

*"Strength does not come from physical  
capacity. It comes from an indomitable will."*



Barak Valley  
Cements Limited



| annual report 2008-2009 |

**COMPOSITION OF BOARD**

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

**COMPANY SECRETARY**

Ms. Dimpy Choudhary

**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

**Corp. Office:**

281, Deepali, Pitam Pura,  
Delhi-110034

**Works:**

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

**Branches:**

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

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## Directors' Profile

### **Mr. Bijay Kumar Garodia, Chairman**

Mr. Bijay Kumar Garodia, aged 52 years, is Chairman and Whole Time Director of our Company. He started his business career in 1978 by establishing a small-scale industry and within a decade he established himself as a successful self-made entrepreneur in both industry and commerce. Having gained adequate experience, he also promoted Forest Product based industry in the North-Eastern States of Assam and Arunachal Pradesh.

Because of his vast knowledge, experience and exemplary innovative ideas in promoting and developing various industries in North-Eastern Region, he was duly appointed as a Director of the Board of Arunachal Pradesh Forest Product Corporation Ltd. in 1995 and subsequently, awarded the "National Citizenship Award" in 1995 by the then Honorable Prime Minister of India.

He is also the key promoter of Prithvi Group, which is engaged in various industrial and commercial activities.

### **Mr. Kamakhya Chamaria, Vice Chairman & Managing Director**

Mr. Kamakhya Chamaria, aged 57 years, is Vice Chairman and Managing Director of our company. He is a commerce graduate. He started his business career by joining his family business of saw milling and trading in timber. Mr. Chamaria is having very good knowledge of accounts and finance. Shri Chamaria is a man of amiable nature, coupled with a resolute mind and farsightedness. He has built up a good reputation in the industry and Government circles in both Assam and Arunachal Pradesh. Mr. Chamaria has been honored with the "**EXCELLENCE AWARD**" on behalf of Barak Valley Cements Limited for excellence in Productivity, Innovation, Quality and Management from the Institute of Economic Studies (IES). Mr. Chamaria was also awarded with "**UDYOG RATTAN AWARD**" from IES.

### **Mr. Mahendra Kumar Agarwal, Vice Chairman**

Mr. Mahendra Agarwal is a Bachelor of Science from College of Calcutta. After education, he started his career by taking up wood based industries in the north-east region. After attaining a considerable maturity in his career, he played a vital role in setting up Barak Valley Cements Limited and now serving as Vice Chairman. He conceptualized Meghalaya Cements Limited, a 1800 tpd Cement Plant running successfully at Jaintia Hills, Meghalaya and serves as Managing Director of the Company. He has vast experience in corporate planning, growth strategies & business development. He has managed critical business responsibilities in various areas including strategic planning for cement plants and project execution. Full of confidence, dynamism and positivism, Mr. Agarwal shares good repute and partnership relations with many multinational companies and owns several production facilities in cosmetics and toiletries at Guwahati.

### **Mr. Santosh Kumar Bajaj, Whole Time Director**

Mr. Santosh Kumar Bajaj, aged 50 years, is Promoter and Whole Time Director of our Company. Mr. Bajaj started his business career as a trader, joining his family business. He is the third generation entrepreneur in Cement Business and this provides him vast knowledge about Cement Industry. Mr. Bajaj has also started the new business of Bitumen Industry at Rangia.

### **Mr. Prahlad Rai Chamaria, Non Executive and Non Independent Director**

Mr. Prahlad Rai Chamaria, aged 66 years, is Promoter Director of our Company. He is a Commerce Graduate and holds a Bachelors Degree in Law and a Masters Degree in Economics.

Mr. Chamaria started his business career by joining his family business of saw milling and trading in timber. Mr. Chamaria is having full knowledge of all the labour laws, factory law, industrial disputes act etc. Being a master degree holder in Economics since 1962, he has got full knowledge about economy of the region and budgeting of the project.

### **Mr. Brahm Prakash Bakshi, Non Executive and Independent Director**

Mr. Brahm Prakash Bakshi, aged 70 years, is working as Independent Director of our Company since March 2006. Mr. Bakshi has a Master Degree in Management with specialization in Project Management from XLRI - Jamshedpur & Post Graduate Diploma from International Institute of Social Studies. He started his career in Tata Iron & Steel Co. (TISCO), and then worked for the Planning Commission between 1962-63. In 1964, he joined Steel Sworth Private Limited, a tea processing Machinery Company and rose to become its deputy managing director.

**Dr. Dhanpat Ram Agarwal, Non Executive and Independent Director**

Dr. Dhanpat Ram Agarwal, aged 50 years, is Independent Director of our Company since March 2006. Dr. Agarwal is a qualified Chartered Accountant and is having doctorate degree in Economics and in addition, he holds Degree of Law. He has authored books on WTO, IPR and Direct taxes.

He has done extensive foreign traveling on professional and academic assignments. He is a resource person for WTO Outsourcing Roster for the delivery of training and technical cooperation activities. He has presented papers on trade and investment issues in several national and international conferences

**Mr. Dinesh Chandra Agarwal, Non Executive and Independent Director**

Mr. Dinesh Chandra Agarwal, aged 68 years, is Independent Director of our Company. He is a Bachelor in Science and Mechanical Engineer. He started his career with Sahu Jain Group of Industries and then joined R. G. Foundry Forge Ltd. as regional marketing manager. He is presently working as marketing consultant for products like Alloy Steel Castings, Grinding Media Balls etc.

**Mr. Ramesh Chandra Bajaj, Non Executive and Independent Director**

Mr. Ramesh Chandra Bajaj, aged 59 years, is Independent Director of our Company. He is presently self employed having a proprietary concern dealing in water pumps, spares and pumps. Prior to this, he worked in Trishul Engineering Corporation between 1989 and 2006 and prior to 1989, he worked as Area Manager of Anil Steel & Industries Limited.

**Mr. Vishal More, Non Executive and Independent Director**

Mr. Vishal More, aged 30 years, is an Independent Director of our Company. He is a Masters Degree holder in Economics from Delhi School of Economics and Chartered Financial Analyst (CFA) charter holder from the CFA Institute. Mr. More has vast experience in the areas of economic and financial research and policy analyses; management consulting, restructuring and governance; and market planning and strategy solutions. He has also worked as an economist with the corporate research wing of Confederation of Indian Industry (CII). He is presently associated with the CERG Advisory Private Limited, a research and consulting firm based out of New Delhi."

**Mr. Edwin E. Fernandes, Nominee Director**

Mr. Edwin Fernandes, aged 54 years, is the Nominee Director on the Board of our Company on behalf of IDBI Bank Limited. He is an Economics graduate and has a Diploma in Administrative Management from the Bombay University. Mr. Fernandes brings to our Company, his rich experience of developing banking of over 30 years. Mr. Fernandes is also a Nominee Director in M/s Usher Agro Limited, Mathura. He has been holding this post for more than 4 years. Mr. Fernandes is also a guest faculty in the staff college of IDBI at Gachibowli, Hyderabad. Mr. Fernandes is the President of the IDBI Sports Club. He has been the Editor of the Bank's House Journal, Shree Vayam for over 15 years. He has also taken up to blogging on Sulekha.com.

## Notice

NOTICE is hereby given that the Tenth Annual General Meeting of the members of **BARAK VALLEY CEMENTS LIMITED** will be held on Wednesday, the 30<sup>th</sup> day of September, 2009, at the Registered Office of the Company at 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam -781007 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 31<sup>st</sup> March, 2009 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 declare Dividend on Equity Shares for the year ended on 31<sup>st</sup> March, 2009.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Kumar Vijay Gupta & Co., Chartered Accountants, the Retiring Auditors of the Company be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

### **SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 198, Section 269, Section 309, Section 310 and other applicable provisions of the Companies Act, 1956, ("the Act") read with Schedule XIII to the Act, or any amendment or modification or re-enactment thereof and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Shri Bijay Kumar Garodia as Whole time Director of the Company for a period of 5 years with retrospective effect from 1<sup>st</sup> day of June, 2009, on the terms and conditions mentioned below within the ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 corresponding to the effective capital of the Company as on 1<sup>st</sup> June, 2009.  
"RESOLVED FURTHER THAT Shri Bijay Kumar Garodia be and is hereby paid the following remuneration during the term of his office.  
1) Salary: - Salary (including all allowances Rs. 2,00,000/- per month)."  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to raise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as they deem fit in accordance with the provisions of the Companies Act, 1956 and Schedule XIII to the Act as existing or as may be amended."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 198, Section 269, Section 309, Section 310 and other applicable provisions of the Companies Act, 1956, ("the Act") read with Schedule XIII to the Act, or any amendment or modification or re-enactment thereof and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Shri Kamakhya Chamaria, as Managing Director of the Company for a period of 5 years with effect from the date of Annual General Meeting of the Company viz. 30.09.2009, on the terms and conditions mentioned below within the ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 corresponding to the effective capital of the Company as on 30.09.2009.  
"RESOLVED FURTHER THAT Shri Kamakhya Chamaria be and is hereby paid the following remuneration during the term of his office.  
1) Salary: - Salary (including all allowances Rs. 200,000/- per month)."  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to raise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as they deem fit in accordance with the provisions of the Companies Act, 1956 and Schedule XIII to the Act as existing or as may be amended."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 198, Section 269, Section 309, Section 310 and other applicable provisions of the Companies Act, 1956, ("the Act") read with Schedule XIII to the Act, or any amendment or modification or re-enactment thereof and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Shri Santosh Kumar Bajaj, as Whole Time Director of the Company for a period of 5 years with effect from the date of Annual General Meeting of the Company viz. 30.09.2009, on the terms and conditions mentioned below within the ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 corresponding to the effective capital of the Company as on 30.09.2009.  
"RESOLVED FURTHER THAT Shri Santosh Kumar Bajaj be and is hereby paid the following remuneration during the term of his office.  
1) Salary: - Salary Rs. 2,00,000/- per month (including all allowances)  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to raise, amend, alter or otherwise vary the terms and conditions of his appointment from time to time as they deem fit in accordance with the provisions of the Companies Act, 1956 and Schedule XIII to the Act as existing or as may be amended."

