

BARAK VALLEY CEMENTS LIMITED

Annual Report 2010-11



Barak Valley cements limited

Annual Report 2010-2011

Composition of Board

Mr. Bijay Kumar Garodia -	Chairman
Mr. Kamakhya Chamaria -	Vice-Chairman and Managing Director
Mr. Mahendra Kumar Aggarwal -	Vice Chairman
Mr. Santosh Kumar Bajaj -	Whole Time Director
Mr. Prahlad Rai Chamaria -	Director
Mr. B. P. Bakshi -	Director
Mr. D. R. Agarwal -	Director
Mr. Ramesh Chandra Bajaj -	Director
Mr. Vishal More -	Director
Mr. E. E. Fernandes -	Nominess Director (IDBI)

Company Secretary

Mr. Hitesh Wadhera

Auditor

M/s. Kumar Vijay Gupta & Co.
Chartered Accountants,
408, New Delhi House,
27, Barakhamba Road
Connaught Place, New Delhi-110001

Bankers And FIs

Industrial Development Bank of India (IDBI)
Northern Eastern Development Financial Institution (NeDFi)

Offices:

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

Works:

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

Corp. Office:

281, Deepali, Pitam Pura,
Delhi - 110034

Branches:

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

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Notice

NOTICE is hereby given that the 12th Annual General Meeting of the Members of **BARAK VALLEY CEMENTS LIMITED** will be held on Saturday, the 6th day of August, 2011, at 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam at 2.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and 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. Santosh Kumar Bajaj who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Director in place of Sh. Mahendra Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Director in place of Sh. Brahm Prakash Bakshi, 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

Kolkata
28/05/2011

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 herewith.
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 Monday, the 1st day of August, 2011 to Saturday, the 6th day of August, 2011 (both days inclusive).
5. Link Intime (India) Private Limited is the Registrar & Share Transfer Agent (R&TA) of the Company. All investor related communications may be addressed to Link Intime at the following address:

Link Intime (India) Private Limited
Unit: Barak Valley Cements Limited
A-40, 2nd Floor, Naraina Industrial Area,
Phase II, Near PVR Naraina, New Delhi -110028
6. Members are requested to notify about any changes in address/ bank details/ECS (Electronic Clearing Service) mandate to:
 - (a) the R&T Agent of the Company, viz. Link Intime, if shares are held in physical form; and
 - (b) their respective Depository Participants (DPs), if shares are held in electronic form.
7. Members/proxies are requested to kindly take note of the following:
 - (i) attendance Slip, as sent herewith, is required to be produced at the venue duly filled in and signed for attending the meeting,
 - (ii) 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
 - (iii) in all correspondence with the Company and/or the R&T Agent, Folio No./DP & Client ID no. must be quoted.
8. 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.

9. 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.
10. 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.
11. For any investor related queries, communication may be sent by e-mail to **cs@barakcement.com**.
12. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination(s) in respect of shares held by them in physical form. Shareholders desirous of making nomination(s) are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R&T Agent.
13. 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.
14. 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.
15. Ministry of Corporate Affairs vide their circular 17/2011 dated 21/04/2011 clarified that it would be compliance to Section 53 of the Companies Act, 1956, if the services of document has been made through electronic mode. Providing that Company has obtained e-mail addresses of its members for sending notice/ documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company.

In order to cherish and support the Green Initiative taken by the Government of India to secure paperless compliance for betterment of environment, members who have not provided their e-mail address are requested to contact to RTA or compliance officer of company for same.
16. Details of the Directors seeking re-appointment in the 12th Annual General Meeting of the Company pursuant to Clause 49 of the Listing Agreement.

I. Sh. Santosh Kumar Bajaj**a. Brief Resume:**

Sh. Santosh Kumar Bajaj aged about 54 Years, is a promoter of our company. He started his business career as a trader with his father and is representing third generation of his family in cement business. Sh. Bajaj has got very good reputation in cement trade throughout the North-Eastern Region.

Being born & brought up in the region and having practical knowledge regarding the demand & supply of cement in the North-Eastern Region he have a unique ability to anticipate situation in advance than any other.

b. Nature of experience:

His expertise knowledge in trading and marketing skills always proves to be advantageous for the Company. Throughout these years he is proven a real asset for our organization.

c. Companies in which he holds the Directorship and the Membership of the Committees of the Board:

01. Cement International Limited.
02. Om Infracon Private Limited
03. Valley Strong Cements (Assam) Limited
04. Goombira Tea Company Limited.

d. Shareholding: 18,84,500 Equity Shares.**e. Relationship with other Directors: None.****II. Sh. Mahendra Kumar Agarwal****a. Brief Resume:**

Sh. Mahendra Kumar Agarwal, aged 48, is a Bachelor of Science from college of Kolkata. He initially started his career by taking up wood based industries in the North East region. He has launched his own brand of mosquito coils in Eastern India - Mosfree. Sh. Agarwal shares good reputation and partnership with many multinational companies and owns several production facilities in cosmetics and toiletries at Guwahati.

b. Nature of experience:

Sh. Agarwal had played a vital role in setting up of plant of our Company at Badarpurghat, Assam and his tenure as the Vice-chairman of our company proved to be fruitful and prosperous for our Company.

c. Companies in which he holds the Directorship and the Membership of the Committees of the Board:

1. Meghalaya Cements Ltd.
2. Meghabond Cements Ltd.

3. Canis Mines & Minerals Pvt. Ltd.
 4. Sarvottam Infrastructure Pvt. Ltd.
 5. Sunflag Infrastructure Ltd.
 6. Hanuman Towers Pvt. Ltd.
 7. Sunflag Household Pvt. Ltd.
 8. Oasys Power Ltd.
 9. Nirlon Powercem Ltd.
 10. North East Power and Infra Ltd.
 11. Sunflag Enterprises Pvt. Ltd.
 12. Brijraj Power & Metallics Ltd.
 13. Valley Strong Cements (Assam) Ltd.
 14. Top Metals Ltd.
 15. Goombira Tea Company Ltd.
 16. Singlacherra Tea Company Pvt. Ltd.
 17. Vasundhra Steel & Power Ltd.
 18. Brijraj Bijali Ltd.
 19. Mustoh Cement Ltd.
- d. *Shareholding*: 18,43,700 Equity Shares.
- e. *Relationship with other Directors*: Brother in Law of Mr. Bijay Kumar Garodia (Chairman and Whole Time Director).

III. Sh. Brahm Prakash Bakshi

- a. *Brief Resume*:
- Sh. B.P. Bakshi aged 73, has a Master Degree in Management specialisation in PM & IP from prestigious XLRI-Jamshedpur & Post Graduate Diploma from International Institute of Social Studies, The Netherlands as a Nuffic fellow.
- Sh. Bakshi is known for his significant contributions to promote industrial growth in Assam and for his Business Administration skills. He is actively involved at state and national level, promoting productivity movements and also served various boards and committees as Member and Chairman.
- In recognition of his valuable services to develop and manage rich human resources and entrepreneurial skill in the region, he was awarded by Assam Chapter of National Institute of Personnel Management (NIPM). He is closely involved in social welfare activities to enrich and empower the needy members of the society and served as a District Governor of Lions International District-322D in 1984-85 and Office Bearer of numerous service organisations.
- b. *Nature of experience*:
- Sh. Bakshi started his career in Tata Iron & Steel Co. Ltd. (TISCO), Jamshedpur and then worked for the Planning Commission. He shifted to Assam in 1961 and headed Dy. Managing Director M/s. Steelworth Ltd., Tinsukia reputed for machinery manufacturers & exporters. After working for 32 years he took early release.
- Sh. Bakshi is serving our Company as Non Executive and Independent Director for more than Five years. His tenure as member of Board and member and chairman of various committees of Company is highly appreciable.
- c. *Companies in which he holds the Directorship and the Membership of the Committees of the Board*:
1. Highway Hotel Limited
 2. Upper Assam Electricity Distribution Company Limited
- d. *Shareholding*: NIL
- e. *Relationship with other Directors*: None

BY ORDER OF THE BOARD
For Barak Valley Cements Limited

Sd/-
(Bijay Kumar Garodia)
Chairman

Directors' Report

**To
The Members,**

The Directors of your company are pleased to present the 12th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March 2011.

Financial Results

The summary of your Company's financial performance during Financial Year ended 31st March 2011 is as under:

Particulars	Year Ended on 31st March, 2011	(Rs. In Lacs) Year Ended on 31st March, 2010
Sales (net of excise duty)	9,512.22	11,294.09
Other Income	15.68	1.27
Total Sales & Other Income	9,527.90	11,295.36
Profit before Interest, Dep. & Income Tax	1,030.12	2,254.58
Less: Depreciation	531.74	626.20
Profit Before Interest and Income Tax	498.38	1,628.38
Less: Interest	475.71	293.17
Profit before Income Tax	22.67	1,335.21
Less: Prior Period Adjustments	(33.43)	23.47
Less: Provision for Taxation		
Current Income Tax	-	-
Deferred Tax Liability	(1.60)	(6.26)
Profit after Tax	57.70	1,318.00
Add: Balance Brought Forward from last year	4,770.30	3,711.56
Profit available for Appropriation	4,828.00	5,029.56
Less: Appropriations		
Transferred to General Reserve	-	-
Proposed Dividend on Equity Shares	-	221.60
Corporate Dividend Tax	-	37.66
Balance Transferred to Reserve & Surplus	4,828.00	4,770.30

OPERATIONS

Stand Alone Financials

During the Financial Year 2010-11 the turnover of company has decreased to Rs 9,512.22 Lakhs from Rs. 11,294.09 Lakhs in 2009-10, therefore Net Profit has also reduced to Rs. 57.70 Lakhs from Rs. 1,318.00 Lakhs in 2009-10.

Consequently the EPS has been reduced from Rs. 5.95 per Equity Share in FY 2009-10 to Rs. 0.26 per Equity Share in FY 2010-11.

Consolidated Financials

The Consolidated Financial Statement, is prepared according to the Accounting Standards of ICAI, further as per the requirement of Clause 32 of the Listing Agreement, the audited consolidated financial results of the Company are attached with the annual report. Summary of Consolidated financial performance of the Company and its subsidiaries is hereunder mentioned:

Particulars	2010-11	2009-10
Sales/ Turnover (Net of Excise duty)	11,983.33	15,436.50
Profit/ (Loss) Before Tax	(391.86)	1,142.07
Profit/ (Loss) After Tax	(375.52)	1,152.19
Total Shareholders Fund	11,089.21	11,475.68

Subsidiaries

At present, your company has seven subsidiary companies namely (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.

Pursuant to General Circular No. 2/2011 dated 8th February 2011, the Board of Directors of Company in their Meeting held on 28th May 2011 subject to conditions mentioned in said circular, resolved not to attach Balance Sheet of subsidiaries with Balance Sheet of Company for Financial Year 2010-11. The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders 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 shareholder on demand.

Further the annual accounts of the subsidiary companies will also be kept for inspection by any shareholders in the head office of the company and of the subsidiary companies concerned.

Business of Company and its Subsidiaries

S. No	Company and its Subsidiaries	Nature of business activity
1.	Barak Valley Cements Limited	Manufacturing and distribution of cement and carrying other allied activities.
2.	Cement International Limited	Manufacturing and distribution of cement and carrying other allied activities.
3.	Meghalaya Minerals and Mines Limited	Extraction and mining 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 distribution of cement and carrying other allied activities.

Note : Goombira Tea Company Limited has been converted from Private Limited Company to Public Limited Company on 20.04.2011

DIVIDEND

Your Directors after considering the performance of the Company for the Financial Year 2010-11 have decided not to recommend Dividend this year (Previous Year Dividend of Re 1/- per Equity Share amounting to Rs. 221.60 Lakhs was paid).

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

A separate section on Corporate Governance in the Annual Report of the Company, with a detailed compliance report on Corporate Governance is forming part of this report.

DIRECTORS

In accordance with the provision of Section 255 & 256 of Companies Act, 1956 Sh. Santosh Kumar Bajaj, Sh. Mahendra Kumar Agarwal & Sh. Brahm Prakash Bakshi are liable to retire by rotation and being eligible have offered themselves for reappointment.

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.

The Board of Directors recommend the re-appointment of M/s Kumar Vijay Gupta & Co. as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting of the Company till the conclusion of Annual General Meeting to be held next thereafter and to fix their remuneration.

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.

AUDITORS' REPORT

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 (Particular of Employees) 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 of the Company as at 31.03.2011 and of the profit for the year ended 31.03.2011;
- 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 DEPOSIT, 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 31/03/2011.

No Buy Back of Shares was proposed or pending during the Financial Year ended on 31/03/2011.

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.

ACKNOWLEDGEMENT

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 family of Barak Valley Cements Limited.

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

For **Barak Valley Cements Limited**

Kolkata
28/05/2011

Sd/-
Bijay Kumar Garodia
Chairman

Annexure 'A' to Directors' Report

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

a) Energy Conservation Measures Taken:

- i. Pre heater fan motor of 470 KW has been replaced by 400 KW motor saving 30 KW/H.
- ii. Cooler cooling fan motor of 55 KW motor has been replaced by 22 KW connected with VFD saving 6 KW/H.
- iii. Cooler cooling fan motor of 55 KW motor has been changed to 45 KW connected with VFD saving 7 KW/H.
- iv. Nose ring fan motor of 37 KW has been replaced by 7.5 KW saved 19 KW/H.
- v. Solid flow auxiliary bin bag filter fan of 55 KW has been changed with 15 KW saved 22 KW/Hr.
- vi. Compressor 1 motor of 110 KW changed with 75 KW saved 4 KW/Hr.
- vii. Compressor 2 motor of 110 KW changed with 75 KW saved 10 KW/Hr.
- viii. Cement Mill No.2 400 KW/3.3 KV H.T motor replaced by 350 KW/3.3KV motor saved 31 KW/hr.
- ix. Secondary crusher main motor has been provided with VFD saved 43 KW/H.
- x. Steel conveyor fan of 45 KW has been changed with 22 KW saved 4 KW/hr.
- xi. Weigh Feeder in coal firing provided.

b) Additional investment and proposal, being implemented for reduction of energy consumption.

- i. Cyclones, fan of 72000 m³/hr capacity with bag filter to stop pollution & recycle the collected dust to blending silo.
- ii. To change Cement Mill No.1 450 KW motor to 350 KW motor.
- iii. Replacement of screw conveyor into weigh feeder in main coal firing.
- iv. To install steel chord elevator in cement mill no. 1 & No. 2 common elevator.
- v. Weigh feeders in raw material grinding.
- vi. Soft starter at different places to take care of starting torque of motor.
- vii. Bigger size of dryer to dry coal & alternative fuel like bamboo dust, saw dust and rice husk.
- viii. Precalciner to increase the clinker production from 600 T/Day to 750 T/Day.
- ix. Auxiliary drive in cement mills and raw mill.
- x. To replace girth gear of coal mill no. 2 and raw mill no. 3 and optimize the loading of grinding media to increase the production.
- xi. To optimize raw mill no. 3 production by replacing mill head with trunion and change the gear box to optimize the mill speed.
- xii. Replacement of cyclone for kiln exhaust hot gases to coal drier and coal mill.
- xiii. To change coal mill feeding elevator which is of lower capacity.
- xiv. Close circuiting of raw mill to increase the production.
- xv. Replacement of existing spillage drag chain from 125 to 250 m/m size.
- xvi. Replacement of gun metal bearings in phosphorus bronze increasing the life of bearings.
- xvii. Coal shed in front of cooler.
- xviii. Replacement of existing crushing system to high efficiency crushing system.
- xix. To change of feed end and discharge end shell.

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 CONSERVATION OF ENERGY:

Power and Fuel Consumption	<u>2010-11</u>	<u>2009-10</u>
a) Purchase Units (KWH)	2,00,60,000 Units	2,39,03,974 Units
Total Amount (Rs. in Lakhs)	854.03	1,358.64
Rate/Unit (Rs.)	4.26	5.68
Own Generation (KWH)	6,87,993 Units	1,73,304 Units
Total Amount (Rs. in Lakhs)	74.02	17.73
Rate/Unit (Rs)	10.76	10.23
b) Coal Consumption	25,202.25 MT	27,115.33 MT
Total Amount (Rs. in Lakhs)	1179.04	1,060.68
Rate/MT (Rs)	4678.00	3912.00
Consumption per unit of production (Unit/MT)	Power (Per MT of Cement)	Coal (Per MT of Clinker)
Standard, if any	129.00	0.20
Current Year	123.60	0.18
Previous Year	115.80	0.18

FORM-B

TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

1. Researches and Development (R&D)

a) Specific Areas in which Research and Development (R&D) is being carried out by the Company

- i. Use of Combustion catalyst - coal saver.
- ii. Use of fly ash activator.
- iii. Use of waste heat from cooler to dry the fly ash and coal.
- iv. Two ways secondly firing at a time.
- v. Use of alternative fuel such as Bamboo Dust, Saw Dust and Rice Husk.

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 increase the production of clinker from 600 MTD to 750 MTD.

d) Expenditure on R&D

Particulars	2010-2011	2009-2010
1. Capital Expenditure	Nil	Nil
2. Recurring Expenditure	2,512,544	3,069,527
Total Expenditure	2,512,544	3,069,527

2. Technology absorption, adaptation and innovation during 2010 – 11 the following jobs were taken up.

- a) i) Use of alternative fuel.
- (ii) Manufacturing belt conveyors without troughing rollers

b) Benefit derived as a result of the above efforts

The production of clinker and cement will increase.

c) Foreign Exchange earning and outgo.

