
-Creditors for Capital goods		246,623	813,509
-Creditors-Micro, Small & Medium Enterprises (refer Note 32)		-	-
-Advances from customer		32,205,257	29,966,727
-Salary and Bonus to employees		5,259,088	5,308,431
-Overdrawn balances with banks		274,340	1,757,387
-Other Liabilities		21,429,864	22,833,396
		<u>277,508,424</u>	<u>159,738,103</u>
12. SHORT TERM PROVISIONS			
<u>Provisions for Employee Benefits</u>			
-Leave Encashment		1,168,205	2,952,580
<u>Provision for Selling & Other expenses</u>		<u>10,834,000</u>	<u>13,092,050</u>
Total Short Term Provisions		<u>12,002,205</u>	<u>16,044,630</u>

NOTE 13. CONSOLIDATED FIXED ASSETS AND DEPRECIATION THEREON FOR THE YEAR ENDED 31.03.2013

(Amount in Rs.)

	GROSS BLOCK					DEPRECIATION					NET BLOCK			
Particulars of Assets	As on 01.04.2012 (At revalued figures)	As on 01.04.2012 (At Cost)	Additions during the year	Deduction during the year	As on 31.03.2013	As on 01.04.2012	Depreciation for the Year	Deduction /Adjustment	Depreciation for the year Charged from Revaluation Reserve	Total As on 31.03.2013	As on 31.3.2013 (At revalued figures)	As on 31.03.2013 (At Cost)	As on 31.3.2012 (At revalued figures)	As on 31.3.2012 (At Cost)
(A) Tangible Assets:														
Land/Tea Estate & site development	522,975,875	264,683,473	42,496,991	6,939,908	558,532,958	–	–	–	–	–	558,532,958	294,313,925	522,975,875	258,756,842
Factory Building & Structure	225,531,112	187,508,813	36,224,383	–	261,755,495	100,301,411	10,561,980	–	1,031,064	111,894,455	149,861,040	140,581,473	125,229,701	114,919,070
Office Building	22,643,231	22,643,231	7,024,151	–	29,667,382	1,452,682	1,295,864	–	–	2,748,546	26,918,836	26,918,837	21,190,549	21,190,550
Furniture & fixture	7,603,537	7,603,537	371,872	–	7,975,409	5,551,878	395,294	–	–	5,947,172	2,028,237	2,023,575	2,051,659	2,046,997
Computer	7,099,228	7,099,228	125,700	–	7,224,928	6,154,228	423,600	–	–	6,577,828	647,100	647,100	945,000	945,000
Motor Car & Vehicles	21,367,640	21,367,640	352,047	2,997,223	18,722,464	12,334,410	1,489,648	2,002,594	–	11,821,464	6,901,000	4,898,406	9,033,230	9,033,230
Office Equipments	8,066,225	8,066,225	32,500	3,000	8,095,725	4,372,892	497,697	–	–	4,870,589	3,225,136	3,225,136	3,693,333	3,693,333
Plant, Machinery & Installations	1,090,349,004	1,086,057,186	49,634,597	12,129,012	1,127,854,589	526,751,377	70,600,647	6,385,763	96,349	591,062,610	536,791,979	522,900,273	563,597,627	555,995,335
Live Stock	33,570	33,570	–	–	33,570	–	–	–	–	–	33,570	33,570	33,570	33,570
Tractor	2,954,050	2,954,050	–	–	2,954,050	952,169	–	–	–	952,169	2,001,881	2,001,881	2,001,881	2,001,881
Total- (A)	1,908,623,472	1,608,016,953	136,262,241	22,069,143	2,022,816,568	657,871,047	85,264,730	8,388,357	1,127,413	735,874,833	1,286,941,737	997,544,176	1,250,752,425	968,615,808
(B) Intangible Assets :														
Computer Software	3,292,682	2,372,601	–	–	3,292,682	2,864,044	306,700	–	–	3,170,744	121,939	121,938	428,638	428,638
Total -(B)	3,292,682	2,372,601	–	–	3,292,682	2,864,044	306,700	–	–	3,170,744	121,939	121,938	428,638	428,638
Total (A+B)	1,911,916,154	1,610,389,554	136,262,241	22,069,143	2,026,109,250	660,735,091	85,571,430	8,388,357	1,127,413	739,045,577	1,287,063,675	997,666,114	1,251,181,063	969,044,446
Previous Year	1,768,003,716	1,466,842,916	148,540,862	4,628,424	1,911,916,154	580,635,524	81,497,230	2,655,205	1,257,543	660,735,091	1,251,181,063	969,044,446		