BY ORDER OF THE BOARD

Place : Delhi  
Date : 31.07.2009

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

**NOTE:**

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her self and the proxy need not be a member of the Company.**
2. The instrument appointing a proxy, to be effective, must be duly filled, stamped and must reach the Company's Registered Office not later than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this notice.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the meeting (Item Nos. 5 to 7) is annexed hereto.
4. 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.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 25<sup>th</sup> day of September, 2009 to Wednesday, the 30<sup>th</sup> day of September, 2009 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if any, declared at the meeting.
6. Dividend on Equity Shares, if declared at the meeting, shall be paid on or after 30<sup>th</sup> September, 2009 to the shareholders whose names appear on the Register of Members of the Company on 30<sup>th</sup> September, 2009. In case of shares held in dematerialized form, the dividend thereon shall be paid to the beneficial owners, as per the list provided by the Depositories for the said purpose.
7. 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, 2<sup>nd</sup> Floor, Naraina Industrial Area,  
Phase II, Near Batra Banquet Hall, Naraina, New Delhi -110028
8. Shareholders, who have not encashed/received dividend for the financial year ended on 31<sup>st</sup> March, 2008 may please approach the Company and/or R&T Agent for payment of such unpaid dividend.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. For any investor related queries, communication may be sent by e-mail to [ipo@barakcement.com](mailto:ipo@barakcement.com).
15. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R&T Agent.
16. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
17. **Members may please note that briefcase, bag, mobile phone and/or eatables shall not be allowed to be taken inside the hall for security reasons.**

BY ORDER OF THE BOARD

Place : Delhi  
Date : 31.07.2009Sd/-  
**(Kamakhya Chamaria)**  
Vice Chairman & Managing Director



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 5**

The members of the Company at their Annual General Meeting held on 31<sup>st</sup> day of May, 2004 had approved the appointment of Shri Bijay Kumar Garodia, as the Whole-time Director of the Company w. e. f. 31.05.2004, for a period of 5 (five) years. The said period of appointment of Shri Bijay Kumar Garodia as Whole-time Director of the Company has expired on 30<sup>th</sup> day of May, 2009.

The Board of Directors of the Company at their meeting held on 31<sup>st</sup> day of July, 2009, has, subject to the approval of the members, approved the re-appointment of Shri Bijay Kumar Garodia as Whole-time Director of the Company with retrospective effect from 1<sup>st</sup> day of June, 2009 for a further period of 5 (five) years including payment of remuneration.

Shri Bijay Kumar Garodia has been associated with the Company since incorporation and is actively involved in the business policy decisions of the Company. He started his business career in 1978 by establishing a small-scale industry in the name of Garodia Industries for the manufacture of barbed wire and fencing components. Within a decade, he established himself as a successful self-made entrepreneur in both industry and commerce. Having gained adequate experience, he has promoted a Veneer & Plywood unit in the States of Assam and Arunachal Pradesh.

Members' approval is required for the re-appointment of Shri Bijay Kumar Garodia as Whole-time Director of the Company w. e. f. 1<sup>st</sup> June, 2009 and payment of remuneration as set out in the accompanying resolution.

The Board recommends the resolution set out at item no. 5 of the notice for your approval.

None of the Directors, except Mr. Mahendra Kumar Agarwal, are in any way, concerned or interested in the resolution set out at item no.5 of the Notice.

The contents of this explanatory note may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

**ITEM NO. 6**

Members may kindly take note that the present term of Shri Kamakhya Chamaria as Managing Director of the Company entrusted with substantial powers of management to be exercised subject to the superintendence, control and direction of the Board of Directors will expire on 19.09.2010.

The Board of Directors of the Company at their meeting held on 31<sup>st</sup> July, 2009 has, subject to the approval of the members, approved the re-appointment and variation in the terms of appointment of Shri Kamakhya Chamaria as the Managing Director of the Company for a further period of 5 (five) years including payment of remuneration with effect from the date of Annual General Meeting of the Company.

Shri Kamakhya Chamaria has been associated with the Company since 2005 and has been instrumental in formulation of long-term vision and strategy of the Company. Shri Chamaria is having very good knowledge of accounts and finance. Shri Chamaria is a man of amiable nature, coupled with a resolute mind and farsightedness. He has built up a good reputation in the industry and Government circles in both Assam and Arunachal Pradesh. Shri Chamaria has been honoured with the "**EXCELLENCE AWARD**" on behalf of Barak Valley Cements Limited for excellence in Productivity, Innovation, Quality and Management from the Institute of Economic Studies (IES). Shri Chamaria was also awarded with "**UDYOG RATTAN AWARD**" from IES.

Members' approval is required for the re-appointment of Shri Kamakhya Chamaria as Managing Director of the Company w. e. f. the date of Annual General Meeting of the Company and payment of remuneration as set out in the accompanying resolution.

The Board recommends the resolution set out at item no. 6 of the notice for your approval.

None of the Directors, except Shri Prahlad Rai Chamaria are in any way, concerned or interested in the resolution set out at item no. 6 of the Notice.

The contents of this explanatory note may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

**ITEM NO. 7**

The members of the Company at their Extra-ordinary General Meeting held on 13<sup>th</sup> day of March, 2006, approved the appointment of Shri Santosh Kumar Bajaj, as Whole-time Director of the Company w. e. f. 13<sup>th</sup> day of March, 2006, for a period of 5 (five) years. The said period of appointment of Shri Santosh Kumar Bajaj as Whole-time Director of the Company will expire on 12<sup>th</sup> day of March, 2011.

The Board of Directors of the Company at their meeting held on 31<sup>st</sup> July, 2009 has, subject to the approval of the members, approved the re-appointment and variation of the terms of appointment of Shri Santosh Kumar Bajaj as Whole-time Director of the Company for a further period of 5 (five) years including payment of remuneration from the date of Annual General Meeting of the Company.

Shri Santosh Kumar Bajaj has been associated with the Company since incorporation and is actively involved in the business policy decisions of the Company. He has the expertise knowledge and marketing skills.

Members' approval is required for the re-appointment of Shri Santosh Kumar Bajaj as Whole-time Director of the Company with effect from the date of Annual General Meeting of the Company and payment of remuneration as set out in the accompanying resolution.

The Board recommends the resolution set out at item no. 7 of the notice for your approval.

None of the Directors are in any way, concerned or interested in the resolution set out at item no. 7 of the Notice.

The contents of this explanatory note may be treated as the memorandum of abstract of variation, as stipulated under Section 302 of the Companies Act, 1956.

BY ORDER OF THE BOARD

Place : Delhi  
Date : 31.07.2009

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

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE TENTH ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

<b>Name of Director</b>	<b>Sh. Prahlad Rai Chamaria</b>	<b>Sh. Vishal More</b>	<b>Sh. Ramesh Chandra Bajaj</b>
<b>Date of Birth</b>	13.11.1941	21.12.1978	12.11.1949
<b>Relationship with other Directors Inter se</b>	Sh. Kamakhya Chamaria, Managing Director is Brother.	None	None
<b>Expertise in specific functional areas</b>	Legal matters, Labour Laws, Industrial Dispute Act etc.	Economic and Financial Research and Analysis, Management Consulting and Restructuring and Governance	General Management and Business Management
<b>Qualification</b>	Law Graduate and Masters Degree in Economics	Masters Degree holder in Economics and Chartered Financial Analyst (CFA)	Under Graduate
<b>No. of Equity Shares held in the Company</b>	19,84,800	Nil	Nil
<b>List of other companies in which Directorships are held</b>	Balaji Udyog Limited	Cement International Limited	Nil
<b>List of committees of the Board of Directors (across all companies) in which Chairmanship/Membership is held</b>	Nil	Chairman, Audit Committee	Member, Audit Committee

**NOTE:**

1. The Directorships held by Directors as mentioned above, do not include Directorship of Foreign Companies, Section 25 Companies and Private Limited Companies.
2. Pursuant to Clause 49 of the Listing Agreement, only two committees viz. Audit Committee and Shareholder Grievance Committee have been considered.



## Directors' Report

**To  
The Members,**

Your Directors are pleased to present their Report for the year ended 31<sup>st</sup> March, 2009.

### Financial Results

The summary of your Company's financial performance is as under:-

Particulars	<b>Rs. In Lacs</b>	
	Year Ended 31-03-09	Year Ended 31-03-08
Sales (net of excise duty)	8914.33	7031.42
Other Income	48.13	46.38
<b>Total Sales &amp; Other Income</b>	<b>8962.46</b>	<b>7077.80</b>
<b>Profit before Interest, Dep. &amp; Income Tax</b>	<b>1744.11</b>	<b>2009.23</b>
Less: Depreciation	607.81	468.80
<b>Profit Before Interest and Income Tax</b>	<b>1136.30</b>	<b>1540.43</b>
Less: Interest	292.46	245.69
<b>Profit before Income Tax</b>	<b>843.84</b>	<b>1294.74</b>
Less: Prior Period Adjustments	1.52	-
Less: Provision for Income Tax		
Current Income Tax	-	146.97
Deferred Tax Liability	18.54	39.43
Fringe Benefit Tax	7.11	8.05
	<b>25.65</b>	<b>194.45</b>
<b>Profit after Tax</b>	<b>816.67</b>	<b>1100.29</b>
Add: Balance Brought down from last year	3154.15	2654.90
<b>Profit available for Appropriation</b>	<b>3970.82</b>	<b>3755.19</b>
Less: Appropriations		
Transferred to General Reserve	-	82.52
Proposed Dividend on Equity Shares	221.60	443.20
Corporate Dividend Tax	37.66	75.32
	<b>259.26</b>	<b>601.04</b>
<b>Balance Transferred to Reserve &amp; Surplus</b>	<b>3711.56</b>	<b>3154.15</b>

### OPERATIONS

Your Company has achieved Turnover of Rs. 8914.33 lakhs in comparison to Rs. 7031.42 lakhs in the previous financial year and Net Profit of Rs. 816.67 lakhs in comparison to Rs. 1100.29 lakhs in the previous financial year. The Earning Per Share of the Company is Rs. 3.69 per share in comparison to Rs. 5.90 per share in previous financial year. The main reason for the reduced profitability of the Company is increase in the raw material cost which has increased to Rs. 875/- per MT of Cement in comparison to Rs. 832/- per MT of Cement in the corresponding previous year, overall increase in the power and fuel cost which has increased to Rs. 1,335 per MT as compared to Rs. 911 per MT in the corresponding previous year and increase in the transportation cost which has increased to Rs. 515 per MT in comparison to Rs. 385 per MT in the corresponding previous year due to hike in fuel price and freight cost.

Further, due to the restriction on Excise Duty reimbursement from the Central Government @ 75% as compared to 100% in the earlier years, profitability of the company has come down significantly in the current year.

### DIVIDEND

Your Directors are pleased to recommend dividend of Rs. 1/- per share amounting to Rs. 221.60 lakhs on the equity shares of the Company for the financial year 2008-09 (Previous year dividend of Rs. 2/- per share amounting to Rs. 443.20 lakhs). The confirmation of the members shall be sought during the ensuing Annual General Meeting.

### MARKETING

The products of your Company viz. Ordinary Portland Cement (OPC) and Pozzolona Portland Cement (PPC) marketed under the brand name "Valley Strong" Cement are available in the North East Region especially in Mizoram, Tripura and Southern part of Meghalaya. Your Company has also successfully launched its brand in Guwahati, which is available all around the city.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report forming part of Directors' Report for the year under review prepared in compliance with Clause 49 of the Listing Agreement is discussed in separate section of the Annual Report.