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

Sd/-
Bijay Kumar Garodia
 Chairman

Kolkata
 28/05/2011

Management Discussion and Analysis

INDIAN ECONOMY OUTLOOK

Over a decade Indian Economy has recorded growth at a galloping pace, economy has not only successfully overcome the recent economic crisis but has also re-achieved the growth rate that of pre-crisis level. It will not be an exaggerated statement if one says that India has achieved the path of sustained high growth.

But unfortunately the fruit of growth have not reached evenly to each section of society. The story of success is marred by the fact that the number of billionaires as well as the number of malnourished children in India are one of the highest in the world. Hyper inflation has caused harmful affect on saving and consumption pattern of an Individual and recent increase in prices of fuel and other essential commodities have added soreness in the growth story.

INDUSTRY OUTLOOK

Being one of the fastest emerging economies on the world map, all vital industries and sectors in India are registering growth at lucrative pace. Being world's second largest producer of cement, Indian cement industry has outpaced the growth rates of other prominent industries in the country due to factors such as rising demand from the housing sector, increased activity in infrastructure, and construction recovery.

North East Region

Despite of rich natural resources, traditionally the development in the North East has been sluggish. Keeping in mind its special requirements, government has devised various plans and policies by categorizing the region as Special Category State and the same is reflected in 'North East Region Vision 2020' the Government of India's road map for developing the civil and social infrastructure in the region.

Due to high investment in infrastructure the demand of cement is expected to witness high increase, traditionally in North East region the production falls short of demand hence region is facing deficiency of Cement, because of this the prices in this region remained the strongest and experiencing the highest price realizations, but in recent time prices were duly affected due to surplus production capacity in southern region. Because of geographical conditions of region and bulky nature of Clinker and Cement, transportation cost always remains an important factor influencing cost of Cement.

COMPANY PERFORMANCE

The performance of the Company for the Financial Year 2010-11 as compared to the Financial Year 2009-10 is as under:

	FY 2010-11	FY 2009-10
Production (MT)	1, 67,871	2,07,923
Dispatches (MT)	1, 66,630	2,06,823
Turnover (Rs. in lakhs)	9,512.22	11,294.09
Profit after Tax (Rs. in lakhs)	57.70	1,318.00

The Net Profit of the Company for the year ending 31st March 2011 is Rs. 57.70 Lakhs in comparison to the Net Profit of Rs. 1,318.00 Lakhs in the previous financial year. The main reason for reduction of profitability of the Company is decreased dispatches of Cement and lesser realization of finished goods during the year. In 2010-11, the Company has sold 1,66,630 MT of Cement against 2,06,823 MT of Cement in 2009-10, which is 19.43 % less than the previous year. Similarly Net Cement realization has been decreased by 8.84% to Rs. 4,102 per MT as compared to Rs. 4,500/- per MT in last year.

PERFORMANCE OF SUBSTANTIAL SUBSIDIARIES

The performance of the subsidiary companies viz. Badarpur Energy Private Limited (BEPL), Meghalaya Minerals and Mines Limited (MMML), Cement International Limited (CIL), for the Financial Year 2010-11 as compared to the Financial Year 2009-10 is as under:

CEMENT INTERNATIONAL LIMITED		FY 2010-11	FY 2009-10
Production (MT)		50,154	78,728
Dispatches (MT)		49,950	79,051
Turnover (Rs. in lakhs)		2,546.00	4,185.12
Profit after Tax (Rs. in lakhs)		174.17	349.26
BADARPUR ENERGY PRIVATE LIMITED		FY 2010-11	FY 2009-10
Units Generated (In Lakhs)		31.59	247.55
Net Units Sold (In lakhs)		25.38	199.10
Turnover (Rs. in Lakhs)		152.27	1194.61
Profit after Tax (Rs. In lakhs)		(523.01)	(560.14)
MEGHALAYA MINERALS AND MINES LIMITED		FY 2010-11	FY 2009-10
Limestone Extracted (MT)		1,72,675	1,82,445
Limestone Dispatched (MT)		1,68,071	1,83,184
Turnover (Rs. In lakhs)		1,141.05	879.68
Profit after Tax (Rs. In lakhs)		11.51	57.07

SALES & MARKETING

Your Company's brand "Valley Strong" Cement is readily available in the areas of Tripura, Mizoram, Assam with diversified customer base consisting of individuals, contractors, builders, institutions and Government Agencies. Since 2008-09 when your company had also successfully launched its brand in Guwahati which is now available all around the city. The entire production of the Company is sold in North east region due to the huge demand-supply gap.

Gross Sales has been Rs. 9,700 Lakhs as compared to Rs. 11,555 Lakhs in the corresponding previous year. Due to sluggish market season and other reason, we are able to dispatch 1,66,630 of cement, which is 19.43% less than the corresponding previous year. Gross sales price realization has reduced to Rs.5,748/- per MT of Cement as compared to Rs. 5,570/- per MT in the corresponding previous year. Net sales realization has been Rs. 4,102/- per MT of Cement as compared to Rs. 4,500/- per MT in the corresponding previous year. During the current year, your company has incurred Rs. 120.05 Lakhs on Sales promotion and advertisement expenses as compared to 125.04 lakhs in the last year.

COSTS**(a) Raw Material****(i) Lime Stone :**

During the year, the Company has consumed 1,74,658 MT of Lime stone as compared to 1,81,148 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. 679/- which was Rs. 439/- as compared to the last year.

(ii) Fly Ash:

During the year, the Company has consumed 26,982 MT of Fly ash against 33,879 MT during last year. The average acquisition cost per MT of Fly ash has been Rs. 1,715/- per MT in the current year. In current Financial Year 2010-11, overall Fly ash cost constitutes 24% of overall Raw material cost as compared to 30% of raw material cost in the earlier year. The per tonne fly ash cost comes out to Rs. 276/- per tonne as compared to Rs. 396/- per MT of producing cement as compared to last year.

The Company has produced 1,02,190 MT of PPC cement as compared to 1,13,846 MT of cement in the last year.

(iii) Gypsum:

Gypsum consumption has decreased from 854 MT to 528 MT in current year 2010-11. The overall gypsum consumption cost comes to 1.18% of overall raw material cost as compared to 0.97 % in the last year. The average cost of Gypsum acquisition has also increased to Rs.4,323 /- per MT against Rs. 3,098/- in the last year.

(b) Fuel and Power**(i) Coal:**

During the year, the Company has consumed 25,202 MT of coal, which constitutes 18% of per MT clinker production as compared to 27,115 MT during last year (18% of per MT clinker production), which is almost same as per last year.

In current year, the Company has incurred Rs. 1,179.04 lakhs on coal as compared to Rs. 1,060.68 lakhs in previous year. In 2010-11; average coal costing comes out to Rs. 4,678/- per MT as compared to Rs. 3,912/- per MT in 2009-10.

(ii) Power:

In current year, the Company has purchased 176.24 lakhs units from ASEB and 24.36 lakhs unit from Badarpur Energy Private Limited (BEPL), a wholly owned subsidiary company as compared to 59.82 lakhs unit from ASEB and 179.22 lakhs unit from BEPL in the last year. During the year, the Company has incurred Rs.928.05 lakhs on power cost with an average of Rs. 4.47 per unit as compared to Rs. 1,376.37 lakhs (Rs. 5.72 per unit) in last year.

In current year, due to non availability of raw material and some other technical difficulties, 6.00 MW biomass based power plant in BEPL is not able to generate power to its normal capacity. However, we are fully hopeful to overcome all these problems and able to reduce the power cost in the current year.

(c) Wages and Labor Cost

In current year 2010-11, the Company has incurred Rs. 688.83 lakhs on wages and labor cost as against Rs. 569.38 lakhs in 2009-10. In current year, wages cost has been increased, due to enhanced man power and wages rate. In overall terms in current year, wages cost comes out to Rs. 396/- per MT of Cement cost as compared to Rs. 273/- per MT in the last year.

(d) Transportation Cost

The Company has dispatched 1,66,630 MT of cement as compared to 2,06,823 MT of cement in the previous Financial Year. However, due to higher fuel price and freight cost the overall transportation cost has increased substantially. The overall transportation cost comes out to Rs.1868.02 lakhs as compared to Rs. 1,623.60 lakhs in the last year. The increase in transportation cost is due to steep hike in fuel price and freight expenses and for longer distances covered by the transporters during the year.

Analysis on Performance of Company

1. *Exhaustion of VAT exemption:* VAT exemptions which were available to Company exhausted in September 2010 because of which excessive burden of Rs. 366.00 Lakhs is born by the Company.
2. *Transportation Cost:* Transportation cost plays an important role in Cement Industry specially in area like North East where geographical conditions are challenging. Previous year due to strict implementation of load restrictions by State Governments a vast gap was created between demand and availability of vehicles, as a result of which Company has witnessed a drastic increase in transportation cost of raw material, for example transportation cost of Lime Stone has been increased by 57.14%, whereas Gypsum and Coal's transportation cost has been increased by 80% and 69.70% respectively.
Similarly transportation cost of cement has been also increased by 15.02%.
3. *Sluggish Season:* Because of unprecedented rainy season, clinker production was adversely effected. In order to facilitate cement production, Company was compelled to purchase expensive clinker from open market, in result of this dispatch of Cement was reduced by 19% during the Financial Year ending 2010-11.

Strategy of Company

Because of various reasons as analyzed hereinabove, significant fall is recorded in the Turnover and Profit of the Company during Financial Year ended 2010-11. In order to overcome the situation management is taking remedial steps, some are discussed hereunder:

1. *Transportation Cost:* To mitigate the effect of escalating transportation cost, Company is endeavoring to utilize higher capacity vehicles and offering various incentives for encouraging adherence to delivery time schedules and maintenance of vehicles for their optimum utilization.
Further, alternative cost effective and reliable logistic options like Rail Transportation are being explored; this can prove to be an ideal solution for tackling whopping transportation cost.
2. *Production of Clinker:* One of the prime reasons for decline of production was lesser production of clinker, in order to overcome this, company has started to consolidate the production of clinker to 600 TPD.
3. *Cost Reduction:* Attempts are being made to reduce power consumption by 5 to 7 units per Tonne, by modification and replacement of existing electric motors.

RISKS AND AREAS OF CONCERN**Coal**

The increase in coal prices is directly co-related with economic scenario of the country. If the economy and growth rate boom, coal prices will also tend to increase and vice -versa. Further, cost of coal is a major concern due to crude oil price hike and other global factors.

Transport

The increased cost of transportation due to rise in fuel and freight cost has become a matter of concern as it has the effect of increasing the overall cost of the cement, which would have the impact on the overall profitability of our Company. However, due to better realization of finished product, we would be able to offset the same against the increased cost.

Market and Competition Risk

The Company may face growing/new competition from existing players and new entrants. The Cement business is highly competitive within geographical regions. The competition is further enhanced by the fact that there are virtually no product differentiating factors. Growing competition may force us to reduce the prices of our products, which may reduce revenues and margins and/or decrease market share.

Changes in Government Policies

Growth prospects in the Cement Industry are highly dependent on Government Policies especially those relating to investment in infrastructure and industrial sectors. 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 and Order in NE Region

Deterioration in the law and order situation in the North East Region in general may have an affect on the operations of your company. NE Region is more prone to terrorist attacks and other acts of violence or war which could have an adverse effect on the business, results of operation and financial condition.

ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY**Environment Activities**

Continuing its previous track record, your company has undertaken many environmental activities during Financial Year 2010-11. In view of developing and maintaining natural aesthetic beauty and protection of environment, company has planted various types of

trees in different locations of Cachar, Karimganj and Hailakandi District and maintenance of these trees are regularly followed by company through employees and contractors. Forwarding 'Mass Tree Plantation' motto, various unused/waste lands lying in the area were taken up by company through mutual understanding with landlords for planting various types of trees which will have a significant environmental impact. In this process company has developed lands and planted various types of special Green Belt cultivation which ultimately created a green covering in an area covering three districts.

Up to now a significant number of plants of different variety namely Gamari, Krishnachura, Rain Tree, Maha Neem, Arjun, Su-Babul, Goorah Neem, Various Bamboos (Tulda & Balcoa etc), Eucalyptus, Mangium, Joytun and Radhachura etc. were planted, totaling to around 1,30,000 in numbers covering an area of more than 250 Bighas and these numbers are increasing day by day.

Health Care Services

With determination to provide better health care facility, your company has established Health Care Center at Debendra Nagar for providing free medical and Ambulance facility to local inhabitants of Debendra Nagar area, specially for those who are unable to afford adequate health care or are otherwise in need. Further on routine basis health care activities like "Pulse Polio Immunization Programme", "Family Planning Programme", "Vaccination for Child" are organized. Company also makes arrangement to provide free medical consultancy to local inhabitants.

As part of the healthcare initiatives, company in association with Lions Club, Badarpur Greater and District Blindness Control Society of Karimganj, organized "Free Eye Check Up Camp with Microsurgery (IOL)" on 1st May 2010 at Madhavdham School, Srigouri, Dist-Karimganj (Assam).

Yoga and Meditation

In order to popularize total health philosophy, company has organized yoga camp for its employees in the year 2010. Further Art of Living Course at Badarpur in association with The Art of Living, Information Centre-Badarpur were also sponsored by Company for benefit of local people.

Education Facility

With a view to provide better education opportunities in the remote area like Debendra Nagar, Badarpur, Dist-Karimganj your company is sponsoring a school namely "Vivekananda Kendra Vidyalaya" to provide modern day schooling and imparting social and moral values among students. Company also provides free School Bus facility to school students and also sponsors meritorious students.

Community Welfare and Development

- i. Unfortunately flood is a common phenomenon in the Barak Valley Region, which forces inhabitants to go through unbearable hardships and pain. In the year 2010, flood in the local area of Badarpur had led the people to face distress. In order to secure some comfort to the people of Badarpur from natural disaster, your company has provided flood reliefs by organizing various relief camps in Badarpur, Thandapur, Alakulipur, Railway H.S. School, Railway Guest House, Jhoom Basti, Badarpur Rly Colony and more over company had also formed a team which visited flood affected areas to take stock of the situation.
- ii. Under the community welfare activities your company has actively participated in distributing free Medicine, Cloths and Snacks on various occasions. Likewise this year also company has also sponsored various sports tournaments and cultural activities.

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**

Kolkata
28/05/2011

Sd/-
Bijay Kumar Garodia
Chairman

Corporate Governance Report

I. PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

Good corporate governance is an important ingredient for enriching the reputation and profitability of an organization, it not only helps to prevent corporate irregularities but also increase confidence of customers, investors and other stakeholders in the organization. Besides providing an aid in achieving long term organizational objectives in cost efficient manner corporate governance also assists in creating a properly structured all weather buoyant organization.

2. BOARD OF DIRECTORS OF THE COMPANY AND THEIR COMMITTEES

The Board of Directors is the apex management body of the Company, which design and devise a growth road for the Company. Under the able guidance and directions of our Chairman, Mr. Bijay Kumar Garodia along with Mr. Kamakhya Chamaria (Vice-Chairman and Managing Director), Mr. Mahendra Kumar Agarwal (Vice-Chairman), Mr. Santosh Kumar Bajaj (Whole Time Director) and other Board Members, the Company has not only fortified itself to sustain under unfavorable circumstances but also to carry on its march towards success and prosperity.

a. BOARD OF DIRECTORS

i. Composition

The Board of Directors encompasses of ten learned directors out of which, three are Executive directors and remaining seven are Non-Executive directors. Being Chairman, an Executive director, the Board comprises of five independent and five non-independent directors.

S. No.	Name of Director	Category	No. of Director-ship in other Companies	No. of Committees in which Director is a Member	No. of Committees in which Director is a Chairman
1	Mr. Prahlad Rai Chamaria,	Promoter, Non-Executive and Non-Independent Director	6	Nil	Nil
2	Mr. Bijay Kumar Garodia,	Promoter, Executive and Non-Independent Director	9	Nil	Nil
3	Mr. Kamakhya Chamaria,	Executive and Non-Independent Director	5	2	Nil
4	Mr. Mahendra Kumar Agarwal	Promoter, Non-Executive and Non-Independent Director	19	Nil	Nil
5	Mr. Santosh Kumar Bajaj,	Promoter, Executive and Non-Independent Director	4	Nil	Nil
6	Mr. Brahm Prakash Bakshi,	Non-Executive and Independent Director	2	2	1
7	Dr. Dhanpat Ram Agarwal,	Non-Executive and Independent Director	4	1	Nil
8	Mr. Edwin Especiano Fernandes	Non-Executive and Nominee Director	Nil	Nil	Nil
9	Mr. Ramesh Chandra Bajaj,	Non-Executive and Independent Director	Nil	1	Nil
10	Mr. Vishal More,	Non-Executive and Independent Director	1	1	1

- Note:**
- None of the Director is a member in more than ten committees and a chairman in more than five committees.
 - While computing number of directorships in other companies, all companies including foreign companies, private companies were taken into account.
 - While computing number of committees in which director is a member only Audit Committee and Shareholders' Grievance Committee of public companies whether listed or not, is included.