Note : Out of depreciation for the year, an amount of Rs. 14,04,103 (previous year : Rs. 20,05,860) has been charged to Land & site development and Rs. 691.00 (previous year: Rs. 844.00) has been charged to Capital Work-in-Progress.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)			
14.	NON CURRENT INVESTMENTS	31.03.2013	31.03.2012
	Investment in Associates		
	North East Power & Infra Limited	3,000,000	3,000,000
	3,00,000 (3,00,000 as at 31.03.12) Equity Share of Rs 10/- each fully paid up.	<u>3,000,000</u>	<u>3,000,000</u>
	Investment in Quoted Equity Instruments		
	Ambuja Cements Limited	-	4,423
	Nil (50 as at 31.03.12) Equity Shares of Rs 10/- each fully paid up	<u>3,000,000</u>	<u>3,004,423</u>
	Aggregate amount of Quoted investment	-	4,423
	Aggregate amount of Unquoted investments	<u>3,000,000</u>	<u>3,000,000</u>
15.	LONG TERM LOANS AND ADVANCES	31.03.2013	31.03.2012
	Capital Advances (unsecured, considered good)		
	-to others	46,741,413	57,299,963
	Security Deposit	<u>18,034,079</u>	<u>16,913,550</u>
		<u>64,775,492</u>	<u>74,213,511</u>
16.	INVENTORIES	31.03.2013	31.03.2012
	Raw Materials and components	29,749,434	28,849,268
	Work - In - Process	3,332,203	2,647,456
	Finished Goods	8,325,239	4,842,832
	Packing Material	4,314,103	3,500,359
	Stores & Spares parts	<u>80,511,531</u>	<u>76,962,860</u>
		<u>126,232,510</u>	<u>116,802,774</u>
17.	TRADE RECEIVABLES	31.03.2013	31.03.2012
	Secured Considered Good		
	Over Six months	390,510	-
	Other Debts	<u>4,938,599</u>	<u>4,925,747</u>
		<u>5,329,109</u>	<u>4,925,747</u>
	Unsecured Considered Good		
	Over Six Months	28,632,053	16,311,363
	Other Debts	<u>100,015,956</u>	<u>107,365,189</u>
		<u>128,648,009</u>	<u>123,676,552</u>
	Total Trade Receivables	<u>133,977,118</u>	<u>128,602,299</u>
18.	CASH & CASH EQUIVALENTS	31.03.2013	31.03.2012
	Cash in Hand	11,015,613	7,755,037
	Balance with Banks		
	- In current accounts	10,611,285	39,202,142
	- Balance with banks held as margin money / security deposits	<u>4,390,100</u>	<u>7,081,845</u>
		<u>26,016,998</u>	<u>54,039,024</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

19.	SHORT TERM LOANS AND ADVANCES	31.03.2013	31.03.2012
	Loans and Advances to related parties (Unsecured, Considered Good)	587,997	-
	Advances Recoverable in cash or kind (Unsecured, Considered Good)	252,722	305,158
	Other Loans & Advances (Unsecured, Considered Good)		
	-Advances to suppliers	106,083,611	94,500,603
	-Advances to employees	1,791,450	3,958,547
	-Balances with/ Receivables from Government authorities	121,733,421	93,691,184
	-Subsidies Receivable from Central/State Governments	374,009,059	398,749,701
	-Advances for Services & Expenses	2,613,253	2,838,335
	-Advance Income Tax (net of provision for tax including MAT)	4,984,866	4,858,490
	Total Short Term Loans and Advances	612,056,379	598,902,018
20.	OTHER CURRENT ASSETS	31.03.2013	31.03.2012
	Unamortised Expenditure	50,000	50,000
		50,000	50,000
21.	REVENUE FROM OPERATIONS	31.03.2013	31.03.2012
	Sale of Products	1,346,450,995	1,256,910,342
	Other operating revenue	472,535	609,482
	Revenue from operation (gross)	1,346,923,530	1,257,519,824
22.	OTHER INCOME	31.03.2013	31.03.2012
	Interest Income		
	-On Bank Deposits	2,312,707	516,698
	Dividend Income	90	140
	Other Non Operating Income	952,256	2,050,120
		3,265,053	2,566,958
23.	COST OF RAW MATERIALS (including Packaging Material) CONSUMED	31.03.2013	31.03.2012
	Inventory at the beginning of the year	32,349,627	20,691,685
	Add: Purchases	264,736,130	245,333,469
		297,085,757	266,025,154
	Less : Inventory at the end of the year	33,893,865	32,349,627
	Cost of Raw Materials (including packaging material) Consumed	263,191,892	233,675,527
24.	(INCREASE)/DECREASE IN INVENTORIES	31.03.2013	31.03.2012
	Inventories at the end of the year		
	Work -in -Progress	3,332,203	2,647,456
	Finished Goods	8,325,239	4,842,832
		11,657,442	7,490,288
	Inventories at the beginning of the year		
	Work -in -Progress	2,647,456	13,429,833
	Finished Goods	4,842,832	25,063,411
		7,490,288	38,493,244
	(Increase) /Decrease in Inventories	(4,167,154)	31,002,956