**CORPORATE GOVERNANCE**

Separate Section on Corporate Governance Report together with certificate from the Auditors of the Company regarding full compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement forms part of the Annual Report.

**DIRECTORS****Appointment**

IDBI Bank Limited has vide their letter no. SS-ICG.53/246/Nom.8 dated August 25, 2008 withdrawn the nomination of Mr. B. Lanong from the Board of your Company and has appointed Mr. E. E. Fernandes, General Manager, Support Services-Infrastructure Corporate Group, IDBI Bank Limited, Mumbai with effect from September 8, 2008. Your Company wishes to express and record heartiest gratitude to Mr. B. Lanong for his valuable contribution for the growth of the Company and extend warm welcome to Mr. E.E. Fernandes on the Board of your Company.

**Cessation**

Mr. Vimal Kumar Jain did not wish to be re-appointed as the Director of the Company and has retired at the Annual General Meeting held on July 25, 2008. Your Directors wish to record their warm appreciation for the valuable services and advice rendered by him during the tenure of his office.

**Retirement by Rotation**

In accordance with the provision of Section 256 of the Companies Act, 1956, read with the Articles of Association of the Company, Mr. Prahlad Rai Chamaria, Mr. Ramesh Chandra Bajaj and Mr. Vishal More are directors liable to retire by rotation and being eligible offer themselves for their re-appointment at the forthcoming Annual General Meeting of the Company.

**AUDITORS**

The Statutory Auditors, 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. The Board of Directors recommends the re-appointment of M/s Kumar Vijay Gupta & Co. as the 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 to meet the requirements of the Companies Act, 1956 as well as Listing Agreement with the Stock Exchanges. The detail of the Audit Committee is given under the Corporate Governance Report.

**AUDITOR'S REPORT**

Auditor's Report to the shareholders does not contain any qualification. Notes on Accounts referred to in the Auditor's Report are self explanatory and, therefore, do not call for any further comments.

**PARTICULARS OF EMPLOYEES**

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

**SUBSIDIARY COMPANIES**

Ministry of Corporate Affairs, Government of India, vide its letter dated March 16, 2009 has exempted the Company from attaching the Annual Reports and other particulars of its subsidiary companies along with the Annual Report of the Company required under Section 212 of the Companies Act, 1956. Therefore, the said reports of the subsidiary companies viz. (i) Badarpur Energy Private Limited (BEPL), (ii) Meghalaya Minerals and Mines Limited (MMML), (iii) Cement International Limited (CIL) are not attached herewith. However, a statement giving certain information as required vide aforesaid exemption letter dated March 16, 2009 is placed along with the Consolidated Accounts.

The Company shall provide the copy of Annual Report and other documents of its subsidiary companies as required u/s 212 of the Companies Act to the shareholders upon their request, free of cost.

**CONSOLIDATED FINANCIAL STATEMENTS**

Your Company has prepared the Consolidated Financial Statements in accordance with the applicable Accounting Standards (AS-21, AS-23 and AS-27) issued by the Institute of Chartered Accountants of India. As per the requirements of Clause 31 of the Listing Agreement, audited consolidated financial results are attached to the annual report. The summary of the consolidated financial performance of the Company and its subsidiary companies is as follows:

<b>Particulars</b>	<b>Amount (in Rs. Lacs)</b>
Sales/Turnover	11,941.18
Profit before tax	599.01
Profit after Tax	593.00
Total Shareholders Funds	7851.72

**PERSONNEL**

The relations during the period under review remained cordial at all levels. 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.

#### **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 31.03.2009 and of the profit for the year ended 31.03.2009;
- iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the financial statements have been prepared on a going concern basis.

#### **INSURANCE**

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

#### **PUBLIC DEPOSITS**

During the period under review, your Company has not accepted any deposits 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 31.03.2009.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

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 Board of Directors) Rules, 1988 are set out in Annexure 'A' forming part of the report.

#### **ACKNOWLEDGMENT**

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

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

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

For **Barak Valley Cements Limited**

Place : Guwahati  
Date : 30.06.2009

Sd/-  
**Bijay Kumar Garodia**  
Chairman

## **Annexure 'A' to Director's Report**

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

**a) Energy Conservation Measures Taken:**

- i. Pre heater fan drive conversion from L.T to H.T.
- ii. Installation of 4 Nos. of V.F.D. in Cooler Fan.
- iii. Installation of new mill with high sufficiency separator.
- iv. P.L.C in kiln feeding system.
- v. 4 Nos. of bag filters & 1 No. of wet scrubber installed to control pollution & save wastage out of dust pollution.
- vi. New Coal mill installed using cooler waste heat to dry the coal.
- vii. Made arrangement for "Twin drive of kiln".
- viii. Fly ash dryer installed.
- ix. V.F.D in Raw Mill C.A. fan- 160 KW.
- x. Capacitor in Pre-heater fan- 190 KVAR.
- xi. V.F.D in Cement mill 3 CA fan – 160 KW.
- xii. V.F.D in Cement mill 3 BF fan – 55 KW.
- xiii. Capacitor bank in substation – 350 KVAR.
- xiv. V.F.D in Cement mill 1 & 2 CA fan – 110 KW.
- xv. V.F.D. in Coal Mil-2 BF fan - 55 KW.

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

- i. To install Deep Bucket Conveyor in place of Belt Conveyor.
- ii. Clinker pre grinding arrangement.
- iii. High Efficiency Steel Cord Belt Elevators.
- iv. Weigh feeders in Raw Material Grinding.
- v. Pre calciner in pre heater.
- vi. Fly ash handling, grinding and storage.
- vii. Alternate waste fuel firing system.
- viii. Auxiliary drives in Grinding Mills.
- ix. Installation of high Efficiency Gear Box and Motor of 800 KW in Cement Mill no. 3.
- x. Replacing Cement Mill No.1 Motor with auxiliary drive from 450 KW to 350 KW.

**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 measures, 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:**

<b>Power and Fuel Consumption</b>	<u>2008-09</u>	<u>2007-08</u>
a) Purchase Units (KWH)	<b>2,19,17,151 Units</b>	1,65,37,101 Units
Total Amount (Rs. In Lakhs)	<b>1155.05</b>	615.49
Rate/Unit (Rs.)	<b>5.27</b>	3.72
Own Generation (KWH)	<b>8,33,950 Units</b>	13,88,208 Units
Total Amount (Rs. in Lakhs)	<b>78.56</b>	121.41
Rate/Unit (Rs)	<b>9.42</b>	8.75
b) Coal Consumption	<b>29,258.71 MT</b>	22,590.55 MT
Total Amount (Rs. in Lakhs)	<b>1188.69</b>	583.09
Rate/MT (Rs)	<b>4062</b>	2581
<b>Consumption per unit of production (Unit/MT)</b>	<u><b>Power (Per MT of Cement)</b></u>	<u><b>Coal (Per MT of Clinker)</b></u>
Standard, if any	<b>129.00 Units</b>	0.20 MT
Current Year	<b>127.47 Units</b>	0.18 MT
Previous Year	<b>140.63 Units</b>	0.17 MT

**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. Kiln drives both sides with different power motor sharing load through V.F.D.
- ii. Use of biomass in kiln pre calciner replacing fossil fuel – coal.
- iii. Use of heat lost through radiation from kiln shell.
- iv. Drying & grinding of fly ash using cooler waste heat.

**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 pre heater with pre calciner to increase the production of clinker from 600 TPD to 750 TPD.

**d) Expenditure on R&D**

1. Capital Expenditure	NIL
2. Recurring Expenditure	<u>Rs 2,75,000</u>
3. Total Expenditure	<u>Rs 2,75,000</u>

**2. Technology absorption, adaptation and innovation**

**a) Efforts made towards technology absorption, adaptation and innovation**

During the year 2008-09, the following jobs were taken up:

- i) Load sharing module through V.F.D for two different capacity & RPM of motor to drive one unit. The kiln could run at higher RPM from 2.2 RPM to 3.3 RPM.
- ii) De dusting the host laden air of cooler through HURRICLON (Self Designed) and using the waste heat of clinker cooler in drying the coal.
- iii) Design and manufacturing Torsion Shaft of Grinding Mill no. 3 to run at higher load.

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

The installed capacity of the kiln production will go up to 600 TPD of Clinker and 750 MT of Cement.

**c) Foreign Exchange earning and outgo.**

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

Foreign Exchange Earned	NIL
Foreign Exchange Used	NIL

For Barak Valley Cements Limited

## Management Discussion and Analysis

### INDIAN ECONOMY OUTLOOK

Fiscal 2008-09 started off on a note that the economy was decidedly on a higher growth path with the macro-economic fundamentals inspiring confidence and a general optimism about the medium to long term prospects of the economy. However, the global situation deteriorated massively after mid September 2008 following the collapse of Lehman Brothers, one of the top five investment banks in the US, the collapse of AIG and also of the mortgage lenders Freddie Mae and Fannie Mae. There has been massive choking of credit since then and a global crash in stock markets. Most emerging market countries have slowed down significantly and India has also been affected. The Indian Economy has grown by just 7.7% in the year 2008-09 against 9% in 2007-08. The global slowdown has its implications on the domestic economy, primarily through the moderation in capital inflows, the financial markets and trade. The deepening of the crisis post August 2008 and subsequent deleveraging and risk aversion in the global markets has directly affected the Indian equity and the foreign exchange markets.

However, recently, World Bank has projected an 8% growth for India in 2010 making it the fastest growing economy for the first time leaving behind expected 7.7% growth of China. According to its Global Development Finance Report, World Bank has revised upwards the growth rate for the Indian Economy this year to 5.1% from an earlier projection of 4%. The research arm of Economist has also said "Emerging Asia will be the world's fastest growing region over 2010-13, but this mainly reflects a relatively strong growth performance by India and China."

### INDUSTRY OUTLOOK

The capacity of the cement industry at the beginning of the year 2008-09 was 198.30 million tonnes. The total installed capacity as on August 31, 2008 was 204.29 MT and total dispatches of 100.17 MT during April-October 2008-09. Cement production during April-October 2008-09 was 101.04 million tonnes as compared to 95.05 million tonnes during the same period for the year 2007-08. On the backdrop of good demand coming from the infrastructure segment, cement dispatches have increased with 11% y-o-y in November, 2008, 12% y-o-y growth in December, 8.26% and 8.73% y-o-y growth in January and February, 2009 respectively.

The growth momentum in the Cement Industry is likely to continue growing at 8-10% in the medium to long term; Government initiatives for infrastructure projects, industrial expansion projects and the housing sector are likely to be the main drivers of growth for the industry. The Government has increased the budgetary allocation for roads under National Highways Development Project (NHDP) and continued to provide a fillip to the infrastructure sector in the budget. Government has also announced a four percent cut in excise duty and a stimulus package for housing industry in December, 2008 which provides very much relief to the Industry.