- d) While computing number of committees in which director is a chairman only chairmanship of Audit Committee and Shareholders' Grievance Committee of public companies whether listed or not, is included.
- e) Mr. Dinesh Chandra Agarwal, the retiring director of the Company has opted not to be reappointed in the preceding 11th Annual General Meeting.

ii. *Meetings and Attendance*

During the Financial Year 2010-11, the Board met for five times on 26.05.2010, 07.08.2010, 14.10.2010, 14.11.2010 and 11.02.2011 to transact various business activities and has passed relevant resolutions by circulation on 18.06.2010 and 10.09.2010. The details of the number of meetings attended by the Board Members are as under:

S. No.	Name of Director	Attendance		Inter-se relationship between Directors
		Board Meeting	Annual General Meeting	
01.	Mr. Prahlad Rai Chamaria	2	No	Brother of Mr. Kamakhya Chamaria
02.	Mr. Bijay Kumar Garodia	2	No	Brother of Mr. Mahendra Kumar Agarwal's wife
03.	Mr. Kamakhya Chamaria	3	No	Brother of Mr. Prahlad Rai Chamaria
04.	Mr. Mahendra Kumar Agarwal	2	No	Brother-in-Law of Mr. Bijay Kumar Garodia
05.	Mr. Santosh Kumar Bajaj	2	Yes	N.A.
06.	Mr. Brahm Prakash Bakshi	1	Yes	N.A.
07.	Mr. Dhanpat Ram Agarwal	2	Yes	N.A.
08.	Mr. Edwin Espesiano Fernandes	3	Yes	N.A.
09.	Mr. Ramesh Chandra Bajaj	2	No	N.A.
10.	Mr. Vishal More	4	Yes	N.A.

Note : During the year, the maximum time gap between two meetings does not exceed more than four months.

iii. *Information placed before Board.*

The detailed agenda of every Board Meeting is forwarded to Directors well in advance along with relevant annexures covering following points along with other businesses to be transacted therein:

- Annual operating plans and budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- 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.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Other information required by board to discharge its responsibilities in prudent manner.

iv. *Code of Conduct*

With a view to achieve high standards of ethical and professional conduct of Managerial Personnel, the Company has devised code of conducts for Directors and Senior Management Personnel which not only regulate their conduct but also ensure adherence thereto and the same is also posted on website of company.

The declaration signed by Chief Executive Officer of the Company regarding of adherence of Directors and Senior Management Personnel to code of conduct is annexed herewith.

v. *Other Provisions*

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

The Company ensures that the person who is being appointed as an independent director has the requisite qualifications and experiences which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an independent director.

b. COMMITTEES

i. *Audit Committee*

Pursuant to the provisions of Section 292A of Companies Act, 1956 and Clause 49 of the Listing Agreement, Company have a duly qualified and independent Audit Committee, presided by an Independent Director. All the members of Audit Committee are financially literate and Chairman being Chartered Financial Analyst and having Master Degree in Economics is an accounting and financial management expert.

ii. *Composition, Meetings and Attendance*

Audit committee comprises of four members out of which three Members are Independent and Non-Executive Directors and one Member is an Executive and Non-Independent Director and further the Committee is chaired by Mr. Vishal More, an Independent and Non-Executive Director.

During the Financial Year ended on 31st March 2011, Audit Committee met 4 (four) times on 24.05.2010, 07.08.2010, 12.11.2010 and 11.02.2011

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

Note:

- (a) During the year, the time gap between two meetings doesn't exceed by more than four months, and having an adequate quorum in every meeting.
- (b) The Chairman of the Audit Committee was present in Annual General Meeting to answer the queries of Shareholders.
- (c) Company Secretary of the Company acts as the Secretary of Committee.

ii. *Terms of reference*

The terms of reference of the Audit Committee is in consistency with the Listing Agreement and other statutory requirements, the gist of terms of reference is as follows:

1. The Audit Committee has power, to investigate any activity, seek information from any employee and to obtain outside legal or other professional advice when ever considered fit and proper by the Committee.
2. 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.
3. Recommending the Board, regarding the appointment, re-appointment, the replacement and removal of the statutory auditor, along with fixation of audit fees and other payments payable to Auditor for other services rendered by him.
4. Reviewing, with the Management, the Quarterly Financial Statements and Annual Financial Statements before submission to the Board for approval.
5. Reviewing, with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems including staffing and seniority of the official heading the department, reporting structure coverage.
6. 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.
7. To review the functioning of the Whistle Blower mechanism.

8. 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.
9. 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 etc.

iii. *Sub Audit Committee*

The Board has in order to review and ensure the expedient implementation of the directions, suggestions and observations made by the internal auditor and to maintain coordination between different departments of the Company, has constituted a Sub Audit Committee. The Sub Audit Committee is accountable to Audit Committee.

The committee consists of following five executive officers of the Company

S.No.	Name
1.	Mr. R.G. Keyal
2.	Mr. S.K.P Dalmia
3.	Mr. Shishir Bajoria
4.	Mr. Ramesh Chand Pareek
5.	Mr. Rajesh Aggarwal

II. *Remuneration Committee*

As per the requirement of Companies Act, 1956 and Listing Agreement, company has duly constituted remuneration committee, with a term of reference to determine remuneration including pension rights, any compensation payment and to formulate remuneration policy for Directors and other Managerial Personnel of the Company.

The remuneration of Directors and other Managerial Personnel is decided after taking into account various elements namely industrial standard, job responsibilities, qualification, experience, financial position and contribution of director in growth and development of Company.

i. *Composition, Meetings and Attendance*

The Remuneration Committee consists of four Directors out of which three directors are Non-Executive and Independent Directors and is presided by Mr. Brahm Prakash Bakshi, an independent Director.

During the Financial Year ended 31st March 2011, no Meeting of Remuneration Committee was convened.

S. No.	Name of Director	Designation
1.	Mr. Brahm Prakash Bakshi	Chairman
2.	Mr. Dhanpat Ram Agarwal	Member
3.	Mr. Ramesh Chandra Bajaj	Member
4.	Mr. Bijay Kumar Garodia	Member

Note : The Company Secretary of the Company acted as the Secretary of the Committee.

ii. *Details of remuneration of directors paid during Financial Year ended on 31st March 2011 and shareholding held by them as on that date.*

S. No.	Name of Director	Managerial Remuneration	Sitting Fees (Amount in Rs.)	No. of Shares held in the Company
01.	Mr. Prahlad Rai Chamaria	Nil	Nil	19,84,800
02.	Mr. Bijay Kumar Garodia	24,00,000	Nil	21,62,500
03.	Mr. Kamakhya Chamaria	24,00,000	Nil	3,40,000
04.	Mr. Mahendra Kumar Agarwal	6,00,000	Nil	18,43,700
05.	Mr. Santosh Kumar Bajaj	24,00,000	Nil	18,84,500
06.	Mr. Brahm Prakash Bakshi	Nil	15,000	Nil
07.	Dr. Dhanpat Ram Agarwal	Nil	15,000	Nil
08.	Mr. Edwin Especiano Fernandes	Nil	Nil	Nil
09.	Mr. Ramesh Chandra Bajaj	Nil	15,000	Nil
10.	Mr. Vishal More	Nil	45,000	Nil

Due to decline in the performance of company, Directors have returned the part of remuneration, which was in excess of the prescribed limit under Companies Act., 1956

Note :

- (a) Non-executive Directors are only entitled to receive sitting fees, in accordance with the provisions of the Companies Act, 1956 and have no other pecuniary relationship with the company.
- (b) The Chairman of Remuneration Committee was present in Annual General Meeting to answer the queries of Shareholders

III. *Share Transfer Committee*

In order to expedite the process of share transfer, the Board of the Company has constituted Share Transfer Committee.

i. *Composition, Meetings and Attendances*

The Share Transfer Committee consist of three Members presided by Mr. Prahlad Rai Chamaria. Since no transfer was requested during the Financial Year ended on 2010-11, consequently no Meeting of Share Transfer Committee was convened.

S. No	Name of Director	Designation
1	Mr. Prahlad Rai Chamaria	Chairman
2	Mr. Santosh Kumar Bajaj	Member
3	Mr. Hitesh Wadhera	Member

IV. *Shareholders Grievance Committee*

As per the requirement of Listing Agreement, the Board has constituted a Shareholders Grievance Committee to redress the grievances of shareholder/ investors of the Company. The term of reference to Committee includes dealing with complaints pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc.

i. *Composition*

The Shareholders Grievance Committee consists of three Directors and is headed by Mr. Brahm Prakash Bakshi, a Non-Executive and Independent Director.

S. No.	Name of Director	Category	Designation
1	Mr. Brahm Prakash Bakshi	Non-Executive and Independent Director	Chairman
2	Mr. Kamakhya Chamaria	Executive and Non-Independent Director	Member
3	Dr. Dhanpat Ram Agarwal	Non-Executive and Independent Director	Member

ii. *Details of Complaints*

During the Financial Year ended on 31st March 2011:

- 1. No. of Complaints received: 1
- 2. No. of Complaints resolved: 1
- 3. No. of Pending Complaints: 0

iii. *Compliance Officer*

- 1. Name: Hitesh Wadhera
- 2. Designation: Company Secretary
- 3. Contact :
Email: cs@barakcement.com
Phone: 91-11-48705200/300
Fax: 91-11-27033830

iv. *General Purpose Committee*

The Board has, in order to take decisions, pertaining to day to day business activities of the Company, more promptly, expeditiously and effectively has constituted a General Purpose Committee.

The Committee consists of five Directors of the Company. During the Financial year ended on 31st March 2011 no meeting of General Purpose committee has been convened.

S. No	Name of Director	Designation
01.	Mr. Kamakhya Chamaria	Chairman
02.	Mr. Bijay Kumar Garodia	Member
03.	Mr. Mahendra Kumar Agarwal	Member
04.	Mr. Santosh Kumar Bajaj	Member
05.	Mr. Prahlad Rai Chamaria	Member

3. SUBSIDIARY COMPANIES

Company has seven wholly owned subsidiary companies namely:

S. No.	Name of the Companies	Percentage of Shareholding
01.	Cement International Limited	100%
02.	Badarpur Energy Private Limited	100%
03.	Meghalaya Minerals and Mines Limited	100%
04.	Singlacherra Tea Company Private Limited	100%
05.	Chargola Tea Company Private Limited	100%
06.	Goombira Tea Company Limited	100%
07.	Valley Strong Cements (Assam) Limited	100%

4. General Body Meetings

Year	Day, Date and Time	Venue	Details of Special Resolution passed
2007-08	9th AGM held on Friday, 25/07/2008 at 01.30 P.M	Hotel Nandan, G.S. Road, Guwahati, Assam 781001	Resolution for appointment of Mr. Mahendra Kumar Agarwal as Technical Advisor to Company U/s 314(1B) was passed.
2008-09	10th AGM held on Wednesday, 30/09/2009 at 02.00 P.M	202, Royal View, B. K. Kakoti Road, Ulubari, Guwahati, Assam-781007	Nil
2009-10	11th AGM held on Saturday, 07/08/2010 at 02.00 P.M	202, Royal View, B. K. Kakoti Road, Ulubari, Guwahati, Assam-781007	Resolution to change name of the Company to 'Barak Cement Limited' was passed under Section 21.

Postal Ballot

During the Financial Year ended 31st March 2011, Company has pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by Postal Ballot) Rules 2001 conducted Postal Ballot for alteration of Object Clause of the Company by inserting three new Clauses, through passing special resolutions:

S. No	Particular	Number of Assent Votes	% of Assent Votes
a.	Clause 6: to carry on the business of planters, cultivators, manufacturers, buyers and sellers etc of Tea and other agricultural products	47,65,576	100.00
b.	Clause 7: to carry on the business of managing, supervising and controlling transmission, manufacturing, supplying, generating, distributing and otherwise dealing in electricity/ power.	47,65,576	100.00
c.	Clause 8: to carry on the business of development of land and various kinds of construction activities.	47,65,226	99.99

The Postal Ballot was conducted by an Independent Professional Mr. Balwan Jain, a Chartered Accountant in practice who was appointed as scrutinizer for the Postal Ballot.

Procedure followed for conducting Postal Ballot:

- a) Approval to conduct postal ballot and appointment of Scrutinizer was granted by Board on 18.06.2010.

- b) Dispatch of Postal Ballot Notice along with Postal Ballot Form and self addressed envelop to all those who were Members as on cut off date was completed on 01.07.2010.
- c) Advertisement in Newspapers for completion of dispatch of notice was published on 01.07.2010.
- d) Report by scrutinizer, for declaration of result was submitted on 05.08.2010 to Chairman.
- e) Result was declared by Chairman on 07.08.2010
- f) Result was published in Newspapers on 11.08.2010

5. Disclosures

I. Related party transaction

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 Schedule 21 of Notes on Accounts. 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.

II. Disclosure of Accounting Treatment

The Company has followed the Accounting Standards issued by ICAI in the preparation of Financial Statements. The significant accounting policies have been set out in the Notes on Account and there is no material change in the Accounting Policies.

III. 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.

IV. CEO/ CFO Certificate

The Certificate from Chief Executive Officer and Chief Financial Officer to the Board is annexed herewith and the same forms integral part of this report.

V. Other Disclosures

- a. No penalties or strictures are imposed on the Company by Stock Exchanges, SEBI or any other statutory authority for non-compliance during the last three years except composition of defaults under Section 621A of the Companies Act, 1956 by Regional Director and Company Law Board of Eastern Region.
- b. Non-Mandatory Requirements:
 - (i) Audit Qualification: The Company has moved toward a regime of unqualified Financial Statements.
 - (ii) Whistle Blowers Policy: Although Company have no specific whistle blowers policy but the employees are encouraged to report to the Management about any irregularity, fraud etc. and they can also contact to chairman of Audit Committee.

6. Means of Communication

The Quarterly and Annual financial results and notices of the Company are published in:

- Business Standard (Hindi and English Language) and
- Jansadharan (Assamese Language-Vernacular Language).

Further results and other information are also displayed on the web site of Company www.barakcement.com

7. General Shareholder Information

i. 12th Annual General Meeting:

Date: Saturday, 6th day of August 2011

Time: 2.00 P.M

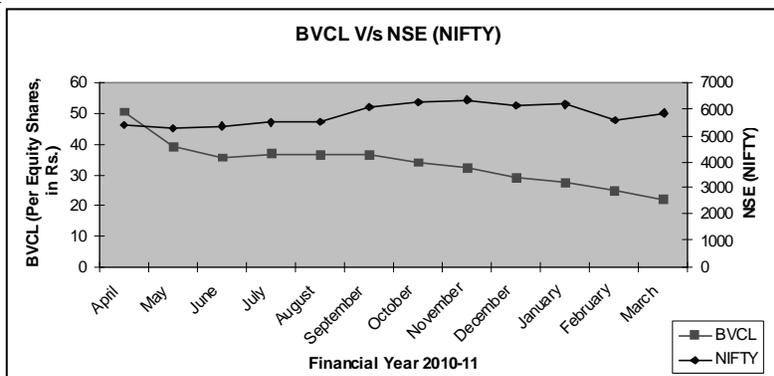
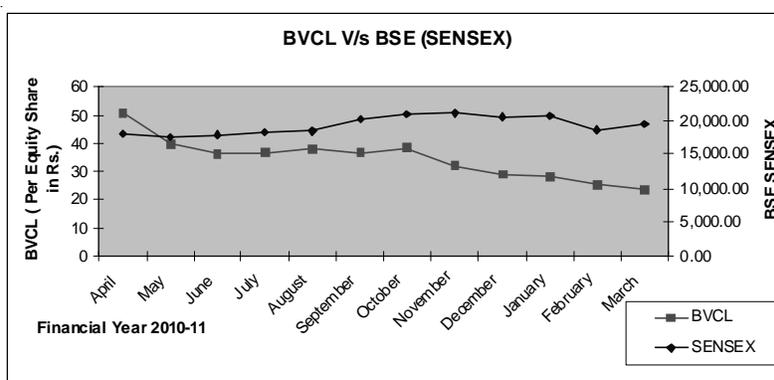
Venue: 202, Royal View, B. K. Kakoti Road, Ulubari, Guwahati, Assam

- ii. Financial Year: From 1st April 2010 To 31st March 2011.
- iii. Book Closure Date: From 1st August 2011 To 6th August 2011(Both days inclusive).
- iv. Stock Exchanges and Codes:
Bombay Stock Exchange Limited & Code: 532916.
National Stock Exchange of India Limited & Code: BVCL.
- v. Payment of listing fees:
Company has duly paid the Annual Listing Fees for the Financial Year 2011-12 to the Bombay Stock Exchange and India Limited and National Stock Exchange of India Limited.
- vi. Market Price Data:

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2010	50.60	27.50	50.50	27.10
May 2010	39.40	29.65	39.35	30.00
June 2010	36.00	28.80	35.70	28.75
July 2010	36.75	30.25	36.95	30.50
August 2010	38.00	30.05	36.45	30.70
September 2010	36.70	31.20	36.40	31.10
October 2010	38.35	29.60	34.00	29.50
November 2010	31.85	26.00	32.00	26.25
December 2010	29.05	25.50	28.90	21.05
January 2011	27.90	22.55	27.50	23.00
February 2011	25.00	20.40	24.60	20.00
March 2011	23.60	18.00	21.90	17.10

Source: www.bseindia.com and www.nseindia.com

VII. Performance Comparison



viii. Registrar and Transfer Agents:

Link Intime (India) Private Limited

(Formerly known as Intime Spectrum Registry Limited)

A-40, 2nd Floor, Naraina Industrial Area

Phase II, Near Batra Banquet Hall, Naraina New Delhi-110028

Phone: 011-41410592-94, Fax No.: 011-41410591

 E-mail: delhi@linktime.co.in

ix. Share Transfer System:

Transfer of shares in dematerialized Form is done through Depository Participant, but as regards transfer of shares in Physical Form, the transfer document can be lodged with Link Intime (India) Private Limited, Registrar and Share Transfer Agent or with the Company.