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)			
25.	EMPLOYEE BENEFIT EXPENSES	31.03.2013	31.03.2012
	Salaries, Wages & other manpower expenses	102,783,376	96,284,079
	Contribution to Provident and other funds	2,188,700	2,081,424
	Gratuity Expenses	869,620	978,130
	Staff welfare expenses	5,078,378	5,004,830
		<u>110,920,074</u>	<u>104,348,463</u>
26.	FINANCE COSTS	31.03.2013	31.03.2012
	Interest expenses	115,282,978	109,390,255
	Other borrowing costs	1,212,715	2,930,952
	Interest expenses on demand of taxes	-	1,839,848
		<u>116,495,693</u>	<u>114,161,055</u>
27	OTHER EXPENSES	31.03.2013	31.03.2012
	Consumption of Stores & Spare parts	29,287,187	27,889,889
	Power & Fuel	353,930,987	303,566,586
	Rent	3,524,878	6,026,502
	<u>Repairs & Maintenance</u>		
	- Building	1,491,483	1,507,400
	- Plant & Machinery	11,681,738	10,247,408
	- Others	1,138,494	1,815,469
	Royalty and other Govt. Levies	10,484,923	19,689,750
	Vehicle running, maintenance & hire charges	4,089,634	5,171,513
	Printing, Stationery & Computer expenses	2,598,006	2,575,375
	Material Handling & Freight Charges	10,412,715	12,501,872
	Travelling and Conveyance	4,303,694	5,698,459
	Insurance(Net)	826,307	1,450,564
	Rates & Taxes	628,259	550,094
	Research & Development Expenses	1,404,759	1,746,962
	Auditor's Remuneration	402,360	379,782
	Bad debts / Advances written off	669,213	3,126,388
	Director's Remuneration	1,200,000	4,725,000
	Charity & Donation	1,851,134	3,207,216
	Equipment Running Maintenance and Hire Charges	688,630	1,206,153
	Security Services Expenses	1,729,296	880,877
	Professional Fees & Consultancy Expenses	99,764	93,987
	Fees & Subscription	43,312	429,864
	Outward transportation cost	304,753,233	314,869,850
	Advertisement, Publicity & Sales Promotion Expenses	13,661,248	16,939,227
	Telephone expenses	2,153,628	2,247,600
	Miscellaneous Expenses	19,256,177	15,585,735
		<u>782,311,059</u>	<u>764,129,522</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- (28) The estimated amount of Contracts remaining to be executed on Capital Account and not provided for amounts to Rs. 200.68 Lakhs (Previous Year : Rs. 288.89 Lakhs)
- (29) Contingent liabilities not provided for :
- (a) Claims against the company not acknowledged as debts: Disputed demands of Income –Tax / Entry Tax matters pending before the Appellate Authorities: Rs.1,195.64 Lakhs (Previous Year - Rs. 1,034.39 Lakhs)
- (b) Fixed Deposit Receipts pledged with the banks / others : Rs. 35.25 Lakhs (Previous Year : Rs. 62.25 Lakhs)
- (c) Bank Guarantees issued by banks Rs. 2.00 Lakhs (Previous Year : Rs. 2.00 Lakhs)
- (d) Corporate Guarantee's given on behalf of subsidiaries: Rs. 2948.72 Lakhs (Previous Year: Rs. 6,087.43 Lakhs)
- (30) Payment made to Auditor's during the year ended is as under: -

	<u>Current Year</u>	<u>Previous Year</u>
a. Statutory Audit Fee	Rs. 3,36,624	Rs. 3,14,046
b. Tax Audit Fee	Rs. 45,618	Rs. 45,618
c. Company Law and other Matters	Rs. 24,495	Rs. 24,495
d. Reimbursement of other exp.	Rs. 1,123	Rs. 1,123
Total	Rs. 4,07,860	Rs. 3,85,282

- (31) There are no Micro, Small and Medium enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the company.