According to a report by ICRA Industry Monitor, the installed capacity is expected to increase to 241 MTPA by FY 2010 end. India's cement industry is likely to record an annual growth of 10 percent in the coming years with higher domestic demand resulting in increased capacity utilization. Moreover, according to the Centre for Monitoring Indian Economy (CMIE), cement production is expected to grow by 8.1 percent and demand for the same is likely to rise by healthy 7-7.5 percent in FY 2009-10.

The major concerns for the Cement Industry are the spiraling coal prices pushing up the manufacturing costs. The cement manufacturers all over India are stuck in the middle of high input costs. The increase in the coal costs in the last one year has made the P&L Statements of cement companies to bleed which have increased by around 100%, whereas the hike in the cement prices was only by 5-10% in the whole year. In the second half of 2008-09, the prices of coal have come down due to the recession in the global economy. However, with the revival of the economy, there is a possibility that the coal prices may again increase.

### OVERVIEW OF 2008-09

Your Company has been featured as one of the nation's fastest growing manufacturing companies in the premier business magazine named "Industry 2.0". "Industry 2.0" in its August-September 2008 issue of Top 500 Manufacturing SMBs has identified your Company at a ranking of 112. Your Company has successfully launched the BVCL newsletter, making it a space to share our hard work, success, future plans and even failures. Your Company has also launched its brand "Valley Strong" cement in Guwahati which is now available all around the city apart from the availability in the areas of Tripura, Mizoram, Assam.

### COMPANY PERFORMANCE

The performance of the Company for the financial year 2008-09 as compared to the financial year 2007-08 is as under:

	<b>FY 2008-09</b>	<b>FY 2007-08</b>
Production (MT)	<b>1,66,142</b>	1,15,306
Dispatches (MT)	<b>1,64,753</b>	1,15,416
Turnover (Rs. in lakhs)	<b>8,914.33</b>	7,031.42
Profit after Tax (Rs. in lakhs)	<b>816.67</b>	1,100.29

The Net Profit of the Company for the year ending 31<sup>st</sup> March 2009 is Rs. 816.67 lakhs in comparison to the Net Profit of Rs. 1,100.29 lakhs in the previous financial year. The main reason for the reduced profitability of the Company is increase in the raw material cost which has enhanced to Rs. 875/- per MT of Cement in comparison to Rs. 832/- per MT of Cement in the corresponding previous year, overall increase in the power and fuel cost which has increased to Rs. 1,335 per MT as compared to Rs. 911 per MT in the corresponding previous year and increase in the transportation cost which has enhanced to Rs. 515 per MT in comparison to Rs. 385 per MT in the corresponding previous year due to hike in fuel price and freight cost.

Further, due to the restriction on Excise Duty reimbursement from the Central Government @ 75% as compared to 100% in the earlier years, profitability of the company has come down significantly in the current year.

**PERFORMANCE OF SUBSIDIARIES**

The performance of the subsidiary companies viz. Badarpur Energy Private Limited (BEPL), Meghalaya Minerals and Mines Limited (MMML) and Cement International Limited (CIL) for the financial year 2008-09 as compared to the financial year 2007-08 is as under:

	<b><u>FY 2008-09</u></b>	<b><u>FY 2007-08</u></b>
<b>BADARPUR ENERGY PRIVATE LIMITED</b>		
Units Generated (In Lakhs)	<b>183.11</b>	35.35 (For Two Months)
Net Units Sold (In lakhs)	<b>140.95</b>	26.52
Turnover (Rs. in Lakhs)	<b>845.69</b>	91.58
Profit after Tax (Rs. In lakhs)	<b>(671.47)</b>	(33.80)
<b>MEGHALAYA MINERALS AND MINES LIMITED</b>		
Limestone Extracted (MT)	<b>1,74,091</b>	1,63,773
Limestone Dispatched (MT)	<b>1,81,270</b>	1,53,273
Turnover (Rs. In lakhs)	<b>880.38</b>	665.29
Profit after Tax (Rs. In lakhs)	<b>95.58</b>	71.18
<b>CEMENT INTERNATIONAL LIMITED</b>		
Production (MT)	<b>79,879</b>	54,737
Dispatches (MT)	<b>78,856</b>	54,351
Turnover (Rs. in lakhs)	<b>4103.71</b>	2654.77
Profit after Tax (Rs. in lakhs)	<b>347.38</b>	170.32

**SALES & MARKETING**

Your Company's well articulated marketing strategy of consolidating market share with innovative brand management helped improve its market share. 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. During current year 2008-09, your company has also successfully launched its brand in Guwahati and 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 gone up to Rs. 9,057 lakhs as compared to Rs. 7,119 lakhs in the corresponding previous year. Due to aggressive marketing and overall efforts, your Company has been able to dispatch 1,64,753 MT of cement, which is 29% more than the corresponding previous year. Gross sales price realization has gone up to Rs. 4,980/- per MT of Cement as compared to Rs. 4,870/- per MT in the corresponding previous year. Net sales realization has been Rs. 4177/- per MT of Cement as compared to Rs.4217/- per MT in the corresponding previous year. During the current year, your company has incurred Rs.132.44 lakhs on sales promotion and advertisement expenses as compared to Rs. 76.78 lakhs in the corresponding previous year. Your Company's market share in the North East region accounts for 7 % in the year 2008-09 in comparison to 6% in the previous year 2007-08.

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

During the year, your Company has consumed 1,98,176 MT of Lime Stone as compared to 1,66,413 MT of Limestone during the corresponding previous 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. 535/- which is almost same as compared to the last year.

**(ii) Fly Ash:**

During the year, your Company has consumed 18,996 MT of Fly Ash against 11,242 MT during the corresponding previous year. The average acquisition cost per MT of Fly ash has increased substantially by 12% i.e. from Rs.1,865/- per MT to Rs. 2,085/- per MT in the current year. In current financial year 2008-09, overall Fly Ash cost constitutes 24% of overall raw material cost as compared to 17% of raw material cost in the earlier year. The per tonne fly ash cost comes out to Rs. 234/- per tonne as compared to Rs. 184/- per MT of producing cement as compared to corresponding previous year.

Your Company has also produced 75,603 MT of PPC cement as compared to 54,294 MT of PPC cement in the corresponding previous year, achieving a growth of over 39%.

**(iii) Gypsum:**

Gypsum consumption has increased from 568 MT to 1140 MT in the current year 2008-09. The overall gypsum consumption cost comes to 2.11 % of overall raw material cost as compared to 1.24% in the corresponding previous year. The average cost of Gypsum has also increased to Rs. 3,000/- per MT against Rs. 2,850/- in the corresponding previous year.

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

During the year, your Company has consumed 29,258 MT of coal, which constitutes 18% of per MT clinker production as compared to 22,590 MT during last year (17% of per MT clinker production). A high content of ash is the prime reason for higher consumption of coal during the year.

In current year, your Company has incurred Rs. 1,189 lakhs on coal as compared to Rs. 583 lakhs in previous year. The cost of domestic coal has increased by whopping about 60% during the year as compared to last year. In 2008-09; average coal costing comes out to Rs. 4,062/- per MT as compared to Rs. 2,581/- per MT in 2007-08.



**(ii) Power:**

In current year, your Company has purchased 89.58 lakhs units from ASEB and 129.59 lakhs unit from Badarpur Energy Private Limited (BEPL), a wholly owned subsidiary company as compared to 138.85 lakhs unit from ASEB and 26.52 lakhs unit from BEPL in the corresponding previous year. During the year, your Company has incurred Rs. 1234.45 lakhs on power cost with an average of Rs. 5.43 per unit as compared to Rs. 738.29 lakhs (Rs. 4.12 per unit) in corresponding previous year.

In current year, due to initial teething problems and some other technical difficulties, 6.00 MW biomass based power plant in BEPL was not able to generate power to its normal capacity. However, the Company is 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 2008-09, your Company has incurred Rs. 485.33 lakhs on wages and labor cost as against Rs. 395.60 lakhs in 2007-08. In current year, wages cost has been increased, due to enhanced man power and wages rate. But in overall terms in current year, wages cost comes out to Rs. 270/- per MT of Cement cost as compared to Rs. 280/- per MT in the last year.

**(d) Transportation Cost**

Your Company has dispatched 1,64,753 MT of cement as compared to 1,27,625 MT of cement in the previous financial year and achieved a growth of 29% . However, due to higher fuel price and freight cost, the overall transportation cost has increased substantially. The overall transportation cost comes out to Rs. 974.59 lakhs as compared to Rs. 545.73 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.

**RISKS AND AREAS OF CONCERN****Coal**

The cost of domestic coal has increased by whopping about 60% during the year as compared to last year. However, the prices of coal have come down in the second half of 2008-09. Coal cost comes around 15% of total cost of cement and any variation in price of coal will directly impact the profitability of the Company. 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 your Company. However, due to better realization of finished product, your Company would be able to offset the same against the increased cost.

**Market and Competition Risk**

Your 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 your 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****Greenery by BVCL**

Your Company believes in the policy of being an eco-friendly organization to inflict minimal or no harm to the environment. In order to meet the pressing environmental challenges such as need for cleaner energy, water, reduced emissions, environmental pollution and save the planet we live in, your Company under its **"Mass Tree Plantation Motto"** taken up unused lands lying with the landlord for the plantation purpose. In this process, after taking the unused land with itself, your Company has developed the land and is in the process of planting special plant, thereby creating a green globe in the surrounding area. Your Company has already taken up approx. 3000 bighas areas of land under this scheme.

BVCL has also developed an **Ever Green Hill** by planting different samplings to enhance the bio-diversity around the plant site covering North-East to East-South corner and also other sites. Your Company also took the initiative of **"Arboriculture"** on Badarpur-Adarkona PMGSY road stress of 1.6 KM road side planting of ornamental and medicinal trees etc. All the environmental and resources conservation measures have been taken by your Company with utmost care in association with the regulatory bodies.

BVCL regularly maintains many gardens within the factory compound and also in the locality, which not only contributes to the environment but also makes the place visually beautiful.

The validation of 6MW Biomass power CDM Project has also been completed by its wholly owned subsidiary company, Badarpur Energy Private Limited. The Project is now ready for submission to UNFCC for registration.

**Corporate Social Responsibility****Health Care**

BVCL has set up Free Health Care Centre at Debendra Nagar, Badarpurghat, Distt. Karimganj, Assam for the welfare of the local community dedicated to providing excellent primary health care free of cost to needy people regardless of race, religion or gender. Your Company has also organized different health care related activities like "Pulse Polio Immunization" Program, "Family Planning" Program, and "Vaccination for Child" Program which proved to be beneficial for the local inhabitants.