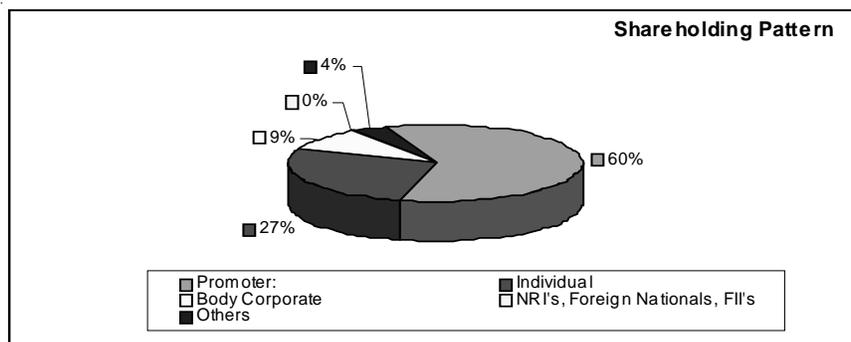
The Physical Shares along with valid and duly executed transfer instrument as and when received are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferee complying with the rules in force. The shares are transferred after obtaining the approval from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

x. Distribution of Shareholding

Shares holding of Nominal Value	Shareholders		Amount (in Rupees)	
	Number	% of Total	Number	% of Total
Upto - 2,500	6379	73.533	7702560	3.476
2,501 - 5,000	1052	12.127	4378630	1.976
5,001 - 10,000	607	6.997	5154340	2.326
10,001 - 20,000	268	3.089	4269630	1.927
20,001 - 30,000	101	1.164	2611520	1.178
30,001 - 40,000	36	0.415	1291470	0.583
40,001 - 50,000	42	0.484	1958830	0.884
50,001 - 1,00,000	69	0.795	4976930	2.246
1,00,001 - Above	121	1.395	189256090	85.404
Total :	8675	100	221600000	100

Brief Shareholding Pattern

Particulars	No. of Shares	% of Holding
Promoter:		
Individual	12123840	54.71%
Body Corporate	1035000	4.67%
Sub Total (A):	13158840	59.38%
Public:		
Individual	6069993	27.39%
Body Corporate	1995263	9%
Financial Institutions/ Bank	0	0%
NRI's, Foreign Nationals, FII's	71267	0.33%
Others	864637	3.9%
Sub Total (B):	9001160	40.62%
Total (A+B):	22160000	100%



xii. Dematerialization of shares and liquidity

Particular	Number of Shares	Percentage (%)
Dematerialization:		
NSDL	1,50,32,399	67.84
CDSL	42,04,596	18.97
Sub-Total:	1,92,36,995	86.81
Physical:	29,23,005	13.19
Total:	2,21,60,000	100

xii. There are no outstanding GDRs/ ADRs/ Warrants or any other convertible instruments.

xiii. *Financial Calendar :

Quarter ended on 30th June 2011:	on or before 14th August 2011
Quarter ended on 30th September 2011:	on or before 14th November 2011
Quarter ended on 31st December 2011:	on or before 14th February 2012
Quarter ended on 31st March 2012:	on or before 15th May 2012

*Financial Calendar is tentative in nature and is subject to change.

xiv. (a) International Securities Identification Number (ISIN) Code: INE139I01011

(b) Company Identification Number (CIN): L01403A51999 PLC005741

xv. Plant Location :

Debendra Nagar, Jhoom Basti, P.O Badarpurghat,

Distt. Karimganj, Assam-788803

Ph. No.: 03845-269435/881

Fax No.:03845-268965

xvi. Address for correspondences

A. Registered Office :

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

Ph. No.: 0361-2464670-71, Fax No.: 0361-2464672.

E. Mail: guwahati@barakcement.com

B. Corporate Office and Address of Correspondence:

281, Deepali, Pitam Pura, Delhi-110034

Ph. No.: 011-27033827/29, 011-49805200/300.

E. Mail: delhi@barakcement.com

- C. Branch Office:
CF-361, Salt Lake City, Sector-1, Kolkata-700064
Ph. No.: 033-40046161-63, Fax No.: 033-40046164
E. Mail: kolkata@barakcement.com
- D. Compliance Officer:
Hitesh Wadhera, Company Secretary
Ph. No.: 011-27033827-29
Fax No.: 011-27033830
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 31st March 2011, all the board members and senior management personnel have affirm compliance with the Code of Conduct of the Company.

For **Barak Valley Cements Limited**

Delhi
27/05/2011

Sd/-
Kamakhya Chamaria
Vice Chairman & Managing Director

CEO/CFO CERTIFICATION

The Board of Directors
Barak Valley Cements Limited

We, Chief Executive Officer and 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) We 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 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/-
J. L. Ancharia
(Chief Financial Officer)
Kolkata
28/05/2011

Sd/-
Kamakhya Chamaria
(Chief Executive Officer)
Delhi
27/05/2011

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, 2011 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
Membership No. 88958

Kolkata
26/05/2011

Auditor's Report

To
The Members,
BARAK VALLEY CEMENTS LTD.,
Guwahati, Assam.

1. We have audited the attached Balance Sheet of M/S. BARAK VALLEY CEMENTS LIMITED as at 31st March'2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We have conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement marked as Annexure 'A' on the matters specified in Paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as appears from our examination of the books ;
 - (iii) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the Accounting Standards as referred to in Section 211(3C) of the Companies Act, 1956 ;
 - (v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of section 274(1)(g) of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Notes on Accounts and Accounting Policies, give the information required by the Companies Act, 1956, 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 31st March, 2011;
 - (b) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date and
 - (c) In the case of Cash Flow Statement, of the Cash flows of the company for the year ended on that date.

For **Kumar Vijay Gupta & Co.**
Chartered Accountants

Sd/-
(CA. Mahesh Goel)
Partner
M. No. 88958
Firm Regn. No. : 007814-N

Kolkata, 28th May, 2011

Annexure “A” to the Auditors’ Report

Re: Barak Valley Cements Ltd.

Annexure ‘A’ referred to in paragraph 3 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) During the year, no substantial part of fixed assets was disposed off.
- (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) In our opinion and according to information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and has been properly dealt with in the books of account.
- (iii) (a) As informed, 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) are not applicable.
- (b) As informed, 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) are not applicable.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and 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. We have not, however, made a detailed examination of the same.
- (ix) (a) According to the records of the Company, the company is 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, 2011 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:

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	361.69	Assesment Year 2005-06	ITAT, Guwahati Bench
Income Tax Act, 1961	Income-Tax Demand	262.88	Assesment Year 2006-07	ITAT, Guwahati Bench

- (x) The Company does not have any accumulated losses as at the end of the financial year under report. The company has not incurred cash losses during the financial year covered by our audit and in 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 information and explanations given to us, the company had been sanctioned term loan of Rs.20.00 Crores from IDBI Bank Limited for modernization and increasing the clinker manufacturing capacity to 700TPD and cement manufacturing capacity to 850 TPD. It was observed that out of this loan, Rs.12.00 Crores was used for said expansion and modernization project and rest of term loan disbursement of Rs.8.00 Crores, the company utilized towards other business investments in the subsidiary companies
- (xvii) According to 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 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 course of our audit.

For **Kumar Vijay Gupta & Co.**
Chartered Accountants

Kolkata, 28th May, 2011

Sd/-
(CA. Mahesh Goel)
Partner
M. No. 88958
Firm Regn. No. : 007814-N

Balance Sheet As At 31st March, 2011

Particulars	Schedule No.	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
I. SOURCES OF FUND :			
1. Shareholders' Fund :			
i) Share Capital	1	221,600,000	221,600,000
ii) Reserves & Surplus	2	677,747,168	671,977,288
		899,347,168	893,577,288
2. Loan Funds :			
i) Secured Loans	3	536,773,884	372,036,090
ii) Unsecured Loans	4	30,000,000	-
3. Deferred Tax Liability		11,285,773	11,445,869
TOTAL :		1,477,406,824	1,277,059,247
II. APPLICATION OF FUNDS :			
1. Fixed Assets :			
i) Gross Block	5	886,601,196	856,555,555
Less :- Depreciation		449,631,062	396,488,471
		436,970,134	460,067,084
Capital Work-in-Progress		62,102,820	48,312,048
		499,072,954	508,379,132
2. Investments	6	515,074,502	405,612,423
3. Current Assets, Loans & Advances			
i) Inventories	7	97,908,165	86,529,114
ii) Sundry Debtors	8	75,934,817	52,333,959
iii) Cash & Bank Balance	9	42,154,530	54,103,362
iv) Loans & Advances	10	369,371,913	324,763,194
		585,369,424	517,729,629
Less : Current Liabilities & Provisions :			
i) Liabilities	11	120,053,016	110,896,727
ii) Provisions		2,057,040	44,678,739
Net Current Assets		463,259,368	362,154,163
4. Miscellaneous Expenditure : (to the extent not written off or adjusted)	12	-	913,528
TOTAL :		1,477,406,824	1,277,059,247

Significant Accounting Policies & Notes to Accounts 21

Schedule "1" to "11" and "21" annexed hereto form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

 For **Kumar Vijay Gupta & Co.**
Chartered Accountants

For & on behalf of the Board

 Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May' 2011

 Sd/-
Kamakhya Chamarla
(Vice Chairman & Managing Director)
DIN: 00612581
Delhi, 28th May' 2011

 Sd/-
Bijay Kumar Garodia
(Chairman)
DIN: 00044379
Kolkata, 28th May' 2011

 Sd/-
Santosh Kumar Bajaj
(Whole Time Director)
DIN: 00045759
Guwahati, 28th May' 2011

 Sd/-
J.L. Anchalila
(Chief Financial Officer)
Kolkata, 28th May' 2011

 Sd/-
Hitesh Wadhera
(Company Secretary)
Kolkata, 28th May' 2011

Profit & Loss Account for the Year Ended 31st March, 2011

Particulars	Schedule No.	Year Ended 31.03.2011 (Amt. in Rs.)	Year Ended 31.03.2010 (Amt. in Rs.)
INCOME			
Gross Sales	13	970,006,539	1,155,546,826
Less : Excise Duty paid (Net)		18,784,750	26,137,628
		951,221,789	1,129,409,198
Other Income	14	1,567,562	126,761
Increase/(Decrease) in Stock	15	15,391,450	2,680,130
TOTAL :		968,180,801	1,132,216,089
EXPENDITURE			
Cost of Materials	16	244,722,040	326,508,477
Manufacturing and Operating Expenses	17	315,164,639	332,839,997
Administrative & Other Expenses	18	50,132,983	52,538,772
Selling & Distribution Expenses	19	255,149,472	194,870,960
Interest & Financial Charges	20	47,570,785	29,316,908
Depreciation	5	53,174,301	62,620,112
TOTAL :		965,914,219	998,695,226
PROFIT BEFORE TAXATION			
		2,266,582	133,520,863
Less : Prior Period Adjustments (Net)		(3,343,202)	2,346,484
		5,609,784	131,174,379
LESS : PROVISION FOR TAXATION			
– Current Income Tax		1,040,054	22,293,086
Less : MAT Credit entitlement		(1,040,054)	(22,293,086)
Net Current Tax		–	–
– Deferred Tax Liability/(Assets)		(160,096)	(625,986)
PROFIT AFTER TAXATION			
		5,769,880	131,800,365
Add : Balance Brought Forward from last year		477,030,180	371,155,908
Profit Available for Appropriation :			
		482,800,060	502,956,272
Less : Equity Dividend		–	22,160,000
Tax on Dividend		–	3,766,092
Balance Carried to Balance Sheet			
		482,800,060	477,030,180
Earning Per Share (Face Value of Rs. 10/- each)			
: Basic & Diluted (Refer to Note 12 of Schedule “21”)		0.26	5.95

Significant Accounting Policies & Notes to Accounts

21

Schedule “5”, “13” to “21” annexed hereto form an integral part of the Profit & Loss Account
This is the Profit & Loss Account referred to in our report of even date.

For **Kumar Vijay Gupta & Co.**
Chartered Accountants

For & on behalf of the Board

Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May’ 2011

Sd/-
Kamakhya Chamaria
(Vice Chairman & Managing Director)
DIN: 00612581
Delhi, 28th May’ 2011

Sd/-
Bijay Kumar Garodia
(Chairman)
DIN: 00044379
Kolkata, 28th May’ 2011

Sd/-
Santosh Kumar Bajaj
(Whole Time Director)
DIN: 00045759
Guwahati, 28th May’ 2011

Sd/-
J.L. Anchalina
(Chief Financial Officer)
Kolkata, 28th May’ 2011

Sd/-
Hitesh Wadhera
(Company Secretary)
Kolkata, 28th May’ 2011

Schedules Forming Part of Balance Sheet As On 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 1		
SHARE CAPITAL :		
Authorised Capital {2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.10) of Rs. 10/- each}	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed, Called-up & Paid-up Capital {2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.10) of Rs. 10/- each, fully paid up}	<u>221,600,000</u>	<u>221,600,000</u>
	<u>221,600,000</u>	<u>221,600,000</u>
SCHEDULE - 2		
RESERVES & SURPLUS :		
(i). General Reserve Balance Brought forward	<u>43,507,527</u>	<u>43,507,527</u>
	<u>43,507,527</u>	<u>43,507,527</u>
(ii). Profit & Loss Account	<u>482,800,060</u>	<u>477,030,180</u>
(iii). Securities Premium Account Balance Brought Forward	<u>151,439,581</u>	<u>151,439,581</u>
	<u>151,439,581</u>	<u>151,439,581</u>
Total (i+ii+iii)	<u>677,747,168</u>	<u>671,977,288</u>
SCHEDULE - 3		
SECURED LOANS :		
1. Rupee Term Loan from Banks/Financial Institutions (Secured against first charge on all the movable (save and except current assets) and immovable assets of the company, second charge on the current assets of the company and personal guarantees of promoter directors of the company.)	<u>180,200,000</u>	<u>17,650,000</u>
2. (a) Equipment finance from Banks	<u>3,306,505</u>	<u>729,408</u>
(b) Equipment & Vehicle finance from others/private parties (Secured against hypothecation of respective assets)	<u>6,831,002</u>	<u>2,659,599</u>
3. (a) Short Term Working Capital Loan, from Bank	<u>100,000,000</u>	<u>-</u>
(b) Working Capital Limit, from IDBI Bank Ltd., Guwahati (Secured against first charge on current assets, second charge on the fixed assets and personal guarantee of promoter directors of the company)	<u>346,436,376</u>	<u>250,997,083</u>
	<u>536,773,884</u>	<u>372,036,090</u>
Note : Out of 1 and 2 above a sum of Rs. 441.50 Lakhs (Previous Year : Rs. 198.73 Lakhs) would become due for payment within a year.		
SCHEDULE - 4		
UNSECURED LOANS:		
(From Body Corporates)	<u>30,000,000</u>	<u>-</u>
	<u>30,000,000</u>	<u>-</u>

SCHEDULE - 5
FIXED ASSETS AND DEPRECIATION THEREON FOR THE YEAR ENDED ON 31ST MARCH' 2011
(AS PER W.D.V. METHOD OF THE COMPANIES ACT, 1956)

(Amt. in Rs.)

NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As On 01.04.2010	Additions during the Year	Deduction/Adjustment during the Year	As On 01.04.2010	For the Year	Deduction/Adjustment	As On 31.03.2011	As On 31.03.2010
(A) Tangible Assets:								
Land and Site Devel.	104,291,843	3,986,283	-	-	-	-	108,278,126	104,291,843
Factory Building	102,299,250	-	-	45,822,259	5,647,699	-	50,829,292	56,476,991
Office Building	2,177,902	-	-	129,359	102,427	-	1,946,116	2,048,543
Furniture & Fixtures	5,751,921	319,699	-	3,903,058	397,689	-	1,770,873	1,848,863
Computer	5,808,071	327,215	-	4,696,602	521,486	-	917,198	1,111,469
Motor Vehicles	14,450,928	149,079	33,985	6,358,493	2,097,969	31,710	6,141,270	8,092,435
Office Equipment	5,822,277	262,267	20,000	3,001,342	483,500	-	2,579,702	2,820,935
Plant, Machinery & Installations	613,580,762	24,518,672	-	330,536,365	43,561,844	-	264,001,225	283,044,397
Total (A)	854,182,954	29,563,215	53,985	394,447,478	52,812,614	31,710	436,463,802	459,735,476
(B) Intangible Assets:								
Computer Software	2,372,601	536,411	-	2,040,993	361,687	-	506,332	331,608
Total (B)	2,372,601	536,411	-	2,040,993	361,687	-	506,332	331,608
Total (A+B)	856,555,555	30,099,626	53,985	396,488,471	53,174,301	31,710	436,970,134	460,067,084
Capital Work in Progress	48,312,048	13,790,772	-	-	-	-	62,102,820	-
Previous year	828,004,448	30,740,040	2,188,932	334,821,593	62,620,112	953,233	460,067,084	-