(32) Disclosure in respect of Related Parties:

Pursuant to Accounting Standard – 18 "Related Party Disclosures" issued by ICAI, following are the related parties, description of their relationships and transactions carried out with them during the year in the ordinary course of business:

Associates	M/s Nefa Udyog, M/sMeghalaya Cements Limited, M/s Balaji Udyog Limited, M/s North East Power & Infra Ltd., M/s Valley Strong Cements Ltd.
Key Management Personnel and their Relatives	Kamakhya Chamaria (Vice Chairman & Managing Director), Santosh Kumar Bajaj (Whole Time Director), Bijay Kumar Garodia (Chairman & Whole Time Director), J.L. Anchalia (Chief Financial Officer), Mahendra Kumar Agarwal (Vice Chairman) Jagdish Prasad Shah, Nathmal Todi.

Details of transactions between the company and related parties for the year ended on 31.03.2013 are given as under:

(Rs. in Lakhs)

S.No.	Type of transaction	Associates	Key Management Personnel / Relatives
1.	Sale of finished / semi finished goods/ services	17.17 (127.80)	—
2.	Purchase of Raw Material/ semi/ finished goods	— (11.70)	—
3.	Investment in Shares	— (—)	—
4.	Remuneration paid to directors	—	12.00 (47.25)

Note : Figures in bracket represent transactions of previous year.

- (33) In the opinion of the management and to the best of their knowledge and belief the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the financial statements.
- (34) Expenditure on purchased software (ERP) and IT related expenses are written off over a period of three years.

Annual Report 2012-13



(35) Borrowing Cost capitalized during the year amounts to Rs. 1,01,10,479/- (Previous Year : Rs. 47,17,299/-)

(36) Earnings Per Share:

Earning Per Share for the year ended 31st March 2013 is calculated as under:

(Amount in Rs.)

S. No.	Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
(a)	Profit/(Loss) attributable to Equity Shareholders	(4,47,98,522)	(10,65,10,540)
(b)	The weighted average number of ordinary share outstanding for basic / diluted EPS	2,21,60.00	2,21,60,000
(c)	The nominal value per Ordinary Share (Rs.)	10	10
(d)	Earnings Per Share Basic & Diluted (Rs.)	(2.02)	(4.81)

(37) Employee Defined Benefits:

(a) Defined Contribution Plans

The Company has recognized an expense of Rs.21,88,700/- (Previous Year Rs 20,81,424/-) towards the defined contribution plans.

(b) Defined Benefit Plans – As per Actuarial Valuation as at 31st March, 2013

(Amount in Rs.)

S. No.	Particulars	2012-13		2011-12	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I.	Expenses recognised in the statement of Profit and Loss Account for the year ended 31st March' 2013				
	1. Current Service Cost	6,00,447	14,87,887	6,69,735	10,92,703
	2. Interest Cost	1,04,790	1,58,008	1,15,390	140,931
	3. Expected Return on plan Assets	-	-	-	-
	4. Curtailment Cost (credit)	-	(2,60,440)	-	(3,09,711)
	5. Settlement Cost (credit)	-	-	-	-
	6. Past Service Cost	-	-	-	-
	7. Actuarial Losses / (Gains) on defined benefit obligation	1,64,383	2,74,448	193,005	1,33,608
	8. Losses/ (Gains) on plan assets	-	-	-	-
	9. Total Expenses	8,69,620	16,59,903	978,130	10,57,531
II.	Net Asset / (Liability) recognised in the Balance Sheet as on 31st March' 2013				
	1. Present Value of Defined Benefit Obligations	29,36,581	45,38,864	28,22,118	48,08,081
	2. Fair Value of Plan Assets	-	-	-	-
	3. Funded Status [Surplus/ (Deficit)]	(29,36,581)	(45,38,864)	(28,22,118)	(48,08,081)
	4. Net Asset/ (Liability) as on 31.03.2013	(29,36,581)	(45,38,864)	(28,22,118)	(48,08,081)
III.	Change in Obligation during the year ended 31st March' 2013				
	1. Present Value of Defined Benefit obligation at the beginning of the year	28,22,118	48,08,081	23,09,762	47,18,705
	2. Current Service Cost	6,00,447	14,87,887	6,69,735	10,92,703
	3. Interest Cost	1,04,790	1,58,008	1,15,390	1,40,931
	4. Curtailment Cost / (credit)	-	(2,60,440)	-	(3,09,711)
	5. Settlement Cost/ (credit)	-	-	-	-
	6. Employee Contribution	-	-	-	-
	7. Plan amendments	-	-	-	-
	8. Acquisitions	-	-	-	-