Your Company has identified health as a primary objective in the development of community as a result of which, your Company has in association with Lions Club, Badarpur organized "Free Eye Camp" for Detection of Cataract with Micro Surgery (IOL) at its free Health Care Centre, Debendra Nagar. Under the camp, check up of total 131 patients has been carried out, of which 31 numbers of patients have been detected suffering from cataract and your Company bears the cost of micro surgery (IOL) for them.

Your Company has also set up new medical clinic in the surrounding area of the plant to cater to the needs of economically backward families through free medical check-ups and distribution of free medicines.

BVCL also organized Yog Science Camp programme at Silchar to give relief from the increasing work pressure.

**Social Welfare**

It has always been the constant endeavor of your Company to look after its social and moral responsibility towards the society and also its local community. Your Company has constructed various waiting sheds for common mass people at different places like Badarpurghat, Silchar (Ram Nagar) and Ziribum. BVCL has also developed and constructed a park namely Valley Strong Island at Badarpurghat at tri-junction on NH-44 and NH-53 as a part of its community development programme.

**Foundation of Vivekananda Kendra Vidyalaya**

Mr. Kamakhya Chamaria (Hon'ble Vice-Chairman and Managing Director) of your Company laid the foundation stone of **Vivekananda Kendra Vidyalaya** on December 21, 2008 to provide high standard education to the children of Debendra Nagar, Badarpurghat.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

BVCL has an independent internal audit function carried out by a team of internal auditors at the plant, regional offices and head offices. Your Company remains committed to ensuring an effective control environment that provides assurance on the efficiency of operations, financial propriety of business transactions, safeguards assets, ensure due compliance with relevant statutes, policies and procedures etc. The internal control system provides for the well documented policies, guidelines, authorizations and approval procedures. Internal Audit is carried out round the year. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. Audit Committee also reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

**HUMAN RESOURCES**

BVCL always aims for the development of HR potential in accordance with the Company's strategic objectives and tasks by providing a productive working environment, opportunities and incentives. BVCL aimed at constant long-term work relationship in exchange for the commitment of the employees to adapt to the constantly changing requirements through professional reorientation, continuous learning and mobility. Your Company seeks to attract, retain and develop the right people, who display in addition to their professional skills, the following competencies:

- ◆ Achievement Orientation
- ◆ Customer Orientation
- ◆ People Orientation
- ◆ Leadership
- ◆ Self Confidence

BVCL develops the skills of all employees to create high levels of motivation and performance and to allow them to reach their full potential. Your Company believes in the policy of having well-trained and highly knowledgeable and experienced staff. The total employees on the pay roll of your Company are 248 as on 31.03.2009.

**OCCUPATIONAL HEALTH & SAFETY (OH&S)**

Your Company believes in the policy of promotion and maintenance of highest degree of physical, mental and social well being of workers, protection of workers from risks resulting from the working conditions, maintenance of the workers in an occupational environment adaptable to their physiological and psychological capabilities. The objectives of your Company are to:

- ◆ Secure and promote the health, safety and welfare of people at work.
- ◆ Protect people against workplace health and safety risks.
- ◆ Ensure that the risks associated with the workplace are identified, assessed and eliminated or controlled.
- ◆ Develop and promote awareness of occupational health and safety.
- ◆ Protect people against risks arising from the use of machinery, equipment etc.

**CAUTIONARY STATEMENT**

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in statement. Important factors that could influence the company's operations include demand and supply conditions, availability of inputs and their prices, both domestic and global, changes in government regulations, tax laws, monsoon, economic developments within the country and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

## Corporate Governance Report

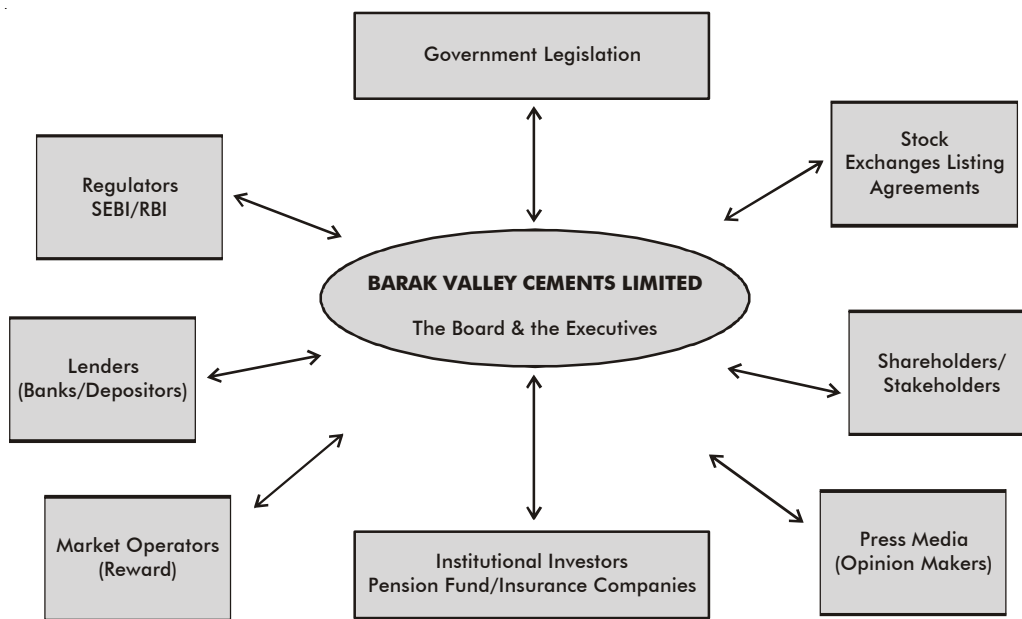
### CORPORATE GOVERNANCE

Corporate Governance involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders and also the structures through which the objectives of the company are set and the means of attaining those objectives and monitoring performance are determined. Corporate Governance is the manner in which a Corporation is run in achieving its objectives, transparency of its operations, accountability & reporting and good corporate citizenship.

#### 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

BVCL has always been guided by the principle of satisfying the spirit of law beyond the letter of the law by maintaining transparency, accountability and integrity in the firm belief that the management is the trustee of the shareholder’s capital and not the owner. BVCL strongly believes in the policy of simple and transparent corporate structure driven solely by the business needs. BVCL believes that the Board of Directors is accountable to the shareholders and the management is accountable to the Board of Directors, which provides an impetus to performance and improves effectiveness, thereby enhancing shareholder’s value. The Company also believes that the freedom of management should be exercised within a framework of appropriate checks and balances which are prevented by exercising proper control to avoid misuse of power and facilitate timely management response to change.

A conceptual framework of Corporate Governance operating in your Company is depicted as follows:



In so far as the compliances of Clause 49 of the Listing Agreement with the Stock Exchanges are concerned, your Company is in full compliance with the compliances and disclosures that have to be made. The detailed compliance of Clause 49 is as follows:

#### 2. BOARD OF DIRECTORS

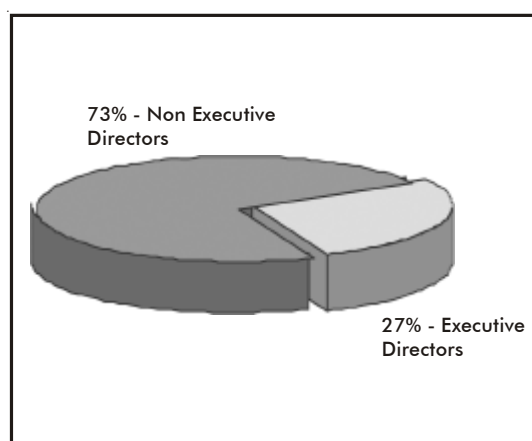
##### a) Composition of Board

In compliance with the corporate governance norms in terms of Clause 49(I) (A) for the composition of Board, the Board of Directors of the Company is headed by Executive Chairman, Mr. Bijay Kumar Garodia. The Board of Directors of the Company (“the Board”) consists of 11 Directors, out of which 8 are Non-Executive Directors (including Nominee Director) and 3 are Executive Directors. All the directors are professionals in their field and have relevant expertise in the areas of finance, accounts, legal, marketing etc. In terms of the Articles of Association of the Company, the strength of the Company shall not be less than three and not more than twelve.

The activities of routine nature are taken under the supervision and directions of the Chairman, Whole-Time Director and Vice-Chairman and Managing Director. The Company has constituted various committees in order to ensure smooth functioning of the business of the Company or as per the statutory requirement on the Company. The Board of the Company apart from taking strategic and tactical decisions regarding sustainable and balance growth, also supervise the business of the Company.

The following is the composition of the Board as on 31<sup>st</sup> March, 2009:

As On	Executive Directors	Non Executive Directors	Total No. of Directors
31.03.2009	3	8	11



The table given below gives the composition of BVCL Board and the number of other Directorships and Committee Memberships as on 31<sup>st</sup> March, 2009.

Name of Directors	Other Directorships in Limited Companies	Other Directorships in Private Limited Companies	Membership in Committees (Other than BVCL)	Membership in Committees in BVCL
Mr. Bijay Kumar Garodia	6	7	Nil	Nil
Mr. Kamakhya Chamaria	Nil	Nil	Nil	2
Mr. Mahendra Kumar Agarwal	6	5	1	Nil
Mr. Santosh Kumar Bajaj	1	1	Nil	Nil
Mr. Prahlad Rai Chamaria	1	1	Nil	Nil
Mr. Brahm Prakash Bakshi	3	Nil	Nil	2
Dr. Dhanpat Ram Agarwal	2	2	Nil	1
Mr. Ramesh Chandra Bajaj	Nil	Nil	Nil	1
Mr. Vishal More	1	Nil	Nil	1
Mr. Dinesh Chandra Agarwal	Nil	Nil	Nil	Nil
Mr. E.E. Fernandes	1	Nil	1	Nil

- Directorship in other companies, whether listed or not, has been counted by excluding Directorship in Private Limited companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 for the purpose of considering the limit of the committees on which a director can serve.
- Only two Committees viz. the Audit Committee and the Shareholders'/Investor Grievance Committee are considered for the purpose of counting Membership and Chairmanship in other committees.

**b) Meetings of Board**

During the last financial year ended 31<sup>st</sup> March, 2009, five Board Meetings were held on the following dates:

Date of Board Meeting	Place of Board Meeting	No. of Directors present in Meeting
07.05.2008	281, Deepali, Pitam Pura, Delhi -110034	5
20.06.2008	281, Deepali, Pitam Pura, Delhi -110034	4
25.07.2008	202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam -781007	7
31.10.2008	CF-361, Salt Lake City, Kolkata -700064	5
30.01.2009	CF-361, Salt Lake City, Kolkata -700064	6

No Extra-ordinary General Meeting was held during the financial year 2008-09.