Schedules Forming Part of Balance Sheet As On 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 6		
INVESTMENTS :		
Long Term Investments (at Cost) :		
i) In Subsidiaries (Other than trade, Unquoted, fully paid up equity shares)		
Name of Subsidiary Company	No. of Shares (Current Year)	No. of Shares (Previous Year)
1. Badarpur Energy (P) Ltd.	4,963,340	4,963,340
2. Cement International Ltd.	992,700	992,700
3. Meghalaya Minerals & Mines Ltd.	1,490,000	1,490,000
4. Goombira Tea Co Pvt Ltd	872,000	-
5. Chargola Tea Co Pvt Ltd	742,000	-
6. Singlacherra Tea Co Pvt Ltd	568,600	-
7. Valley Strong Cements (Assam) Ltd.	267,500	-
	512,070,079	403,966,000
(ii) In Others :		
Other than trade, Un-quoted, fully paid up equity shares {300,000 Equity Shares (1,64,200 as at 31.03.2010) of North East Power & Infra Limited of Rs. 10/- each, fully paid up.}	3,000,000	1,642,000
(iii) In Others :		
Other than trade, Quoted, fully paid up equity shares {50 Shares (50 shares as at 31.03.2010) of Ambuja Cements Ltd., Market Value Rs. 7,370.00 (Previous Year: 5,982.00)}	4,423	4,423
	515,074,502	405,612,423
SCHEDULE - 7		
INVENTORIES : (At lower of cost or net realisable value)		
Store, Spares and fuel	50,697,820	56,898,651
Raw Material	10,696,609	9,902,019
Packing Material	4,304,276	2,910,435
Semi Finished Goods	13,429,833	4,379,490
Finished Goods	18,779,627	12,438,519
	97,908,165	86,529,114
SCHEDULE - 8		
SUNDRY DEBTORS		
(i) (Secured and considered good)		
- Debts outstanding for a period exceeding six months	152,500	50,000
- Other Debts	2,014,539	2,172,506
	2,167,039	2,222,506
(ii) (Unsecured and considered good)		
- Debts outstanding for a period exceeding six months	8,192,763	2,413,266
- Other Debts	65,575,015	47,698,187
	73,767,778	50,111,453
Total (i + ii)	75,934,817	52,333,959
SCHEDULE - 9		
CASH & BANK BALANCE		
Cash in Hand	3,319,718	2,635,104
Balances with Scheduled Banks :		
- In Current Account	23,754,531	39,171,989
- In Fixed Deposits	3,600,504	2,213,615
Cheques/Demand Drafts in Hand	11,479,777	10,082,654
	42,154,530	54,103,362

Schedules Forming Part of Balance Sheet As On 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 10		
LOANS & ADVANCES		
(Unsecured and considered good for recovery by the Management)		
1) Subsidy Receivable from Central / State Govt.	103,351,079	100,439,003
2) Balances with Central Excise	11,282,821	22,821,258
3) Advance to suppliers/ Contractors	30,370,922	122,840,548
4) Security Deposits	14,155,735	13,311,572
5) Other advances - Recoverable in cash or in kind or for value to be received	210,211,355	65,350,814
	369,371,913	324,763,194
SCHEDULE - 11		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
1) Sundry Creditors for Capital Expenditure	1,421,983	4,963,448
2) Sundry Creditor (Trade)	13,276,843	48,102,994
3) Statutory Liabilities	11,590,139	4,932,055
4) Interest Accrued But not Due	2,088,584	-
5) Advance from Customers	6,605,967	16,651,629
6) Security money received from customers	9,372,765	7,800,132
7) Other Liabilities	75,696,735	28,446,469
	120,053,016	110,896,727
Provisions		
1) Provision for Income-Tax	1,040,054	22,293,086
Less: Advance Income Tax and Tax Deducted at Source	(4,699,990)	(7,666,142)
	(3,659,936)	14,626,944
2) Provision for Gratuity	2,035,256	1,866,927
3) Provision for Leave Encashment	3,681,720	2,258,776
4) Proposed Dividend	-	22,160,000
5) Corporate Dividend- Tax	-	3,766,092
	2,057,040	44,678,739
SCHEDULE - 12		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
1) Mines Development	-	856,028
2) Lease Rights	-	57,500
	-	913,528

Schedules Forming Part of the Profit & Loss Account for the Year Ended 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 13		
SALES		
Gross Sales	970,814,281	1,154,876,289
Add : Captive Consumption of Cement	485,555	1,321,544
	971,299,836	1,156,197,834
Less : Cement Damaged	1,293,298	651,007
	970,006,539	1,155,546,826
SCHEDULE - 14		
OTHER INCOME		
Equipment Hire charges	279,600	-
Misc. Income	147,069	148,977
Insurance Claim Received	1,140,168	634,983
Profit/(Loss)on sales of assets	725	(657,199)
	1,567,562	126,761
SCHEDULE - 15		
INCREASE/(DECREASE) IN STOCK		
Semi Finished Goods		
Opening Stock	4,379,490	6,562,931
Closing Stock	13,429,833	4,379,490
	9,050,343	(2,183,441)
Finished Goods		
Opening Stock	12,438,520	7,574,949
Closing Stock	18,779,627	12,438,520
	6,341,107	4,863,571
Increase/(Decrease) in Stock	15,391,450	2,680,130
SCHEDULE - 16		
COST OF MATERIALS		
Raw Material Consumed	192,000,717	270,093,312
Stores and Spares consumed	29,580,433	29,466,469
Packing Material consumed	23,140,890	26,948,696
	244,722,040	326,508,477
SCHEDULE - 17		
MANUFACTURING AND OPERATING EXPENSES		
Power & Fuel Expenses	210,709,199	243,705,046
Material Handling & Freight Charges	11,397,999	10,174,082
Repair and Maintenance		
- Plant & Machinery	11,210,330	9,460,958
- Building	1,652,272	1,741,925
Salaries, Wages & Bonus	67,433,378	55,731,675
Contribution to Provident Fund	1,449,227	1,206,375
Staff Welfare Expenses	2,076,912	2,045,975
Research and Development Expenditure	2,512,544	3,069,527
Other Production Overheads	6,722,779	5,704,434
	315,164,639	332,839,997

**Schedules Forming Part of the Profit & Loss Account
for the Year Ended 31.03.2011**

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 18		
ADMINISTRATIVE & OTHER EXPENSES		
Auditor's Remuneration	150,000	150,000
Bank Charges	292,515	385,467
Books & Periodicals	391,369	333,098
Charity & Donation	2,380,995	6,369,504
Bad Debts	-	2,193,811
Director's Remuneration	7,800,000	6,700,000
Staff Recruitment Expenses	242,895	287,969
Electricity Expenses	584,291	664,815
Fees & Subscription	681,145	917,944
ROC Filling Fees & Legal Expenses	145,995	56,904
House /Office Rent & Maint. Expenses	1,521,089	1,304,783
Insurance	532,864	591,633
Misc. Exps. Written off	913,528	913,528
Motor Car Running, Maint. & Hire Charges	4,284,863	2,748,155
Office and Other Miscellaneous Expenses	2,232,923	2,162,350
Postage & Telegraph Exps.	295,671	336,979
Printing, Stationery and computer Expenses	1,993,495	1,932,372
Provision for Gratuity	816,345	712,953
Rates & Taxes	179,318	352,763
Repair & Maintenance	1,199,281	2,890,866
Salary and other benefits to staff	12,842,432	10,287,866
Professional & consultancy service charges	328,680	418,027
Staff Fooding & Welfare Expenses	2,531,930	2,692,356
Sundry Balances written - off	44,298	290,805
Telephone Expenses	2,054,459	2,135,186
Traveling & Conveyance Expenses	4,865,352	4,708,639
Processing Charges	827,250	-
	50,132,983	52,538,772
SCHEDULE - 19		
SELLING & DISTRIBUTION EXPENSES		
Transportation Cost	186,801,688	162,360,132
Sales Promotion Expenses	3,289,773	6,230,297
Advertisement & Publicity	8,714,753	6,273,628
VAT / Sales Tax	52,108,123	16,067,675
Market Survey, Consultancy & Other charges	762,835	1,161,441
Shop / Godown Rent	3,472,300	2,777,786
	255,149,472	194,870,960
SCHEDULE - 20		
INTEREST & FINANCIAL CHARGES		
Term Loan	18,459,049	4,373,018
Working Capital facility (Net)	27,507,309	23,463,611
Others	2,349,895	2,027,756
Less : Interest Received, including TDS of Rs.nil (Previous Year TDS Rs.Nil)	(745,468)	(547,477)
	47,570,785	29,316,908

SCHEDULE - 21 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared under the historical cost convention on accrual basis and on the basis of going concern. The Generally Accepted Accounting Principles and the Accounting Standards referred under section 211(3C) of the Companies Act, 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI of the Companies Act, 1956 and the Indian Accounting Standards.

(2) ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles 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 end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(3) FIXED ASSETS:

(a) Fixed Assets are stated at their original cost of acquisition, installation or construction (net of Cenvat credit, if any) less accumulated depreciation, 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 specific grants received.

(b) 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.

(4) DEPRECIATION:

Depreciation has been provided on fixed assets 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. 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.

(5) 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.

(6) INVESTMENTS:

Long term Investments are stated at cost after deducting provisions for permanent diminution in the value, if any. Current investments are stated at lower of cost and market / fair value.

(7) REVENUE:

Sales are accounted for on dispatch and are stated inclusive 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.

(8) GOVERNMENT GRANTS/ SUBSIDIES :

Government grants /subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the financial statements either as income or deducted from related expenses. Capital grants/ subsidies are credited to respective fixed assets where it relates to specific fixed assets.

(9) 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 profit and loss account 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 immediately recognized in the Profit & Loss Account.

(10) MISCELLANEOUS EXPENDITURE:

Miscellaneous expenditure having enduring benefit is amortized over a period of five to ten years.

(11) 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

(12) TAXES ON INCOME:

a) Current Tax:

Provision for the current tax is made on the basis of taxable income for the current accounting year 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.

b) Deferred Tax :

Deferred Tax Assets and Liabilities are accounted for in accordance with AS - 22.

(13) RESEARCH AND DEVELOPMENT EXPENDITURE:

Revenue expenditure on Research and Development is charged out in the year in which it is incurred and are included under the related head of expenditure.

(14) EXPENDITURE DURING CONSTRUCTION:

In respect of substantial capacity enhancement at existing location direct costs along with part of indirect expenses are capitalized together with interest on the funds related to them up to the date of commercial production.

(15) BORROWING COSTS:

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the 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. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(16) CONTINGENT LIABILITY:

Contingent Liability not acknowledged as debt are disclosed by way of note.

(17) INTANGIBLE ASSET:

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 life.

(18) 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. A contingent liability of an outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

B. NOTES ON ACCOUNTS:

(1) Capital Commitments

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to Rs. 1,144.82 Lakhs (Previous year: Rs.101.19 Lakhs)

(2) 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. 4,440.20 Lakhs (Previous year - 3,800 Lakhs)
- (c) Claims against the Company not acknowledged as debts: Disputed demands of Income -Tax; pending before the Appellate Tribunal: Rs.624.57 lakhs for Assessment Year 2005-06 and 2006-07 (Previous year - Rs. 556.87 lakhs)

(3) Fixed Deposit Receipts pledged with the banks / Others : Rs. 32.25 Lakhs (Previous Year : 17.07 Lakhs)

(4) Additional information in pursuant to the provision or paragraphs 3 & 4 of part II of schedule VI to the Companies Act, 1956 to the extent applicable to the Company:

(a) Licensed Capacity, Installed Capacity and Production (Cement)

Particulars	2010-2011		2009-2010	
	(M.T.)		(M.T.)	
(1) Licensed Capacity	N.A.		N.A.	
(2) Installed Capacity (M.T.)	2,47,500		2,47,500	
(3) Production – Cement (M.T.)	1,67,871		2,07,923	

(b) Sales :

	2010-2011		2009-2010	
	Qty. (MT)	Value (Rs.)	Qty.(MT)	Value (Rs.)
(1) Cement	1,66,629.95**	93,77,22,289	2,06,822.80**	112,47,13,322
(2) Clinker	3,857.00	1,34,99,500	1,339.65	46,95,876
Total	1,70,486.95	95,12,21,789	2,08,162.45	112,94,09,198

** Including damage/ shortage 231.95 MT (Previous Year 202.75 MT)

(c) Stock of Finished and Semi Finished Goods :

	<u>Qty. (MT)</u>	<u>Value (Rs.)</u>	<u>Qty.(MT)</u>	<u>Value (Rs.)</u>
(i) Cement				
Opening Stock	3,146.50 M.T.	1,24,38,520	2,046.30 M.T.	75,74,949
Closing Stock	4,387.55 M.T.	1,87,79,627	3,146.50M.T.	1,24,38,520
(ii) Clinker				
Opening Stock	1,044.61 M.T.	40,97,880	1,793.98 M.T.	63,10,973
Closing Stock	3,068.74 M.T.	1,31,55,399	1,044.61 M.T.	40,97,880
(iii) Raw - Mix				
Opening Stock	469.35 M.T.	2,81,610	419.93 M.T.	2,51,958
Closing Stock	457.39 M.T.	2,74,434	469.35 M.T.	2,81,610

(d) Raw Materials Consumed:

Particulars	2010-2011		2009-2010	
	<u>Qty. (MT)</u>	<u>Value (Rs.)</u>	<u>Qty.(MT)</u>	<u>Value (Rs.)</u>
(i) Lime Stone	174,658.49	11,89,70,855	1,81,148.35	9,15,68,665
(ii) Gypsum	528.44	22,63,862	854.21	26,28,924
(iii) Fly Ash	26,981.68	4,62,75,434	33,879.40	8,24,06,558
(iv) Clinker	3,246.02	1,32,50,958	23,437.02	7,94,65,345
(v) Other Materials	43,830.49	1,12,39,608	49,490.47	1,40,23,820
Total		19,20,00,717		27,00,93,312

(e) Value of Imported and Indigenous Raw Materials, Stores & Spares Consumed & Percentage thereof:

	2010-2011		2009-2010	
	<u>Value (Rs.)</u>	<u>%</u>	<u>Value (Rs.)</u>	<u>%</u>
(1) Raw Materials/Packing Material :				
Limestone Gypsum, Fly ash, Clinker, Clay, HDPE Bags.				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	21,51,41,607	100%	29,70,42,008	100%
(2) Stores & Spares :				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	2,95,80,433	100%	2,94,66,469	100%
(f) C.I.F. Value of Import :				
				Nil (Previous Year - Nil)
(g) Earning in Foreign Exchange :				Nil (Previous Year - Nil)
(h) Expenditure in Foreign Currency :				Nil (Previous Year - 1,47,378)
(Foreign Travelling expenses)				

(5) During the year an amount of Rs. 17,50,593/- was paid to selling agents of the company as Sales Commission. (Previous Year Rs. 16,98,910/-)

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

	<u>Current Year</u>	<u>Previous Year</u>
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

(7) Remuneration paid to Director's during the year: Rs. 78,00,000/- (Previous Year: Rs. 67,00,000/-)

(8) GOVT. SUBSIDIES

Insurance and interest subsidy amounting to Rs. 13,96,850/- (as at 31.03.2010 Rs. 12,96,688/-) and 95,21,014/- (as at 31.03.2010 Rs. 85,70,808/-) respectively has been adjusted from related overheads and shown as receivable forming part of loans and advances. Power subsidy amounting to Rs. 10,00,000/- (as at 31.03.2010 : Rs. 10,00,000/-) has also been adjusted from Power & Fuel Expenses. During the year Excise Duty amounting to Rs. 5,22,22,738/- (previous year : 5,31,96,366/-) has been refunded back by Govt. of India.

(9) The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and, hence disclosure relating to amounts unpaid at the year end, interest paid/payable under this Act has not been given.

(10) Employee Defined Benefits:
(a) Defined Contribution Plans

The Company has recognized an expense of Rs.14,49,227/- (Previous year Rs 12,06,375/-) towards the defined contribution plans.

(b) Defined Benefit Plans -As per Actuarial Valuation as at 31st March, 2011

Particulars	2010-11		2009-10	
	Gratuity Others	Leave Encashment	Gratuity Others	Leave Encashment
I. Expenses recognized in the Statement of Profit and Loss Account for the year ended 31st March, 2011				
1. Current Service Cost	524,265	12,48,546	326,540	757,256
2. Interest Cost	98,994	127,119	102,115	106,250
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	193,086	302,541	284,298	219,236
8. Losses/ (gains) on plan assets	-	-	-	-
9. Total Expenses	816,345	16,78,206	712,953	10,82,742
II. Net Asset / (Liability) recognised in the Balance Sheet as on 31st March' 2011				
1. Present Value of Defined Benefit Obligations	20,35,256	36,81,720	18,66,927	22,58,776
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/ (Deficit)]	(20,35,256)	(36,81,720)	(18,66,927)	(22,58,776)
4. Net Asset/ (Liability) as on 31.03.2011	(20,35,256)	(36,81,720)	(18,66,927)	(22,58,776)
III. Change in Obligation during the year ended 31st March' 2011				
1. Present Value of Defined Benefit obligation at the beginning of the year	18,66,927	22,58,776	14,46,263	14,94,735
2. Current Service Cost	5,24,265	12,48,546	326,540	757,256
3. Interest Cost	98,994	127,119	102,115	106,250
4. Curtailment cost / (credit)	-	-	-	-
5. Settlement Cost/ (credit)	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Plan amendments	-	-	-	-
8. Acquisitions	-	-	-	-
9. Actual (gains) / Losses	193,086	3,02,541	284,298	219,236
10. Benefits paid	(648,016)	(255,262)	(292,289)	(318,701)
11. Present value at the end of the year	20,35,256	36,81,720	18,66,927	22,58,776
IV. Change in Fair Value of Assets during the year ended 31st March' 2011				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Expected Return on plan Assets	-	-	-	-
3. Actual Company Contributions	648,016	255,262	292,289	318,701
4. Employee Contributions	-	-	-	-
5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
6. Benefits paid	(648,016)	(255,262)	(292,289)	(318,701)
7. Plan Assets at the Closing of the year	-	-	-	-

(11) 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. Pvt. 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)
 Jagdish Prasad Shah.