Annual Report 2012-13



	9. Actual (Gains) / Losses	1,64,383	2,74,448	193,005	133,608
	10. Benefits paid	(7,55,157)	(19,29,120)	(465,774)	(968,155)
	11. Present value at the end of the year	29,36,581	45,38,864	28,22,118	48,08,081
IV.	Change in Fair Value of Assets during the year ended 31st March' 2013				
	1. Plan Assets at the beginning of the year	-	-	-	-
	2. Expected Return on plan Assets	-	-	-	-
	3. Actual Company Contributions	7,55,157	19,29,120	4,65,774	9,68,155
	4. Employee Contributions	-	-	-	-
	5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
	6. Benefits paid	(7,55,157)	(19,29,120)	(4,65,774)	(9,68,155)
	7. Plan Assets at the Closing of the year	-	-	-	-

(38) Segment Reporting as per AS – 17 is as under:

(Rs. in Lakhs)

S. No.		2012 - 13				2011-12			
		Cement	Power	Others	Total	Cement	Power	Others	Total
A	Revenue (Gross)								
	External Sales	13,347.50	–	121.74	13,469.24	12,526.12	–	49.07	12,575.19
	Inter Segment Sales	–	–	–	–	–	–	–	–
	Total Revenue(Gross)	13,347.50	–	121.74	13,469.24	12,526.12	–	49.07	12,575.19
B	Results								
	Segment Result	1,013.75	(223.96)	(66.91)	722.88	295.85	(248.65)	53.09	100.29
	Unallocated Expenses / (Incomes) Net	–	–	–	(24.48)				(0.74)
	Interest & Finance Charges	1,048.95	26.27	89.74	1,164.96	893.60	180.85	67.16	1,141.61
	Operating Profit				(417.60)				(1,040.58)
	Exceptional Items	1.29	36.98	4.83	43.10	(29.80)	(3.19)	34.86	1.87
	Provision for Taxation (Net of MAT Credit)	–	–	–	–	–	–	–	–
	Income Tax for earlier years	–	–	–	5.78	–	–	–	10.17
	Deferred Tax (net)	–	–	–	(18.50)	–	–	–	12.48
	Profit After Tax	–	–	–	(447.98)	–	–	–	(1,065.10)
C	Other Information								
(i)	Segment Assets	12,300.51	3,629.47	6,610.12	22,540.10	12,518.17	3,879.22	6,111.33	22,508.72
	Unallocated/ Other Assets	–	–	–	–	–	–	–	–
	Total Assets	12,300.51	3,629.47	6,610.12	22,540.10	12,518.17	3,879.22	6,111.33	22,508.72
(ii)	Segment Liabilities	10,424.56	513.37	2,175.40	13,113.33	10,305.17	559.33	1,772.70	12,637.20
	Unallocated/ Other Liabilities	–	–	–	–	–	–	–	–
	Total Liabilities	10,424.56	513.37	2,175.40	13,113.33	10,305.17	559.33	1,772.70	12,637.20
(iii)	Capital Expenditure	221.89	(12.43)	700.09	909.55	281.14	(4.61)	733.43	1,009.96
(iv)	Depreciation	590.47	168.01	83.20	841.68	568.72	169.38	56.80	794.90

Annual Report 2012-13



- (39) In pursuance of AS -28 "Impairment of Assets" issued by ICAI, the company reviewed its carrying cost of assets with value in use on the basis of future earnings and based on such, management is of the view that in the current financial year impairment of assets is not considered necessary. In the case of Badarpur Energy Pvt. Ltd., in which company has assessed indicators for impairment, but on the basis of technical review report and value in use method, no impairment of assets is considered necessary as on the Balance Sheet date.
- (40) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's classification.