The Annual General Meeting of the Company was held on 25.07.2008. The meeting and attendance record of Directors is described as follows :

Name of Directors	Inter-se Relationship with Directors		Category	Attendance	
	Director with whom related	Relation		Board Meeting	Annual General Meeting
Mr. Bijay Kumar Garodia, Chairman and Whole-Time Director	Mahendra Kumar Agarwal	Sister's Husband	Promoter Director, Executive Director and Non Independent Director	4/5	Yes
Mr. Kamakhya Chamaria, Vice-Chairman and Managing Director	Prahlad Rai Chamaria	Brother	Executive Director and Non Independent Director	4/5	Yes
Mr. Mahendra Kumar Agarwal, Vice Chairman	Bijay Kumar Garodia	Brother in law	Promoter Director, Non Executive Director and Non Independent Director	4/5	Yes
Mr. Santosh Kumar Bajaj, Whole-Time Director	Nil	NA	Promoter Director, Executive Director and Non Independent Director	4/5	Yes
Mr. Prahlad Rai Chamaria, Director	Kamakhya Chamaria	Brother	Promoter Director, Non Executive Director and Non Independent Director	1/5	No
Mr. Brahm Prakash Bakshi, Director	Nil	NA	Non Executive Director and Independent Director	2/5	Yes
Dr. Dhanpat Ram Agarwal, Director	Nil	NA	Non Executive Director and Independent Director	3/5	Yes
Mr. Ramesh Chandra Bajaj, Director	Nil	NA	Non Executive Director and Independent Director	0/5	No
Mr. Vimal Kumar Jain, Director	Nil	NA	Non Executive Director and Independent Director	0/2	Yes
Mr. Vishal More, Director	Nil	NA	Non Executive Director and Independent Director	2/5	No
Mr. Dinesh Chandra Agarwal, Director	Nil	NA	Non Executive Director and Independent Director	0/5	No
Mr. E.E. Fernandes, Director	Nil	NA	Non Executive Director and Nominee Director	2/2	No
Mr. B. Lanong, Director	Nil	NA	Non Executive Director and Nominee Director	1/3	No

- ◆ Disclosure of inter-se relationship has been disclosed as required under Clause 49(IV)(G) (ia).
- ◆ IDBI Bank Limited has withdrawn the nomination of Mr. B. Lanong, Nominee Director from the Board of your Company and has appointed Mr. E.E. Fernandes w. e. f. 08.09.2008.
- ◆ Mr. Vimal Kumar Jain, Director of the Company has retired at the AGM of the Company held on 25.07.2008 as he does not wish to be re-appointed.
- ◆ Independent Director means a Director defined as such under Clause 49 of the Listing Agreement.

The Board Meetings are held periodically to control the company's overall situation, review and discuss the performance of the Company, strategies, policies, to monitor the exercise of any delegated authority and other pertinent issues relating to the Company. The Board meetings are conducted in such a way that the business for which it was convened is properly attended to and the Board has full power to express their views and the decisions taken by the meeting adequately reflect the views of the meeting as a whole.

### c) Information provided to Board

The detailed agenda for the Board and Committee Meetings is circulated in advance of the meetings along with the appropriate supporting documents. Certain matters of urgency are decided by the Board by way of passing the resolution by circulation as provided under the Companies Act, 1956 and circular resolutions are then confirmed at the next Board Meeting. The Company has circulated notices, agendas, material developments affecting the Company including the following:

- i) Business Plans and Progress thereof.
- ii) The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Finance Officer and the Company Secretary.

- iii) Review of compliance of all laws applicable to the Company including the requirements of Listing Agreement and steps taken by the Company to rectify instances of non compliances, if any.
- iv) Minutes of the Audit Committee Meeting and other Committees of the Board and the minutes of subsidiary companies.
- v) Transactions involving substantial payment towards goodwill, brand equity or intellectual property.
- vi) Quarterly Financial Statements.
- vii) Status of the ongoing projects of the Company and its subsidiaries.
- viii) Terms of reference of the Committees appointed by the Board.
- ix) Information related to strikes, lock-outs, retrenchments and fatal accidents etc.
- x) Any information which could potentially impact/alter the business seriously or which could negatively impact the Company's image in general.
- xi) Compensation to Directors.

**d) Compensation and Remuneration**

- i) The Managing Director and Whole-Time Directors are paid remuneration as per their respective agreements entered into with the Company. Any increase in the remuneration is considered by the Remuneration Committee first and then by the Board. Thereafter, the approval of the members is sought for such increase.
- ii) The Non-Executive Directors are paid sitting fees for attending the Board Meetings.

**e) Code of Conduct**

The Board of Directors has laid down a Code of Conduct for all the Board members and Senior Management Personnel of the Company. The Code covers among other things, the company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environmental performance, health & safety, transparency and legal compliance etc. The Code of Conduct is posted on the website of the Company.

All Board members and Senior Management Personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.

**3. COMMITTEES OF THE BOARD**

The Committees constituted by the Board carry out the functions in specific areas and make recommendations to the Board on various matters from time to time. The decisions and recommendations of the Committees are placed before the Board for information or approval.

BVCL has the following regular Board Level Committees:

- A. Audit Committee
- B. Remuneration Committee
- C. Share Transfer Committee
- D. IPO Committee
- E. Shareholder's/ Investor's Grievance Committee
- F. Sub-Audit Committee

**A. AUDIT COMMITTEE**

a) The Audit Committee is headed by Mr. Vishal More and comprises of the following:

- i) Mr. Vishal More, Chairman
- ii) Mr. Brahm Prakash Bakshi, Member
- iii) Mr. Kamakhya Chamaria, Member
- iv) Mr. Ramesh Chandra Bajaj, Member
- v) Ms. Dimpy Choudhary, Secretary

All the members of the Audit Committee are Non-Executive and Independent Directors except Mr. Kamakhya Chamaria and Ms. Dimpy Choudhary. All the members possess sound knowledge of accounts, audit, finance, internal controls etc. The Audit Committee has been reconstituted on 25.07.2008 by the Board due to the retirement of Mr. Vimal Kumar Jain at the Annual General Meeting.

b) The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. These broadly include discussion on quarterly, half yearly

and annual financial results, approval of annual internal audit plan, review of financial reporting systems, internal control systems, interaction with statutory and internal auditors, recommendation for the appointment of statutory auditors and their remuneration.

In addition, the Audit Committee reviews the following:

- i) Ensure compliance with the Accounting Standards and Listing requirements with respect to financial statements.
  - ii) Ensure that adequate safeguards have been taken for legal compliance both for the Company and its subsidiaries.
  - iii) Review related party transactions.
  - iv) Reviewing the performance of Statutory and Internal Auditors.
  - v) Hold discussions with the Statutory Auditors on the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
  - vi) Review the adequacy of the internal control in the Company including a plan, scope and performance of the internal audit functions.
  - vii) Reviewing the annual financial statements before submission to the Board for approval, with particular reference to:
    - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
    - b. Changes, if any, in accounting policies and practices and reasons for the same.
    - c. Major accounting entries involving estimates based on the exercise of judgment by management.
    - d. Significant adjustments made in the financial statements arising out of audit findings.
    - e. Compliance with listing and other legal requirements relating to financial statements.
    - f. Disclosure of any related party transactions.
    - g. Qualifications in the draft audit report.
  - viii) Management Discussion and Analysis of financial condition and results of operations.
  - ix) Review of the financial statements of the unlisted subsidiary company (ies), in particular, the investments made by them, if any.
  - x) Letters of Statutory Auditors to management on internal control weakness, if any.
  - xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.
  - xii) Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/ or other Committee(s) of Directors of the Company.
- c) The Audit Committee during the year ended 31<sup>st</sup> March, 2009 had 4 meetings duly held on 07.05.2008, 25.07.2008, 30.10.2008 and 29.01.2009. The attendance of each committee member was as under:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Vishal More	4	4/4
Mr. Brahm Prakash Bakshi	4	1/4
Mr. Kamakhya Chamaria	4	4/4
Mr. Ramesh Chandra Bajaj	2*	2/2
Mr. Vimal Kumar Jain	1*	1/1
Ms. Dimpay Choudhary	2	2/2

\* Mr. Ramesh Chandra Bajaj has been appointed as the member of the Committee after the reconstitution of the Committee on 25.07.2008 and therefore, has attended only two meetings after his appointment & Mr. Vimal Kumar Jain has attended the meeting before his retirement at the Annual General Meeting.

**B. REMUNERATION COMMITTEE**

a) The Remuneration Committee is headed by Mr. B.P. Bakshi and comprises of the following:

- i) Mr. Brahm Prakash Bakshi, Chairman
- ii) Dr. Dhanpat Ram Agarwal, Member
- iii) Mr. Ramesh Chandra Bajaj, Member
- iv) Mr. Bijay Kumar Garodia, Member

The Remuneration Committee has been re-constituted on 25.07.2008 by the Board due to the retirement of Mr. Vimal Kumar Jain at the Annual General Meeting.

b) The terms of reference of the Committee are to review and decide the policy on specific remuneration packages including pension rights and any compensation payments for executive directors i.e. Managing Director and Whole-Time



Directors of the Company. The remuneration to the Managing Director and Whole-time Directors is decided on the basis of the remuneration package in other comparable corporate, industry trends, job responsibilities and company's performance and individual's key performance areas.

- c) During the financial year ended 31<sup>st</sup> March, 2009, one meeting was held on 5.05.2008. The attendance at the above meeting was as under:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Vimal Jain	1	1
Dr. Dhanpat Ram Agarwal	1	1
Mr. Bijay Kumar Garodia	1	1
Mr. Brahm Prakash Bakshi	1	-

- d) Details of the remuneration to the Directors for the year ended 31<sup>st</sup> March, 2009 is as follows:

Sr. No.	Director	Salary	Sitting Fees	No. of shares held
1	Mr. Bijay Kumar Garodia	11,00,000	-	21,62,500
2	Mr. Kamakhya Chamaria	13,00,000	-	3,40,000
3	Mr. Santosh Kumar Bajaj	13,00,000	-	20,84,500
4	Mr. Prahlad Rai Chamaria	-	-	19,84,800
5	Mr. Mahendra Kumar Agarwal	-	-	18,32,600
6	Mr. Brahm Prakash Bakshi	-	15,000	-
7	Dr. Dhanpat Ram Agarwal	-	15,000	-
8	Mr. Ramesh Chandra Bajaj	-	-	-
9	Mr. Vishal More	-	30000	-
10	Mr. Dinesh Chandra Agarwal	-	-	-
11	Mr. E.E. Fernandes	-	-	-

### C. SHARE TRANSFER COMMITTEE

- a) The Share Transfer Committee is headed by Mr. Prahlad Rai Chamaria and comprises of the following:
- Mr. Prahlad Rai Chamaria, Chairman
  - Mr. Santosh Kumar Bajaj, Member
  - Ms. Dimpy Choudhary, Member
- b) The terms of reference of Share Transfer Committee includes approval of transfer of shares, issue of duplicate/re-materialized shares, transmission of shares, consolidation and splitting of share certificates etc.
- c) No Committee meeting was held for the financial year ended 31<sup>st</sup> March, 2009.