Details of transactions between the Company and related parties for the year ended on 31.03.2011 are given as under:

(Rs. in Lakhs)

S. No.	Type of transaction	Subsidiary Companies		Associates		Key Management Personnel/Relatives	
		31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
1	Sale of Finished / Semi finished goods						
	: Meghalaya Minerals & Mines Ltd.	1.24	0.86	-	-	-	-
	: Cement International Ltd.	135.00	46.96	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	0.16	-	-	-	-	-
	: Goombira Tea Co. Pvt. Ltd.	0.17	1.18				
	: Balaji Udyog Ltd.	-	-	0.47	0.18		
2	Sale of Stores and other services, goods						
	: Meghalaya Minerals & Mines Ltd.	1.07	2.06	-	-	-	-
	: Cement International Ltd.	30.68	31.51	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	16.30	39.19	-	-	-	-
	: Goombira Tea Co. Pvt. Ltd.	0.57	3.27				
	: Chargola Tea Co. Pvt. Ltd.	-	0.27				
3	Purchase of Raw Material & goods						
	: Meghalaya Minerals & Mines Ltd.	1141.05	896.45	-	-	-	-
	: Cement International Ltd.	-	-	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	146.14	1075.32	-	-	-	-
	: Meghalaya Cements Ltd.	-	-	84.77	561.85	-	-
	: North East Power & Infra Ltd.	-	-	0.17	0.18	-	-
4	Purchase of Store, spares and other services						
	: Meghalaya Minerals & Mines Ltd.	2.71	1.73	-	-	-	-
	: Cement International Ltd.	7.01	5.95	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	24.51	8.28	-	-	-	-
	: Meghalaya Cements Ltd.	-	-	-	1.47	-	-
	: North East Power & Infra Ltd.	-	-	-	64.72	-	-
5	Hire Charges Paid						
	: Meghalaya Minerals & Mines Ltd.	1.49	-	-	-	-	-
6	Investment in shares						
	: Chargola Tea Co. Pvt. Ltd.	144.79	-	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	-	1400.00	-	-	-	-
	: Valley Strong Cements (Assam) Ltd.	217.50	-	-	-	-	-
	: Singlacherra Tea Co. Pvt. Ltd.	194.49	-	-	-	-	-
	: Goombira Tea Co. Pvt. Ltd.	519.26	-	-	-	-	-
7	Loan given	1000.00	-	-	-	-	-
	: North East Power & Infra Ltd.	-	-	13.58	16.42	-	-
8	Remuneration paid	-	-	-	-	93.60	67.00

(12) 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 2011 and the year ended 31st March 2010.

	As on 31.03.2011	As on 31.03.2010
(a) Profit/(Loss) attributable to Equity Shareholders	57,69,880	13,18,00,365
(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.)	0.26	5.95

(13) Balance of Sundry Debtors; Creditors and advances are subject to confirmation from respective parties.

(14) Expenditure on purchased software (ERP) and IT related expenses are written off over a period of three years.

(15) Details of Balance Outstanding to / from companies under the same management are as under:

(Amount in Rs.)

Name of the company	Status	Amount grouped in	Amount Due as at		Maximum Amount O/s. during the year	
			31.03.2011	31.03.2010	31.03.2011	31.03.2010
Cement International Ltd.	Subsidiary	Other Liabilities	35,474,283	12,387,002	48,253,373	20,475,580
Cement International Ltd.	Subsidiary	Debtors	-	-	-	3,095,876
Meghalaya Minerals & Mines Ltd	Subsidiary	Advance to suppliers	2,197,442	38,919,591	43,599,943	43,858,775
Badarpur Energy Pvt. Ltd.	Subsidiary	Other Loan & Advance	103,092,576	68,463,704	120,548,075	106,472,819
Badarpur Energy Pvt. Ltd.	Subsidiary	Creditors	-	-	-	32,279,801
Badarpur Energy Pvt. Ltd.	Subsidiary	Debtors	-	-	-	45,750
Meghalaya Cements Ltd.	Associate	Creditors	-	29,952,117	33,254,583	29,952,117
Meghalaya Cements Ltd.	Associate	Other Liabilities	3,118	-	20,583	-
North East Power & Infra Ltd.	Associate	Loans & Advances	22,459,902	1,478,702	34,759,902	14,061,339
North East Power & Infra Ltd.	Associate	Creditors	-	-	-	660,800
North East Power & Infra Ltd.	Associate	Debtors	860,100	162,803	1,747,650	3,462,803
Valley Strong Cements Ltd.	Associate	Loans & Advances	51,212	1,056,270	1,606,270	1,056,270
Balaji Udyog Ltd	Associate	Debtors	14,625	-	31,900	18,000
Valley Strong Cements (Assam) Ltd.	Associate	Loans & Advances	2,376	3,752,188	3,881,476	3,752,188
Chargola Tea Co. Pvt. Ltd.	Subsidiary	Loans & Advances	32,336	26,782	49,345	26,782
Singlachera Tea Co. Pvt. Ltd.	Subsidiary	Loans & Advances	40,154	18,014	43,154	18,014
Goombira Tea Co. Pvt. Ltd.	Subsidiary	Loans & Advances	241,918	613,839	887,259	613,839

(16) 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.

(17) **Taxation**

a) Current Tax:

The Company is eligible for 100% income-tax exemption under section 80-IC. The current year's provision for income-tax has been calculated on the basis of the provisions of Minimum Alternative Tax (MAT) under section 115JB and entitlement of Tax credit of MAT has been taken as per section 115JAA of the Income-Tax Act, 1961.

b) Deferred Tax:

Deferred tax liability has been recognized in respect of only those timing differences which originate during the tax holidays and are not likely to reverse during the tax holiday period to the extent income is subject to deduction during the tax holiday period as per Income Tax Act, 1961. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. The tax liability has been calculated at enacted future tax rates.

Deferred Tax asset/ liability have been calculated as under:

(Amount in Rs.)

S. No.	Particulars	Balance As on 01.04.2010	Additions/ (deductions) during the year	Balance As on 31.03.2011
1.	(a) Deferred Tax Liabilities Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	1,28,48,195	2,04,124	1,30,52,319
2.	(b) Deferred Tax Assets Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax (provision for gratuity & Leave Encashment)	14,02,326	3,64,220	17,66,546
	Deferred Tax Liability/Assets (a - b)	1,14,45,869	(1,60,096)	1,12,85,773

The tax impact for the above purpose has been arrived at by applying the enacted future tax rate for Indian companies under the Income Tax Act, 1961.

- (18) In the opinion of the management, the current assets and loans and advances are having value, at least equal to the amount as they are stated in financial statements, if realised in the ordinary course of business.
- (19) During the year, the Company has acquired 100% shareholding of Valley Strong Cements (Assam) Ltd., Goombira Tea Co. Pvt. Ltd., Singlacherra Tea Co. Pvt. Ltd. and Chargola Tea Co. Pvt. Ltd. , consequent to which these companies has become wholly owned subsidiaries of the company.
- (20) The company deals in only one Segment i.e. cement manufacturing. There is no separate reportable segment as required by AS - 17 "Segment Reporting".
- (21) Prior -period adjustments includes Entry - tax of previous accounting period and reversal of excess selling expenses provision made during earlier years.
- (22) Previous year figures have been regrouped/ restated wherever necessary, to confirm to current year's classification.
- (23) Schedule "1" to "21" forms an integral parts of the financial statements.
- (24) Figures have been rounded off to the nearest rupee.

In terms of our report of even date

 For **Kumar Vijay Gupta & Co.**
 Chartered Accountants

 Sd/-
CA. Mahesh Goel
 (Partner)
 M.No. 88958
 Kolkata, 28th May' 2011

For & on behalf of the Board

 Sd/-
Kamakhya Chamaria
 (Vice Chairman & Managing Director)
 DIN: 00612581
 Delhi, 28th May' 2011

 Sd/-
Bijay Kumar Garodia
 (Chairman)
 DIN: 00044379
 Kolkata, 28th May' 2011

 Sd/-
Santosh Kumar Bajaj
 (Whole Time Director)
 DIN: 00045759
 Guwahati, 28th May' 2011

 Sd/-
J.L. Ancharia
 (Chief Financial Officer)
 Kolkata, 28th May' 2011

 Sd/-
Hitesh Wadhera
 (Company Secretary)
 Kolkata, 28th May' 2011

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	05741 of 1999-2000	State Code	02
Date of Balance Sheet	31.03.2011		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	1,477,407	Total Assets	1,477,407
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SOURCES OF FUNDS

Paid-up Capital	221,600	Reserves & Surplus	677,747
Secured Loans	536,774	Deferred Tax Liability	11,286
Un-Secured Loans	30,000		

APPLICATIONS OF FUNDS

Net Fixed Assets	499,073	Investments	515,075
Net Current Assets	463,259	Misc. Expenditure	-
Accumulated Losses	NIL		

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover & other income	968,181	Total Expenditure	962,571
Profit/Loss Before Tax	5,610	Profit /Loss After Tax	5,770
Basic & Diluted Earning Per Share (in Rs.)	0.26	Dividend @ %	NIL

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As Per Monetary Terms)

Item Code No. (ITC Code)	252300
Product Description	Various type of Cements
Item Code No. (ITC Code)	252310
Product Description	Cement, Clinker

For **Kumar Vijay Gupta & Co.**
Chartered Accountants

For & on behalf of the Board

Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May' 2011

Sd/-
Kamakhya Chamaria
(Vice Chairman & Managing Director)
DIN: 00612581
Delhi, 28th May' 2011

Sd/-
Bijay Kumar Garodia
(Chairman)
DIN: 00044379
Kolkata, 28th May' 2011

Sd/-
Santosh Kumar Bajaj
(Whole Time Director)
DIN: 00045759
Guwahati, 28th May' 2011

Sd/-
J.L. Anchalina
(Chief Financial Officer)
Kolkata, 28th May' 2011

Sd/-
Hitesh Wadhera
(Company Secretary)
Kolkata, 28th May' 2011

Cash Flow Statement for the Year Ended 31st March, 2011

S.N.	Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :			
	Net Profit before Tax	2,266,582	133,520,863
	Adjustment for :		
	Add : Depreciation & Misc. expenditure	54,056,119	62,580,406
	Interest & finance charges	47,570,785	29,316,908
	Operating Profit before working capital changes	103,893,486	225,418,177
	Adjustment for change in :		
	Trade & other receivables	(63,509,586)	(1,137,908)
	Inventories	(11,379,051)	(21,165,016)
	Trade and other payables	(33,465,410)	33,390,742
	Cash generated from Operations	(4,460,562)	236,505,994
	Direct Taxes Paid	(4,699,990)	(7,666,142)
	Prior period adjustments	3,343,202	(2,346,484)
	Net Cash Flow from Operating Activities	(5,817,350)	226,493,368
B. CASH FLOW FROM INVESTING ACTIVITIES:			
	Acquisition of Fixed Assets	(43,836,413)	(76,863,155)
	Purchase of Investments	(109,462,079)	(141,642,000)
		(153,298,492)	(218,505,155)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
	Net proceeds from issue of Equity Shares	-	-
	Increase in Bank borrowings	194,737,794	67,256,784
	Dividend (including CDT)	-	(25,926,092)
	Interest and finance charges paid	(47,570,785)	(29,316,908)
		147,167,009	12,013,784
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(11,948,832)	20,001,997
	Add:- Cash & Cash Equivalents at the beginning of the year	54,103,362	34,101,365
	Cash & Cash Equivalents at the Closing of the year	42,154,530	54,103,362

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.**
Chartered Accountants

Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May' 2011

For & on behalf of the Board

Sd/-
Kamakhya Chamaria
(Vice Chairman & Managing Director)
DIN: 00612581
Delhi, 28th May' 2011

Sd/-
Bijay Kumar Garodia
(Chairman)
DIN: 00044379
Kolkata, 28th May' 2011

Sd/-
Santosh Kumar Bajaj
(Whole Time Director)
DIN: 00045759
Guwahati, 28th May' 2011

Sd/-
J.L. Anchalina
(Chief Financial Officer)
Kolkata, 28th May' 2011

Sd/-
Hitesh Wadhwa
(Company Secretary)
Kolkata, 28th May' 2011

Auditors' Report on Consolidated Financial Statements

To
The Members,
BARAK VALLEY CEMENTS LTD.,
Guwahati, Assam.

We have examined the attached Consolidated Balance Sheet of Barak Valley Cements Ltd. and its subsidiaries as at 31st March 2011, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) - 21 "Consolidated Financial Statements" and Accounting standard (AS) -23 " Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India and on the basis of the Separate audited financial statements of the company and its subsidiaries included in the Consolidated Financial Statements.

On the basis of information and explanations given to us and on the consideration of separate audit reports on individual financial statements of the company and its subsidiaries, we are of the opinion that the said 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 and its subsidiaries as at 31st March 2011;
- (b) In the case of the Consolidated Profit and Loss Account, of the Loss of the company and its subsidiaries for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the consolidated Cash flows of the company and its subsidiaries for the year ended on that date.

For **Kumar Vijay Gupta & Co.**
Chartered Accountants

Sd/-
(CA. Mahesh Goel)

Partner

M.No. 88958

Firm Regn. No. : 007814-N

Kolkata, 28th day of May' 2011

Consolidated Balance Sheet As At 31st March, 2011

Particulars	Schedule No.	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
I. SOURCES OF FUNDS :			
1. Shareholders' Funds :			
i) Share Capital	1	221,600,000	221,600,000
ii) Reserves & Surplus	2	888,087,486	927,042,837
		<u>1,109,687,486</u>	<u>1,148,642,837</u>
2. Loan Funds :			
i) Secured Loans	3	918,676,185	734,826,515
ii) Unsecured Loans	4	50,000,000	-
3. Deferred Tax Liability			
		8,208,031	9,841,407
TOTAL :		<u><u>2,086,571,701</u></u>	<u><u>1,893,310,759</u></u>
II. APPLICATION OF FUNDS :			
1. Fixed Assets :			
i) Gross Block	5	1,768,003,716	1,623,170,656
Less :- Depreciation		580,635,524	491,970,347
		<u>1,187,368,192</u>	<u>1,131,200,309</u>
ii) Capital Work-in-Progress		66,992,867	64,038,072
iii) Goodwill (On acquisition of Shares)		24,223,013	24,223,013
		<u>1,278,584,070</u>	<u>1,219,461,394</u>
2. Investments			
	6	3,004,423	1,646,423
3. Current Assets, Loans & Advances			
i) Inventories	7	137,712,464	128,928,754
ii) Sundry Debtors	8	115,221,357	80,407,144
iii) Cash & Bank Balance	9	73,670,682	82,277,550
iv) Loans & Advances	10	603,480,398	586,615,472
		<u>930,084,901</u>	<u>878,228,920</u>
Less : Current Liabilities & Provisions :			
i) Liabilities	11	125,779,849	160,280,768
ii) Provisions		87,865	46,819,817
		<u>804,217,187</u>	<u>671,128,335</u>
Net Current Assets			
4. Miscellaneous Expenditure :			
(to the extent not written off or adjusted)	12	766,021	1,074,608
TOTAL :		<u><u>2,086,571,701</u></u>	<u><u>1,893,310,759</u></u>

Significant Accounting Policies & Notes to Accounts

"21"

Schedules "1" to "12" and "21" annexed hereto form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For **Kumar Vijay Gupta & Co.**
Chartered Accountants

For & on behalf of the Board

Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May' 2011

Sd/-
Kamakhya Chamarla
(Vice Chairman & Managing Director)
DIN: 00612581
Delhi, 28th May' 2011

Sd/-
Bijay Kumar Garodia
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DIN: 00044379
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Santosh Kumar Bajaj
(Whole Time Director)
DIN: 00045759
Guwahati, 28th May' 2011

Sd/-
J.L. Anchalila
(Chief Financial Officer)
Kolkata, 28th May' 2011

Sd/-
Hitesh Wadhera
(Company Secretary)
Kolkata, 28th May' 2011

Consolidated Profit & Loss Account for the Year Ended 31st March, 2011

Particulars	Schedule No.	Year Ended 31.03.2011 (Amt. in Rs.)	Year Ended 31.03.2010 (Amt. in Rs.)
INCOME			
Gross Sales	13	1,238,969,336	1,595,462,263
Less: Excise Duty paid (Net)		40,635,881	51,811,936
		1,198,333,455	1,543,650,327
Other Income	14	4,782,766	1,710,269
Increase/(Decrease) in Stock	15	17,287,393	1,897,741
TOTAL :		1,220,403,613	1,547,258,338
EXPENDITURE			
Cost of Materials	16	258,679,612	478,896,301
Manufacturing and Operating Expenses	17	380,492,436	394,072,827
Administrative & Other Expenses	18	57,489,074	66,058,023
Selling & Distribution Expenses	19	378,371,375	336,110,208
Interest & Financial Charges	20	86,825,193	63,243,919
Depreciation	5	81,996,126	89,150,656
TOTAL :		1,243,853,815	1,427,531,934
PROFIT BEFORE TAXATION		(23,450,203)	119,726,405
Less : Prior Period Adjustments (Net)		15,735,609	5,519,872
		(39,185,812)	114,206,533
LESS : PROVISION FOR TAXATION			
- Current Income Tax		-	29,076,854
Less : MAT Credit entitlement		-	(29,076,854)
Net Current Tax		-	-
- Deferred Tax Liability/(Asset)		(1,633,376)	(1,012,842)
PROFIT AFTER TAXATION		(37,552,435)	115,219,375
Add : Balance Brought Forward from last year		454,335,631	365,042,348
Profit Available for Appropriation :		416,783,197	480,261,723
Less : Equity Dividend		-	22,160,000
Tax on Dividend		-	3,766,092
Transfer to General Reserve		-	-
Balance Carried to Balance Sheet		416,783,197	454,335,631
Earning Per Share (Face Value of Rs. 10/- each)			
: Basic & Diluted		(1.69)	5.20

Significant Accounting Policies & Notes to Accounts

"21"

 Schedules "5", "12" to "21" annexed hereto form an integral part of the Profit & Loss Account.
 This is the Profit & Loss Account referred to in our report of even date.