In terms of our report of even date

For Kumar Vijay Gupta & Co.,

(Firm Regn. No. 007814-N)

Chartered Accountants,

Sd/-
(CA. Mahesh Goel)
Partner
M.No. 88958

For and on behalf of the Board

Sd/-
(Kamakhya Chamarla)
Vice Chairman &
Managing Director

Sd/-
(Bijay Kumar Garodia)
Chairman and
Whole Time Director

New Delhi, 29th May' 2013

Sd/-
(Santosh Kumar Bajaj)
Whole Time Director

Sd/-
(Sushil Kumar Kothari)
Chief Financial Officer

Sd/-
(Bhavna Jangid)
Company Secretary

INFORMATION WITH REGARD TO SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2013

S. no.	Name of Subsidiary Company	Cement International Ltd.	Meghalaya Minerals & Mines Ltd.	Badarpur Energy Pvt. Ltd.	Valley Strong Cements (Assam) Ltd.	Goombira Tea Company Ltd.	Chargola Tea Company Pvt. Ltd.	Singlacherra Tea Company Pvt. Ltd.
	Financial Year ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
(a)	Share Capital	9,927,000	14,900,000	49,633,400	3,862,500	2,327,000	742,000	740,900
(b)	Reserves & Surplus	148,775,915	43,923,554	17,914,836	27,887,500	197,820,330	74,736,938	74,293,201
(c)	Total Assets (Fixed Assets + Investments + Current /Deferred Assets)	352,007,535	141,315,876	362,946,723	35,603,806	319,038,047	82,563,011	98,336,255
(d)	Total Liabilities (Debts + Current / Deferred Liabilities)	193,304,620	82,492,322	295,398,488	3,853,806	118,890,718	7,084,075	23,302,155
(e)	Investments (excluding investment in subsidiary companies)	—	—	—	—	—	—	—
(f)	Turnover (gross)	303,636,320	93,784,932	—	—	8,680,786	2,093,068	3,000,014
(g)	Profit/ (Loss) before Taxation	177,777	(6,906,605)	(28,721,702)	—	(8,110,281)	(966,107)	(164,392)
(h)	Provision for Taxation/ Deferred Tax	(415,113)	701,277	-	—	-	-	-
(i)	Profit/ (Loss) after Taxation	592,890	(7,607,882)	(28,721,702)	—	(8,110,281)	(966,107)	(164,392)
(j)	Proposed Dividend	—	—	—	—	—	—	—

For Kumar Vijay Gupta & Co.,
Chartered Accountants,

For & on behalf of the Board

Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958

Sd/-
Kamakhya Chamaria
(Vice Chairman & Managing Director)

Sd/-
Bijay Kumar Garodia
(Chairman & Whole Time Director)

Sd/-
Santosh Kumar Bajaj
(Whole Time Director)

New Delhi, 29th May' 2013

Sd/-
Sushil Kumar Kothari
(Chief Financial Officer)

Sd/-
Bhavna Jangid
(Company Secretary)



BARAK VALLEY CEMENTS LIMITED

Regd. Office: 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam – 781007

ATTENDANCE FORM

Member(s) or his/her/their proxy(ies) are requested to present this form for admission, duly signed in accordance with his/her/their specimen signature(s) registered with the Company.

Name: _____ Folio No./DP ID _____ No. of Shares _____

I hereby record my presence at the 14th ANNUAL GENERAL MEETING of Barak Valley Cements Limited to be held on Monday, the 23rd day of September, 2013 at 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007 at 2: 30 P.M. or any adjournment thereof.

Please ✓ in the box.

☐

Member

☐

Proxy

Name of the Proxy in Block Letters

Member's Signature

Proxy's Signature



BARAK VALLEY CEMENTS LIMITED

Regd. Office: 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam – 781007

PROXY FORM

I/We.....of.....in the district of being a Member(s) of BARAK VALLEY CEMENTS LIMITED hereby appointof.....in the district of..... or failing him.....of.....in the district of as my/our proxy(ies) to attend and vote for me/us on my/our behalf at the 14th Annual General Meeting of the Company to be held on 23rd day of September, 2013 at 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam-781007 at 2:30 P.M. and any adjournment thereof.

Signed onat

Revenue
Stamp

Signature (s).....

Name.....

Folio No. /Client ID*.....-D.P.ID*.....

Address.....

.....

* Applicable for Members holding shares in electronic form.

Notes:

1. The Proxy need NOT be a Member.
2. The Proxy Form duly signed across a Revenue Stamp should reach Company's Registered Office at least 48 hours before the meeting.
3. That a Member may vote either for or against each resolution.





Barak Valley Cements Limited

**202, Royal View, (2nd Floor), B.K. Kakoti Road,
Ulubari, Guwahati, Assam-781007**

Phone : 0361-2464670, 0361-2464671

Fax : 91-361-2464672

E-mail : globalghy@sify.com

Website : www.barakcement.com