### D. IPO COMMITTEE

- a) The IPO Committee is headed by Mr. Bijay Kumar Garodia and comprises of the following:
- Mr. Bijay Kumar Garodia, Chairman
  - Mr. Kamakhya Chamaria, Member
  - Mr. Mahendra Kumar Agarwal, Member
  - Ms. Dimpy Choudhary, Secretary
- b) The terms of reference of the IPO Committee is to review and take decisions on all matters in connection with the issue of shares to the public including signing any documents, deeds and declarations, to be filed before any authorities including SEBI, NSE, BSE etc.
- c) No Committee meeting was held for the financial year ended 31<sup>st</sup> March, 2009.

**E. SHAREHOLDER'S/INVESTOR GRIEVANCE COMMITTEE**

- a) The Shareholder's/Investor Grievance Committee is headed by Mr. B.P. Bakshi and comprises of the following:
- i) Mr. B.P. Bakshi, Chairman
  - ii) Mr. Kamakhya Chamaria, Member
  - iii) Dr. Dhanpat Ram Agarwal, Member

The Shareholder's/Investor Grievance Committee has been reconstituted on 25.07.2008 by the Board due to the resignation of Mr. Vimal Kumar Jain at the Annual General Meeting of the Company.

- b) The terms of reference of Shareholder's/Investor Grievance Committee is to oversee and review matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, rematerialisation and dematerialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends and also to ensure that no complaint from any shareholder remain unattended for a longer period.
- c) During the financial year ended 31<sup>st</sup> March, 2009, three meetings were held on 22.06.2008, 30.08.2008 and 04.10.2008. The attendance at the above meeting was as under:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Brahm Prakash Bakshi	3	3/3
Dr. Dhanpat Ram Agarwal	3	2/3
Mr. Kamakhya Chamaria	2	2/2
Mr. Vimal Jain	1	1/1

**F. SUB-AUDIT COMMITTEE**

- a) The Sub-Audit Committee has been constituted on 15<sup>th</sup> day of May, 2009 to overview the implementation of the observations of the Internal Auditors with the following as its members:
- i) Mr. R.G. Keyal
  - ii) Mr. S.K.P. Dalmia
  - iii) Mr. Shishir Bajaj
  - iv) Mr. Ramesh Chand Pareek
  - v) Mr. Rajesh Aggarwal
- b) The terms of reference of the Sub-Audit Committee shall include matters connected with the disposal/implementation of the observations made by the Internal Auditors of the Company and to report it to the Audit Committee.

**4. DISCLOSURES**

**a. Related Party Transactions**

None of the transactions with any of the related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives was in conflict with the interest of the Company. Suitable disclosures as required under the Accounting Standard (AS-18) have been made in the Annual Report.

**b. Accounting Treatment**

The Company has followed the Accounting Standards issued by ICAI in the preparation of financial statements. The significant accounting policies which are consistently applied have been set out in the Notes on Accounts.

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

No penalties or strictures have been imposed on the Company by Stock Exchange(s) or the SEBI or any statutory authority on any matters related to capital markets during the last three years.

**d. Risk Management**

The Company has in place a mechanism to inform the Board members about the risk assessment and minimization procedures and periodical reviews to ensure that the critical risks are controlled by the executive management.

**e. Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and non-mandatory requirements are being reviewed from time to time.

**5. GENERAL BODY MEETINGS**

**1. Annual General Meeting (AGM)**

The location and time of the last three Annual General Meetings were as under:

Year	Day, Date and Time	Venue	Whether Special Resolution passed
2005-06	7 <sup>th</sup> AGM held on Monday, 25.09.2006 at 11.30 A.M.	265, Sreemanta Market, A.T. Road, Guwahati, Assam –781001	No
2006-07	8 <sup>th</sup> AGM held on Monday, 06.08.2007 at 11.30 A.M.	265, Sreemanta Market, A.T. Road, Guwahati, Assam –781001	No
2007-08	9 <sup>th</sup> AGM held on Friday, 25.07.2008 at 1.00 P.M.	Hotel Nandan, G.S. Road, Guwahati, Assam - 781007	Yes

**2. Extra Ordinary General Meeting (EGM)**

In addition to Annual General Meeting, the Company may hold the Extra Ordinary General Meeting of the shareholders as and when need arises. However, there was no such meeting held during the year.

**3. Postal Ballot**

Section 192A of the Companies Act, 1956, provides for the passing of certain resolutions only by way of Postal Ballot. The Company shall comply with the requirement of Postal Ballot for any such resolutions. However, no such resolution was passed during the year.

**6. CEO/CFO CERTIFICATION**

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued the certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is annexed and forms part of the Annual Report.

**7. NON MANDATORY REQUIREMENTS**

Among non mandatory requirements, the Company has set up the Remuneration Committee and the mechanism of Whistle Blower Policy for the employees of the Company.

**8. MEANS OF COMMUNICATION**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after the approval of the Board.

The results are widely published in the “Financial Express” (English Newspaper), “Hari Bhoomi” and “Jansadharan” (Regional Newspaper).

The results are simultaneously posted on the website of the Company at [www.barakcement.com](http://www.barakcement.com). The Quarterly and the Annual Results are readily available on the website for the sake of shareholders.

**9. BARAK VALLEY CEMENTS LIMITED-DEMAT ACCOUNT**

In terms of Clause 5A of the amended Listing Agreement, the Company has opened Barak Valley Cements Limited Demat Account with Shri Parasram Holdings Private Limited for the shares issued pursuant to the public issues which remain unclaimed and are lying in the escrow account.

The details of the Barak Valley Cements Limited Demat A/c are mentioned below:

As at 31.03.2008		During the Year 2008-09		As at 31.03.2009	
No. of Shareholders	Outstanding Shares	No. of Shareholders approached	No. of Shares Transferred	No. of Shareholders	Outstanding Shares
21	3269	10	1574	11	1695

**10. GENERAL SHAREHOLDERS’ INFORMATION:**

The required information under Clause 49 of the Listing Agreement under this heading is given in the “Shareholder’s Information” separately in the annexure to this Corporate Governance Report.

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

**SHAREHOLDERS’ INFORMATION**

**Registered Office**

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

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

E-mail: [guwahati@barakcement.com](mailto:guwahati@barakcement.com)

**Corporate Office**

281, Deepali, Pitampura, Delhi -110034  
Ph. No. 011-27033827-29, Fax: 011-27033830  
E-mail: [delhi@barakcement.com](mailto:delhi@barakcement.com)

**Branch Office**

CF-361, Salt Lake City, Sector -1, Kolkata -700064  
Ph. No. 033-40046161-63, Fax: 033-40046164  
E-mail: [kolkata@barakcement.com](mailto:kolkata@barakcement.com)

**Plant Location**

Debendra Nagar, Jhoom Basti, P.O. Badarpurghat,  
Distt. Karimganj, Assam -788803  
Ph. No. 03845-269258, 267422, Fax: 03845-268965  
E-mail: [bvcl.bdp@sify.com](mailto:bvcl.bdp@sify.com)

**Address for Correspondence**

281, Deepali, Pitampura, Delhi -110034  
Ph. No. 011-27033827-29, Fax: 011-27033824/30  
E-mail: [delhi@barakcement.com](mailto:delhi@barakcement.com)

**Shareholders' Enquiries**

Ms. Dimpy Choudhary, Company Secretary  
Ph. No. 011-27033827-29  
Fax: 011-27033830  
E-mail: [dimpy@barakcement.com](mailto:dimpy@barakcement.com)  
Exclusive e-mail ID for shareholders queries:  
[ipo@barakcement.com](mailto:ipo@barakcement.com)

**Share Transfer Agents**

Link Intime (India) Private Limited  
(Formerly known as Intime Spectrum Registry Limited)  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area  
Phase II, Near Batra Banquet Hall, Naraina, New Delhi - 110028  
Ph. No. 011-41410592-94, Fax No. 011-41410591  
E-mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

**Annual General Meeting:-**

The 10<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on:-

**Day & Date** : Wednesday, 30<sup>th</sup> day of September, 2009  
**Time** : 2.00 P.M.  
**Venue** : 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam

**Book Closure :-**

The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 25.09.2009 to Wednesday, 30.09.2009 (both days inclusive) for the payment of final dividend.

**Dividend Payment Date:-**

On or after 30.09.2009

**Listing of Shares:-**

The Equity Shares of the Company are presently listed at the following Stock Exchanges:

	<b>Name of the Stock Exchanges</b>	<b>Stock Code/Symbol</b>
(i)	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400023	532916
(ii)	National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai -400 051	BVCL

**ISIN Code for the company's equity share:-**

INE139I01011

**Corporate Identity Number (CIN):-**

L26942AS1999PLC005741

**Listing Fees:-**

The Company has paid the Annual Listing Fees for the Financial Year 2009-10 to the Bombay Stock Exchange of India Limited (BSE) and National Stock Exchange of India Limited (NSE) where the shares of the Company are listed.

**Market Price Data & Share price performance :-**

The high/low market price of the shares during the year at Bombay Stock Exchange and National Stock Exchange of India Limited were as under:

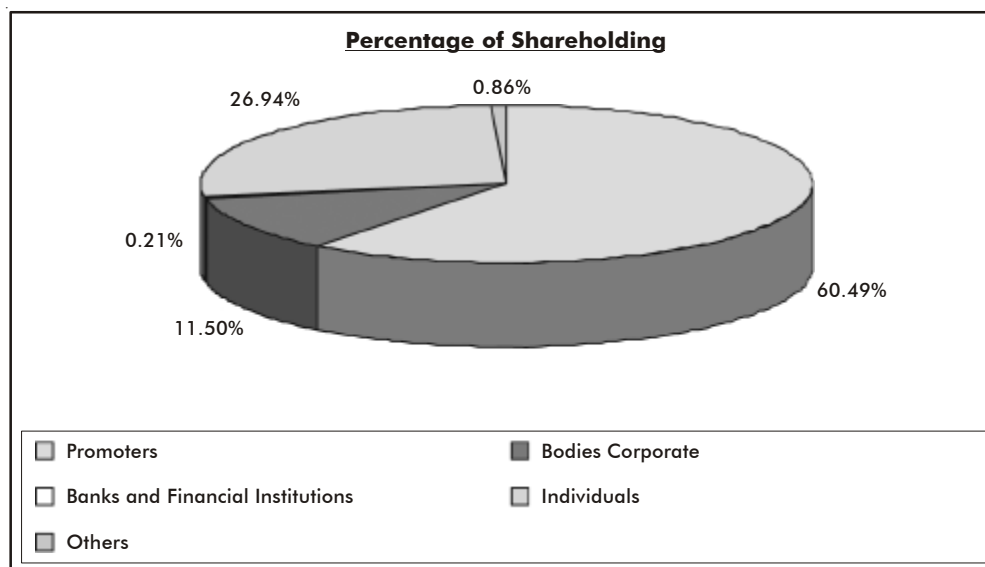
	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2008	37.90	31.00	38.50	30.45
May 2008	42.10	34.00	42.50	33.65
June 2008	36.85	27.90	36.90	31.00
July 2008	32.90	28.00	32.95	28.00
August 2008	32.95	27.00	32.00	29.00
September 2008	31.50	24.55	31.45	22.65
October 2008	26.90	13.00	27.00	13.90
November 2008	23.00	10.05	19.00	11.55
December 2008	16.40	12.55	17.00	12.60
January 2009	14.50	12.15	14.55	10.10
February 2009	14.90	10.15	15.30	11.00
March 2009	15.06	10.00	14.50	9.95