 For **Kumar Vijay Gupta & Co.**
 Chartered Accountants

For & on behalf of the Board

 Sd/-
CA. Mahesh Goel
 (Partner)
 M.No. 88958
 Kolkata, 28th May' 2011

 Sd/-
Kamakhya Chamaria
 (Vice Chairman & Managing Director)
 DIN: 00612581
 Delhi, 28th May' 2011

 Sd/-
Bijay Kumar Garodia
 (Chairman)
 DIN: 00044379
 Kolkata, 28th May' 2011

 Sd/-
Santosh Kumar Bajaj
 (Whole Time Director)
 DIN: 00045759
 Guwahati, 28th May' 2011

 Sd/-
J.L. Anchalina
 (Chief Financial Officer)
 Kolkata, 28th May' 2011

 Sd/-
Hitesh Wadhera
 (Company Secretary)
 Kolkata, 28th May' 2011

Schedules Forming Part of Consolidated Balance Sheet As On 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 1		
SHARE CAPITAL :		
Authorised Capital (2,50,00,000 Equity Shares of Rs. 10/- Each)	250,000,000	250,000,000
Issued, Subscribed, Called up & Paid-up Capital (2,21,60,000 Equity Shares of Rs. 10/- each, fully paid up)	221,600,000	221,600,000
	221,600,000	221,600,000
SCHEDULE - 2		
RESERVES & SURPLUS :		
1. General Reserve		
Balance Brought forward	47,080,126	47,080,126
	47,080,126	47,080,126
2. Consolidate Reserve on Consolidation	2,078,836	2,078,836
3. Fixed Assets Revaluation Reserve		
Balance Brought Forward	271,956,151	-
Acquired during the year	-	300,606,520
Less : Depreciation Charged During the Year	1,402,917	28,650,369
	270,553,234	271,956,151
4. Investment Allowance Reserve	152,512	152,512
5. Profit & Loss Account	416,783,197	454,335,631
6. Securities Premium Account		
Balance Brought forward	151,439,581	151,439,581
Total (1 to 6)	888,087,486	927,042,837
SCHEDULE - 3		
SECURED LOANS :		
1. Rupee Term Loan from Banks/Financial Institutions (Secured against first charge on all the movable (save and except current assets) and immovable assets of the Company, second charge on the current assets of the Company and personal guarantees of promoter directors of the Company.)	311,500,000	187,272,440
2. (a) Equipment & Vehicle finance from Banks	7,238,441	1,246,252
(b) Equipment & Vehicle finance from others/private parties (Secured against hypothecation of respective assets)	15,954,003	4,938,610
3. Cash Credit from Banks (Secured against first charge on current assets, second charge on the fixed assets and personal guarantee of promoter directors of the Company.)	583,983,740	411,288,870
4. Short Term Working Capital Loan {Out of 1 and 2 above a sum of Rs. 864.09 Lakhs (previous year Rs. 583.36 Lakhs) would become due for payment within a year}	-	130,080,342
	918,676,185	734,826,515
SCHEDULE - 4		
UNSECURED LOANS :		
(From Body Corporates)	50,000,000	-
	50,000,000	-

**SCHEDULE - 5
CONSOLIDATED FIXED ASSETS & DEPRECIATION THEREON FOR THE YEAR ENDED ON 31.03.2011**

Particulars of Assets	GROSS BLOCK										DEPRECIATION						NETBLOCK			
	As on 01.04.2010 (At revalued figures)	As on 01.04.2010 (At Cost)	Acquisition During the Period (At revalued figures)	Acquisition During the Year (At Cost)	Additions during the year	Deletion during the year	As on 31.03.2011	As on 01.04.2010	Acquisition During the Year	Depreciation for the Year Charged to P&L A/c	Depreciation for the Year Charged from Revaluation Reserve	Depreciation charged to prior period Charged to P&L A/c	Depreciation charged to prior period Charged from Revaluation Reserve	Deletion during the year	Total As on 31.03.2011	As on 31.03.2011 (At revalued figures)	As on 31.03.2010 (At Cost)	As on 31.03.2010 (At revalued figures)	As on 31.03.2010 (At Cost)	
(A) Tangible Assets																				
Land & Tea Estate	413,743,409	155,451,007	5,926,629	5,926,629	55,783,439	-	475,453,477	-	-	-	-	-	-	90,754,828	475,453,477	413,743,409	155,451,005	112,869,330	211,234,444	
Factory Building & Structure	205,647,865	167,625,566	-	-	611,137	-	206,239,002	80,329,360	9,152,550	1,272,918	-	-	-	-	115,504,174	115,504,174	125,318,505	112,869,330	104,047,917	
Office Building	13,724,128	13,724,128	-	-	53,877	-	13,778,005	434,537	51,435	-	-	-	-	948,888	12,829,117	13,289,591	13,289,592	13,289,592	12,829,118	
Furniture & Fixture	6,651,082	6,651,082	5,221	5,221	575,858	-	7,232,161	4,519,652	554,085	-	-	-	-	5,074,296	2,157,865	2,131,430	2,131,430	2,131,430	2,153,203	
Computer	6,405,771	6,405,771	-	-	416,897	-	6,822,668	4,929,093	673,427	-	-	-	-	5,602,220	1,220,148	1,220,148	1,476,678	1,476,678	1,220,148	
Motor Car & Vehicles	20,241,908	20,241,908	-	-	364,184	33,985	20,572,107	7,390,490	2,730,482	-	-	-	-	10,089,262	10,482,845	12,851,418	12,851,418	12,851,418	10,482,845	
Office Equipments	7,046,189	7,046,189	-	-	455,799	20,000	7,501,988	3,175,899	616,027	-	-	-	-	3,791,226	3,710,062	3,890,290	3,890,290	3,890,290	3,710,062	
Plant, Machinery & Installations	944,330,082	940,032,264	9,551,717	9,551,717	70,918,495	330,488	1,024,469,806	388,250,545	67,335,167	129,999	2,431,772	-	-	461,012,998	568,456,808	558,397,804	555,144,964	558,397,804	558,397,804	
Live Stock	33,570	33,570	-	-	-	-	33,570	-	-	-	-	-	-	-	33,570	33,570	33,570	33,570	33,570	33,570
Treader	2,954,050	2,954,050	-	-	-	-	2,954,050	899,776	52,393	-	-	-	-	952,169	2,001,881	2,001,881	2,054,274	2,054,274	2,001,881	
Total - (A)	1,620,798,054	1,320,191,535	15,483,367	15,483,367	129,179,686	384,473	1,765,076,834	489,925,352	81,628,482	1,402,917	2,431,772	-	-	576,226,887	1,186,849,947	906,110,992	1,130,868,702	858,912,551	906,110,992	
(B) Intangible Assets :																				
Computer Software	2,372,601	2,372,601	-	-	554,281	-	2,926,882	2,040,993	367,644	-	-	-	-	2,408,637	518,245	518,245	331,608	331,608	518,245	
Total - (B)	2,372,601	2,372,601	-	-	554,281	-	2,926,882	2,040,993	367,644	-	-	-	-	2,408,637	518,245	518,245	331,608	331,608	518,245	
Total (A+B)	1,623,170,656	1,322,564,136	15,483,367	15,483,367	129,733,967	384,473	1,768,003,716	491,970,347	81,996,126	1,402,917	2,431,772	-	-	580,635,524	1,187,368,192	906,629,237	1,131,200,309	859,244,158	906,629,237	
Previous Year	1,271,125,066	1,271,125,066	306,301,481	3,694,961	50,447,380	2,703,271	1,633,170,656	373,445,758	89,150,656	1,565,355	980,373	27,085,014	-	491,970,247	1,131,200,309	859,244,158	-	-	859,244,158	
Capital Work-in-Progress	64038072	-	-	-	2,954,795	-	66,992,867	-	-	-	-	-	-	-	66,992,867	66,992,867	-	-	66,992,867	

Schedules Forming Part of Consolidated Balance Sheet As On 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 6		
INVESTMENTS :		
(i) Other than trade, Unquoted, fully paid up equity shares {3,00,000 Equity Shares (1,64,200 Equity Shares as at 31.03.2010) of North East Power & Infra Limited of Rs. 10/- each, fully paid Up}	3,000,000	1,642,000
(ii) Other than trade, Quoted, fully paid up equity shares {50 Shares (previous year : 50 shares) of Ambuja Cements Ltd.}	4,423	4,423
	3,004,423	1,646,423
SCHEDULE - 7		
INVENTORIES		
(At lower of cost or net realisable value)		
Stores, Spares and Fuel	78,527,536	77,901,752
Raw Material	16,031,281	26,110,979
Packing Material	4,660,404	3,694,183
Semi Finished Goods	13,429,833	4,379,490
Finished Goods	25,063,411	16,826,361
Goods in transit	-	15,989
	137,712,464	128,928,754
SCHEDULE - 8		
SUNDRY DEBTORS		
(i) (Secured and considered good)		
– Debts outstanding for a period exceeding six months	186,358	50,000
– Other Debts	2,029,539	2,233,136
	2,215,897	2,283,136
(ii) (Unsecured and considered good)		
– Debts outstanding for a period exceeding six months	11,930,027	6,584,792
– Other Debts	101,075,433	71,539,217
	113,005,460	78,124,009
Total	115,221,357	80,407,144
SCHEDULE - 9		
CASH & BANK BALANCE		
Cash in Hand	11,586,867	8,327,393
Balances with Scheduled Banks :		
– In Current Account	33,429,978	56,168,224
– In Fixed Deposits	5,679,493	3,220,866
Cheques/Demand Drafts in Hand	22,974,345	14,561,068
	73,670,682	82,277,550

Schedules Forming Part of Consolidated Balance Sheet As On 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 10		
LOANS & ADVANCES		
(Unsecured and considered good for recovery by the Management)		
1) Subsidy Receivable from Central/State Govt.	370,955,795	402,371,119
2) Balances with Central Excise & other Tax	18,780,256	32,435,984
3) Advance to Suppliers/Contractors	41,705,277	36,454,964
4) Security Deposits	16,207,481	14,998,409
5) Other advances - Recoverable in cash or in kind or for value to be recieved	155,831,588	100,354,996
	603,480,398	586,615,472
SCHEDULE - 11		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
1) Sundry Creditors for Capital Expenditure	2,417,059	9,114,387
2) Sundry Creditor (Trade)	25,159,840	75,621,650
3) Statutory Liabilities	19,088,490	11,283,164
4) Interest Accured but not due	2,088,584	-
5) Advance from Customers	10,147,508	21,703,522
6) Security Money received from customers	11,195,189	9,328,132
7) Other Liabilities	55,683,179	33,229,913
	125,779,849	160,280,768
Provisions		
1) Provision for Income-Tax	-	29,076,854
Less : Advance Income Tax and Tax Deducted at Source	(6,940,602)	(12,742,308)
	(6,940,602)	16,334,546
2) Provision for Gratuity	2,309,762	2,054,702
3) Provision for Leave Encashment	4,718,705	2,504,477
4) Proposed Dividend	-	22,160,000
5) Corporate Dividend-Tax	-	3,766,092
	87,865	46,819,817
SCHEDULE - 12		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
1) Mines Development	130,540	1,017,108
2) Lease Rights	-	57,500
3) Pre-Operative Expense	635,481	-
	766,021	1,074,608

Schedules Forming Part of Consolidated Profit & Loss Account for the Year Ended 31.03.2011

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 13		
SALES		
Gross Sales	1,240,844,812	1,596,495,301
Add: Captive Consumption of Cement	485,555	1,334,169
	1,241,330,367	1,597,829,470
Less : Cement Damaged	2,361,033	2,367,207
	1,238,969,336	1,595,462,263
SCHEDULE - 14		
OTHER INCOME		
Equipment Hire Charges	583,400	299,615
Sale of Scrap	742,410	990,780
Misc. Income	2,316,063	389,072
Insurance Claim Received	1,140,168	688,001
Profit/(Loss) on sales of assets	725	(657,199)
	4,782,766	1,710,269
SCHEDULE - 15		
INCREASE/(DECREASE) IN STOCK		
Semi Finished Goods		
Opening Stock	4,379,490	6,562,931
Closing Stock	13,429,833	4,379,490
	9,050,343	(2,183,441)
Finished Goods		
Opening Stock	16,826,361	12,745,179
Closing Stock	25,063,411	16,826,361
	8,237,050	4,081,182
Increase/(Decrease) in Stock	17,287,393	1,897,741
SCHEDULE - 16		
COST OF MATERIALS		
Raw Material Consumed	187,354,109	391,542,234
Stores and Spares Consumed	41,480,667	50,363,207
Packing Material Consumed	29,844,835	36,990,860
	258,679,612	478,896,301
SCHEDULE - 17		
MANUFACTURING AND OPERATING EXPENSES		
Power & Fuel Expenses	222,236,617	234,913,257
Operation & Maintenance Expenses	1,032,408	6,582,924
Material Handling, Equipment & Freight Charges	18,533,248	29,879,771
Repair and Maintenance		
– Plant & Machinery	14,104,121	12,479,181
– Building	1,725,615	1,770,419
– Equipments & Others	3,514,791	2,345,565
Salaries, Wages & Bonus	90,108,208	77,827,150
Contribution to Provident Fund	2,044,251	1,764,051
Staff Welfare Expenses	2,908,629	2,762,976
Royalties & Other Govt. Levies	13,333,613	13,435,292
Research and Development Expenditure	2,536,366	3,080,077
Other Production Overheads	8,414,570	7,232,164
	380,492,436	394,072,827

**Schedules Forming Part of Consolidated Profit & Loss Account
for the Year Ended 31.03.2011**

Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
SCHEDULE - 18		
ADMINISTRATIVE & OTHER EXPENSES		
Auditor's Remuneration	370,300	375,450
Bank Charges	700,538	699,148
Books & Periodicals	392,352	334,308
Charity & Donation	2,948,684	6,917,043
Bad Debts	-	2,193,811
Director's Remuneration	7,800,000	6,700,000
Staff Recruitment Expenses	242,895	287,969
Electricity Expenses	745,819	828,690
Fees & Subscription	1,164,345	1,411,323
ROC Filling Fees & Legal Expenses	303,834	178,712
House /Office Rent & Maint Expenses	4,279,947	3,849,208
Insurance	767,892	923,356
Misc Exps Written off	994,068	994,068
Motor Car Running, Maint & Hire Charges	5,442,932	4,008,175
Office and Other Miscellaneous Expenses	3,472,637	4,364,224
Postage & Telegraph Exps	327,326	368,709
Printing, Stationery and Computer Expenses	2,263,078	2,177,692
Provision for Gratuity	903,076	771,833
Rates & Taxes	211,479	466,173
Repair & Maintenance	1,547,023	3,134,342
Salary and other benefits to staff	12,935,282	10,515,389
Professional & consultancy service charges	502,970	1,479,399
Staff Fooding & Welfare Expenses	2,531,930	3,175,500
Sundry Balances written - off	(1,850,853)	1,311,430
Telephone Exps	2,346,801	2,475,493
Travelling & Conveyance Expenses	5,317,470	6,116,580
Processing Charges	827,250	-
	57,489,074	66,058,023
SCHEDULE - 19		
SELLING & DISTRIBUTION EXPENSES		
Transportation Cost	301,062,843	283,686,768
Sales Promotion Expenses	4,521,886	9,111,317
Advertisement & Publicity	9,179,590	6,273,628
VAT/Sales Tax	57,936,788	32,291,982
Market Survey, Consultancy & Other Charges	1,122,452	1,544,896
Shop/Godown Rent	3,472,300	2,777,786
Weightment Charges	1,075,515	423,830
	378,371,375	336,110,208
SCHEDULE - 20		
INTEREST & FINANCIAL CHARGES		
Term Loan	33,890,391	21,769,393
Working Capital facility (Net)	50,611,251	39,796,340
Others	3,206,500	2,329,231
Less : Interest Received	(882,949)	(651,045)
	86,825,193	63,243,919

SCHEDULE - 21 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS

A. PRINCIPLES OF CONSOLIDATION

- (1) The consolidated financial statements (CFS) comprises of the financial statements of Barak Valley Cements Ltd. (BVCL) and its following subsidiary:

S.N.	Name of the Subsidiary (All incorporated in India)	Proportion of Ownership as at 31.03.2011
1	Meghalaya Minerals & Mines Ltd.	100%
2	Badarpur Energy Pvt. Ltd.	100%
3	Cements International Ltd.	100%
4	Goombira Tea Company Pvt. Ltd.	100%
5	Singlacheera Tea Company Pvt. Ltd.	100%
6	Chargolla Tea Company Pvt. Ltd.	100%
7	Valley Strong Cements (Assam) Ltd.	100%

- (2) 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 statement.

The excess of the company's portion of the equity of the subsidiaries on the acquisition date over its cost of investment is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. On the Other hand, the excess of the cost of investment over the company's portion of the equity of the subsidiaries on the date of acquisition is recognised as 'Goodwill' and shown under the head 'Fixed Assets', in the consolidated financial statements.

- (3) The parent and the subsidiary companies provide depreciation on Written Down Value method except the "Badarpur Energy Private Limited", where depreciation is provided on Straight Line Method 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.

B. SIGNIFICANT ACCOUNTING POLICIES :

(1) SYSTEM OF ACCOUNTING:

The financial statements have been prepared on the historical cost convention on accrual and on the going concern basis in accordance with the applicable Accounting Standards issued by The Institute of Chartered of Accountants of India and the relevant provisions of the Companies Act, 1956.

(2) USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(3) FIXED ASSETS:

Fixed Assets are stated at cost of acquisition, installation or construction (net of Modvat/ Cenvat credit, where ever applicable) less accumulated depreciation, amortization and impairment losses, if any, except freehold land which is carried at cost. Cost comprises the purchase price, installation and attributable cost of bringing the asset to its working condition for its intended use.

(4) CAPITAL WORK IN PROGRESS:

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

(5) DEPRECIATION:

Depreciation has been provided on fixed assets on Written down Value (WDV) Method on a pro - rata basis at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956. However in respect of Badarpur Energy Pvt. Ltd., a wholly owned subsidiary, depreciation on assets has been charged at the Straight Line Method at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956 of the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro -rata basis from the date of put to use. Depreciation on assets sold, discarded or scrapped, is provided up to the date on which the said asset is sold, discarded or scrapped.

(6) INVENTORIES:

Inventories are valued at the lower of cost and net realisable value. Cost for the purpose is worked out on a weighted average basis. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(7) REVENUE RECOGNITION:

Items of Income & Expenditure are recognized on accrual basis except stated otherwise. Sales are accounted for on dispatch and are stated inclusive 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.

(8) GOVERNMENT GRANTS:

Government grants /subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants are recognized in the financial statements either as income or deducted from related expenses. Capital grants/subsidies are credited to respective fixed assets where it relates to specific fixed assets.

(9) 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 profit and loss account 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 immediately recognized in the Profit & Loss Account.

(10) INVESTMENTS:

Long term Investments are stated at cost after deducting provisions for permanent diminution in the value, if any. Current investments are stated at lower of cost and market / fair value.

(11) MISCELLANEOUS EXPENDITURE:

Miscellaneous expenditure having enduring benefit is amortized over a period of five to ten years.

(12) TAXES ON INCOME:**a) Current Tax:**

Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

b) Deferred Tax :

Deferred Tax Assets and Liabilities are accounted for in accordance with Accounting Standard - 22.

(13) RESEARCH AND DEVELOPMENT EXPENDITURE:

Revenue expenditure on Research and Development is charged out in the year in which it is incurred and are included under the related head of expenditure.

(14) EXPENDITURE DURING CONSTRUCTION:

In respect of substantial capacity enhancement / new commissioning of projects, direct costs along with part of indirect expenses are capitalized together with interest on the funds related to them up to the date of commercial production.

(15) BORROWING COSTS:

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the 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. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(16) 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.

(17) INTANGIBLE ASSETS :

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 life.

(18) 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. A contingent liability of an outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities are not provided for but disclosed by way of note.

C. NOTES ON ACCOUNTS:

(1) The estimated amount of Contracts remaining to be executed on Capital Account and not provided for amounts to Rs. 1,160.49 Lakhs (Previous Year Rs. 161.56 Lakhs)

(2) Contingent liabilities not provided for:

- Claims against the company not acknowledged as debts: Disputed demand of Income -Tax liabilities; pending before the Appellate Tribunal for Assessment Year 2005-06 and 2006-07: Rs. 624.57 lakhs (Previous Year: 556.86 lakhs)
- Contingent liability not provided for: Nil: (Previous Year : 141.16 lakhs; provident fund dues of workers)
- Fixed Deposit Receipts pledged with the banks / others : Rs. 32.25 Lakhs (Previous year : Rs. 17.07 Lakhs)
- Bank Guarantees issued by banks Rs. 2,00,000 (Previous Year : Rs. 2,00,000)

(3) In view of ASI-15, on Consolidated Financial Statements, additional information pursuant to the provision or paragraphs 3 & 4 of part II of schedule VI to the Companies Act, 1956 are not disclosed herewith.

(4) During the year an amount of Rs.29,82,706/- (Previous Year : Rs. 40,32,337/-) was paid to selling agents of the company as Sales Commission.

(5) 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. 3,04,770	Rs. 3,03,905
b. Tax Audit Fee	Rs. 49,515	Rs. 45,000
c. Company Law and other matters	Rs. 20,000	Rs. 24,000
d. Reimbursement of out of pocket expenses	Rs. 1,515	Rs. 2,545
Total	Rs. 3,75,800	Rs. 3,75,450

(6) Remuneration paid to Director's during the year: Rs. 78,00,000 (Previous Year : Rs.67,00,000)

(7) GOVT. SUBSIDIES

During the year Insurance subsidy amounting to Rs.21,28,055/- (previous year : 20,39,057/-), working capital interest subsidy amounting to Rs.1,58,68,069/- (previous year : 1,34,62,955/-), Power Subsidy amounting to Rs. 20,00,000/- (previous year : 10,00,000/-) and Transport subsidy amounting to Rs. 4,70,03,095/- (previous year : 6,88,81,534/-) has been adjusted from related overheads. During the year Excise Duty amounting to Rs. 6,18,64,020/- (previous year : 6,78,56,703/-) has been refunded back by Govt. of India.

(8) The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and, hence disclosure relating to amounts unpaid at the year end, interest paid/ payable under this Act has not been given.

(9) 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/s. Meghalaya Cements Limited
 M/s. Balaji Udyog Limited
 North East Power & Infra Ltd.
 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. Ancharia (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 31.03.2011 are given as under:

(Rs. in Lakhs)

Sl.No.	Type of transaction	Associates	Key Management Personnel/relatives
1.	Sale of finished/semi finished goods/services	38.25 (48.38)	—
2.	Purchase of Raw Material/semi/finished goods	318.50 (1,422.67)	—
3.	Investment in Shares	13.58 (16.42)	—
4.	Remuneration/sitting fee paid to directors and Key Management Personnels	—	93.60 (67.00)

Note : Figures in bracket represent transactions of previous year.

10) Details of Balance Outstanding to / from companies under the same management are as under:

Name of the company	Status	Amount grouped in	Amount Due as at		Maximum Amount O/s. at any time during the year	
			31.03.2011	31.03.2010	31.03.2011	31.03.2010
Meghalaya Cements Ltd.	Associate	Creditors	-	37,228,389	45,781,602	55,634,889
Meghalaya Cements Ltd.	Associate	Other Liabilities	3,118	-	20,583	-
North East Power & Infra Ltd.	Associate	Loans & Advances	22,459,902	1,478,702	34,759,902	14,061,339
North East Power & Infra Ltd.	Associate	Creditors	-	-	-	660,800
North East Power & Infra Ltd.	Associate	Debtors	890,480	162,803	1,927,970	3,462,803
Valley Strong Cements Ltd.	Associate	Loans & Advances	84,404	1,085,206	1,639,462	1,085,206
Balaji Udyog Ltd	Associate	Debtors	35,275	700,000	1,488,632	1,162,050

(11) 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.

(12) Expenditure on purchased software (ERP) and IT related expenses are written off over a period of three years.

(13) Employee Defined Benefits:
(a) Defined Contribution Plans

The Company has recognized an expense of Rs.20,44,251/- (Previous year Rs 17,64,051/-) towards the defined contribution plans

(b) Defined Benefit Plans - As per Actuarial Valuation as at 31st March, 2011

	Particulars	2010-11		2009-10	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I.	Expenses recognized in the Statement of Profit and Loss Account for the year ended 31st March, 2011				
	1. Current Service Cost	6,12,110	21,66,196	4,00,607	9,02,818
	2. Interest Cost	1,06,904	2,31,970	1,12,277	1,07,258
	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	184,062	348,303	258,949	2,33,255
	8. Losses/ (gains) on plan assets	-	-	-	-
	9. Total Expenses	903,076	27,46,469	771,833	12,43,331
II.	Net Asset / (Liability) recognised in the Balance Sheet as on 31st March' 2011				
	1. Present Value of Defined Benefit Obligations	23,09,762	47,18,705	20,54,702	25,04,477
	2. Fair Value of Plan Assets	-	-	-	-
	3. Funded Status [Surplus/ (Deficit)]	(23,09,762)	(47,18,705)	(20,54,702)	(25,04,477)
	4. Net Asset/ (Liability) as on 31.03.2011	(23,09,762)	(47,18,705)	(20,54,702)	(25,04,477)
III.	Change in Obligation during the year ended 31st March' 2011				
	1. Present Value of Defined Benefit obligation at the beginning of the year	20,54,702	25,04,477	15,81,216	16,76,205
	2. Current Service Cost	6,12,110	21,66,196	4,00,607	9,02,818
	3. Interest Cost	1,06,904	231,970	1,12,277	1,07,258
	4. Curtailment cost / (credit)	-	-	-	-
	5. Settlement Cost/ (credit)	-	-	-	-
	6. Employee Contribution	-	-	-	-
	7. Plan amendments	-	-	-	-
	8. Acquisitions	-	-	-	-
	9. Actual (gains) / Losses	184,062	348,303	258,949	2,33,255
	10. Benefits paid	(648,016)	(5,32,241)	(2,98,347)	(4,15,059)
	11. Present value at the end of the year	23,09,762	47,18,705	20,54,702	25,04,477
IV.	Change in Fair Value of Assets during the year ended 31st March' 2011				
	1. Plan Assets at the beginning of the year	-	-	-	-
	2. Expected Return on plan Assets	-	-	-	-
	3. Actual Company Contributions	6,48,016	2,67,648	2,92,289	3,25,879
	4. Employee Contributions	-	-	-	-
	5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
	6. Benefits paid	(6,48,016)	(2,67,648)	(2,92,289)	(3,25,879)
	7. Plan Assets at the Closing of the year	-	-	-	-

- (14) 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 Balance Sheet date.

(15) **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' 2011 and 31st March' 2010.

S. No.	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
(a)	Profit/(Loss) attributable to Equity Shareholders	(3,75,52,435)	11,52,19,375
(b)	The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS	2,21,60,000	2,21,60,000
(c)	The nominal value per Ordinary Share (Rs.)	10	10
(d)	Earnings Per Share Basic & Diluted (Rs.)	(1.69)	5.20

- (16) Deferred Tax Liability / (Asset) as at 31st March, 2011 comprises as under :

S. No.	Particulars	Balance As on 01.04.2010	Additions/ (deductions) during the year	Balance As on 31.03.2011
(a)	Deferred Tax Liabilities Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	1,13,91,072	(10,07,593)	1,03,83,479
(b)	Deferred Tax Assets Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax (provision for gratuity & Leave Encashment)	15,49,665	6,25,783	21,75,448
	Deferred Tax Liability/(Asset) (a – b)	98,41,407	(16,33,376)	82,08,031

- (17) During the year the Company's has acquired entire shareholding of Valley Strong Cements (Assam) Ltd. and also acquired shares of three companies namely Goombira Tea company Pvt. Ltd., Charagolla Tea Company Pvt. Ltd. and Singlacherra Tea Company Pvt. Ltd. from Badarpur Energy Pvt. Ltd., consequent to which these companies have become wholly owned subsidiaries of Barak Valley Cements Ltd.

- (18) Segment Reporting as per AS - 17 is as under:

(Rs. in lakhs)

S. No.	Particulars	Year ended 31.03.2011
1.	Segment Revenue :	
	a) Cement Division	12,058.22
	b) Power Division	152.27
	c) Unallocated	1,179.58
	Total	13,390.07
	Less: Inter Segment Revenue	1,406.74
	Net Income from Operations	11,983.33

(Rs. in lakhs)

S. No.	Particulars	Year ended 31.03.2011
2.	Segment Results :	
	a) Cement Division	842.33
	b) Power Division	(331.74)
	c) Unallocated	120.38
	Total	630.97
	Less: (i) Interest	868.25
	(ii) Other unallocable expenses net of Income	(2.79)
	(iii) Other prior period adjustments	157.36
	Total Profit Before Tax	(391.85)
3.	Capital Employed :	
	a) Cement Division	17,971.47
	b) Power Division	1,505.75
	c) Unallocated	1,388.50
	Total	20,865.72

(19) Previous year figures have been regrouped/ restated wherever necessary, to confirm to current year.

(20) Figures have been rounded off to the nearest rupee.

 For **Kumar Vijay Gupta & Co.**
Chartered Accountants

 Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May' 2011

For & on behalf of the Board

 Sd/-
Kamakhya Chamaria
(Vice Chairman & Managing Director)
DIN: 00612581
Delhi, 28th May' 2011

 Sd/-
Bijay Kumar Garodia
(Chairman)
DIN: 00044379
Kolkata, 28th May' 2011

 Sd/-
Santosh Kumar Bajaj
(Whole Time Director)
DIN: 00045759
Guwahati, 28th May' 2011

 Sd/-
J.L. Anchalia
(Chief Financial Officer)
Kolkata, 28th May' 2011

 Sd/-
Hitesh Wadhera
(Company Secretary)
Kolkata, 28th May' 2011

Consolidated Cash Flow Statement for the Year Ended 31st March, 2011

S.N.	Particulars	31.03.2011 (Amt. in Rs.)	31.03.2010 (Amt. in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :			
	Net Profit before Tax	(23,450,203)	119,726,405
	Adjustment for :		
	Add : Depreciation & Misc. expenditure	84,736,485	119,518,657
	Interest & finance charges	86,825,193	63,243,919
	Operating Profit before working capital changes	148,111,475	302,488,981
	Adjustment for change in :		
	Trade & other receivables	(44,738,537)	(115,019,908)
	Inventories	(8,783,710)	(22,459,677)
	Trade and other payables	(81,232,871)	22,794,134
	Cash generated from Operations	13,356,357	187,803,530
	Direct Taxes Paid	(6,940,602)	(12,742,308)
	Prior period adjustments	(15,735,609)	(5,519,872)
	Net Cash Flow from Operating Activities	(9,319,854)	169,541,350
B. CASH FLOW FROM INVESTING ACTIVITIES:			
	Acquisition of Fixed Assets	(141,998,696)	(352,045,590)
	Investment in Work-In-Progress	(2,954,795)	(64,038,072)
	Goodwill (on acquisition of Shares)	-	(24,223,013)
	Acquisition of Fixed Assets Revaluation Reserve (On consolidation)	-	271,956,151
	Acquisition of Investment Allowance Reserve (On consolidation)	-	152,512
	Purchase of Investments	(1,358,000)	(1,642,000)
		(146,311,491)	(169,840,012)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
	Net proceeds from issue of Equity Shares	-	-
	Increase in borrowings	233,849,670	110,150,025
	Dividend (including CDT)	-	(25,926,092)
	Interest and finance charges paid	(86,825,193)	(63,243,919)
		147,024,477	20,980,014
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(8,606,868)	20,681,353
	Add:- Cash & Cash Equivalents at the beginning of the year	82,277,550	61,596,197
	Cash & Cash Equivalents at the Closing of 31.03.2011	73,670,682	82,277,550

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.**
Chartered Accountants

Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May' 2011

For & on behalf of the Board

Sd/-
Kamakhya Chamaria
(Vice Chairman & Managing Director)
DIN: 00612581
Delhi, 28th May' 2011

Sd/-
Bijay Kumar Garodia
(Chairman)
DIN: 00044379
Kolkata, 28th May' 2011

Sd/-
Santosh Kumar Bajaj
(Whole Time Director)
DIN: 00045759
Guwahati, 28th May' 2011

Sd/-
J.L. Anchalina
(Chief Financial Officer)
Kolkata, 28th May' 2011

Sd/-
Hitesh Wadhwa
(Company Secretary)
Kolkata, 28th May' 2011

**Information with regard to Subsidiary Companies for
the Financial Year Ended on 31st March' 2011**

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 Pvt. Ltd.	Chargola Tea Company Pvt. Ltd.	Singlacherra Tea Company Pvt. Ltd.
	Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
(a)	Share Capital	9,927,000	14,900,000	49,633,400	2,675,000	872,000	742,000	568,600
(b)	Reserves & Surplus	139,757,567	51,373,780	89,246,882	18,889,519	170,588,484	76,667,041	71,599,581
(c)	Total Assets (Fixed Assets+ Investments + Current/ Deferred Assets)	333,861,842	134,542,794	407,565,365	26,442,627	200,168,265	77,744,641	72,794,997
(d)	Total Liabilities (Debts + Current / Deferred Liabilities)	184,177,275	68,269,014	268,685,083	4,878,108	28,707,781	335,599	626,816
(e)	Investments (excluding investment in subsidiary companies)	-	-	-	-	-	-	-
(f)	Turnover	277,941,169	114,105,120	15,227,400	-	3,007,093	1,392,132	118,682
(g)	Profit/ (Loss) before Taxation	17,196,413	932,916	(53,336,634)	-	(7,153,549)	(1,348,544)	(1,361,451)
(h)	Provision for Taxation/ Deferred Tax	(220,930)	(217,648)	(1,034,702)	-	-	-	-
(i)	Profit/ (Loss) after Taxation	17,417,343	1,150,564	(52,301,931)	-	(7,153,549)	(1,348,544)	(1,361,451)
(j)	Proposed Dividend	-	-	-	-	-	-	-

For **Kumar Vijay Gupta & Co.**
Chartered Accountants

Sd/-
CA. Mahesh Goel
(Partner)
M.No. 88958
Kolkata, 28th May' 2011

For & on behalf of the Board

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Kamakhya Chamaria
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DIN: 00612581
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(Chief Financial Officer)
Kolkata, 28th May' 2011

Sd/-
Hitesh Wadhera
(Company Secretary)
Kolkata, 28th May' 2011



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) is 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 12th ANNUAL GENERAL MEETING of Barak Valley Cements Limited held on Saturday, the 6th day of August, 2011 at 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam at 2.00 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 appoint.....of.....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 12th Annual General Meeting of the Company to be held on 06th day of August, 2011 and any adjournment thereof.

Signed on.....at.....

Name.....

Signature (s).....

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

Revenue Stamp

Address.....

.....

.....

*Applicable for Shareholders 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 at company's Registered Office at least 48 hours before the meeting.
3. That a shareholder holder may vote either for or against each resolution.



Kai application. Ek solution.



Corporate Address:

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E-mail : guwahati@barakcement.com

website : www.barakcement.com



Barak Valley Cements Limited

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