**Distribution of Shareholding as on March 31, 2009 :-**

Sr. No.	Category Amount		No. of Share Holders	% of Shareholders	Amount (Rs.)	% of Amount
	From	To				
1	1	2500	6363	80.19	81,77,270	3.69
2	2501	5000	721	9.09	29,84,470	1.35
3	5001	10000	395	4.98	33,41,810	1.50
4	10001	20000	176	2.22	27,90,120	1.26
5	20001	30000	68	0.86	17,47,680	0.79
6	30001	40000	28	0.35	10,00,190	0.45
7	40001	50000	32	0.40	14,80,360	0.67
8	50001	100000	43	0.54	31,31,100	1.41
9	100001	and above	109	1.37	1,96,94,7000	88.88
			<b>Total</b>	<b>100</b>	<b>22,16,00,000</b>	<b>100</b>

**Shareholding Pattern as on March 31, 2009 :-**

Sr. No.	CATEGORY	NO. OF SHARES HELD	% OF SHARE HOLDING
<b>A</b>	<b>PROMOTERS HOLDING</b>		
1	Promoters		
	– Indian Promoters	80,64,400	36.39
	– Foreign Promoters	–	–
2	Persons acting in Concert	53,40,340	24.10
	<b>Sub-Total</b>	<b>1,34,04,740</b>	<b>60.49</b>
<b>B</b>	<b>NON- PROMOTER HOLDINGS</b>		
3	Institutional Investors		
a	Mutual Funds and UTI	–	–
b	Banks, Financial Institution, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	37,884	0.17
c	FIs	7,875	0.04
	<b>Sub-Total</b>	<b>45,759</b>	<b>0.21</b>
4	Non Institutional Investors		
a	Bodies Corporate	25,48,465	11.50
b	Individuals	59,69,110	26.94
c	NRIs	13,150	0.06
d	Any other :		
	(i) HUF	1,70,850	0.77
	(ii) Clearing Members (NSDL & CDSL)	7,926	0.04
	<b>Sub-Total</b>	<b>87,09,501</b>	<b>39.31</b>
	<b>GRAND TOTAL</b>	<b>2,21,60,000</b>	<b>100.00</b>



**Dematerialisation of Shares and Liquidity:-**

About 82.98% of total equity share capital is held in dematerialized form with NSDL and CDSL as on March 31, 2009. The equity shares of the Company are actively traded at BSE & NSE.

**Code for Prevention of Insider Trading Practices**

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has adopted a proper code of conduct for its directors and designated employees. The code lays down guidelines which include procedures to be followed and disclosures to be made while dealing into the shares of the Company.

**Secretarial Audit:-**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges.

**Share Transfer System:-**

Transfer of shares in dematerialized form is done through the Depository Participant without any involvement of the Company. 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 transfer instruments, as and when received, are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferees complying with the rules in force. The shares are transferred after obtaining the approval from Share Transfer Committee. Duly transferred 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.

**Financial Calendar (Tentative): -**

The Quarterly results taken/will be taken on record by the Board of Directors as per the following schedule:

Quarter ending June 30, 2009	:	On or before 31.07.2009
Quarter ending September 30, 2009	:	On or before 31.10.2009
Quarter ending December 31, 2009	:	On or before 31.01.2010
Annual Results for the year ending March 31, 2010	:	On or before 30.06.2010

**Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:-**

The Company has not issued any GDRs /ADRs /Warrants etc.

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2009.

For **Barak Valley Cements Limited**

Place : Guwahati  
Date : 30.06.2009

Sd/-  
**Kamakhya Chamaria**  
Vice Chairman & Managing Director

**CEO/CFO CERTIFICATION**

The Board of Directors  
**Barak Valley Cements Limited**

We have reviewed the financial statements, read with the cash flow statement of **Barak Valley Cements Limited** for the year ended 31<sup>st</sup> March, 2009 and to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the year;
- (ii) significant changes, if any, 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**

Place : Guwahati  
Date : 30.06.2009

Sd/-  
**Sushil Kothari**  
Chief Financial Officer

Sd/-  
**Kamakhya Chamaria**  
Vice Chairman & Managing Director

**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, 2009 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

Dated : 30.06.2009  
Place : Faridabad



## 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'2009, 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, 2009 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, 2009;
    - (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

New Delhi, 30th June, 2009

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

## 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 31<sup>st</sup> March, 2009 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	282.55	Assesment Year 2005-06	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 term loans have been applied for the purpose for which they were raised.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that 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

**Balance Sheet As At 31st March, 2009**

Particulars	Schedule No.	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b>I. SOURCES OF FUND :</b>			
<b>1. Shareholders' Fund :</b>			
i) Share Capital	1	221,600,000	221,600,000
ii) Reserves & Surplus	2	566,103,016	510,362,323
		<u>787,703,016</u>	<u>731,962,323</u>
<b>2. Loan Funds :</b>			
i) Secured Loans	3	304,779,306	311,459,053
<b>3. Deferred Tax Liability</b>			
		12,071,855	10,217,956
<b>TOTAL :</b>		<u><u>1,104,554,176</u></u>	<u><u>1,053,639,332</u></u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>1. Fixed Assets :</b>			
i) Gross Block	4	828,004,448	755,583,708
Less :- Depreciation		334,821,593	274,654,261
		<u>493,182,855</u>	<u>480,929,447</u>
<b>2. Investments</b>			
	5	263,970,423	263,970,423
<b>3. Current Assets, Loans &amp; Advances</b>			
i) Inventories	6	65,364,098	94,649,021
ii) Sundry Debtors	7	59,955,616	46,387,701
iii) Cash & Bank Balance	8	34,101,365	14,395,602
iv) Loans & Advances	9	308,337,487	266,663,261
		<u>467,758,565</u>	<u>422,095,585</u>
<b>Less : Current Liabilities &amp; Provisions :</b>			
i) Liabilities	10	89,600,890	62,228,606
ii) Provisions		32,583,834	53,868,101
<b>Net Current Assets</b>		<u>345,573,842</u>	<u>305,998,878</u>
<b>4. Miscellaneous Expenditure :</b>			
(to the extent not written off or adjusted)	11	1,827,056	2,740,584
<b>TOTAL :</b>		<u><u>1,104,554,176</u></u>	<u><u>1,053,639,332</u></u>

Significant Accounting Policies & Notes on Accounts 20

Schedule "1" to "11" and "20" 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

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

Guwahati, 30<sup>th</sup> June, 2009

### Profit & Loss Account for the Year Ended 31st March, 2009

Particulars	Schedule No.	Year Ended 31.03.2009 (Amt. in Rs.)	Year Ended 31.03.2008 (Amt. in Rs.)
<b>INCOME</b>			
Gross Sales	12	<b>905,707,782</b>	711,915,296
Less : Excise Duty paid (Net)		<b>14,275,264</b>	8,773,561
		<b>891,432,518</b>	703,141,735
Other Income	13	<b>4,813,185</b>	4,637,545
Increase/(Decrease) in Stock	14	<b>(17,877,451)</b>	19,568,723
<b>TOTAL :</b>		<b>878,368,252</b>	727,348,003
<b>EXPENDITURE</b>			
Cost of Materials	15	<b>207,418,565</b>	208,385,305
Manufacturing and Operating Expenses	16	<b>323,587,260</b>	198,069,662
Administrative & Other Expenses	17	<b>40,903,402</b>	36,573,878
Selling & Distribution Expenses	18	<b>132,047,881</b>	83,396,324
Interest & Financial Charges	19	<b>29,245,851</b>	24,569,461
Depreciation	4	<b>60,781,542</b>	46,879,786
<b>TOTAL :</b>		<b>793,984,501</b>	597,874,416
<b>PROFIT BEFORE TAXATION</b>			
		<b>84,383,751</b>	129,473,587
Less : Prior Period Adjustments (Net)		<b>(152,376)</b>	-
		<b>84,231,375</b>	129,473,587
<b>LESS : PROVISION FOR TAXATION</b>			
- Current Income Tax		<b>9,480,158</b>	14,696,539
Less : MAT Credit entitlement		<b>(9,480,158)</b>	-
Net Current Tax		-	14,696,539
- Deferred Tax Liability		<b>1,853,899</b>	3,942,730
- Fringe Benefit Tax		<b>710,691</b>	805,491
<b>PROFIT AFTER TAXATION</b>		<b>81,666,785</b>	110,028,827
Add : Balance Brought Forward from last year		<b>315,415,215</b>	265,490,734
<b>Profit Available for Appropriation :</b>		<b>397,082,000</b>	375,519,561
Less : Equity Dividend		<b>22,160,000</b>	44,320,000
Tax on Dividend		<b>3,766,092</b>	7,532,184
Transfer to General Reserve		-	8,252,162
<b>Balance Carried to Balance Sheet</b>		<b>371,155,908</b>	315,415,215
<b>Earning Per Share (Face Value of Rs. 10/- each)</b>			
: Basic & Diluted (Refer to Note 12 of Schedule "20")		<b>3.69</b>	5.90

Significant Accounting Policies & Notes on Accounts 20

Schedule "4", "12" to "20" 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

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

Guwahati, 30th June, 2009

### Schedules Forming Part of Balance Sheet As On 31.03.2009

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL :</b>		
<b>Authorised Capital</b> {2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.08) of Rs. 10/- each}	<b>250,000,000</b>	250,000,000
<b>Issued, Subscribed, Called-up &amp; Paid-up Capital</b> {2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.08) of Rs. 10/- each, fully paid up}	<b>221,600,000</b>	221,600,000
	<b>221,600,000</b>	221,600,000
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS :</b>		
<b>1. General Reserve</b>		
Balance Brought forward	43,507,527	35,255,365
Additions during the year	-	8,252,162
	<b>43,507,527</b>	43,507,527
<b>2. Profit &amp; Loss Account</b>	<b>371,155,908</b>	315,415,215
<b>3. Securities Premium Account</b>		
Balance Brought Forward	151,439,581	181,120,000
Additions/adjustments during the year	-	29,680,419
	<b>151,439,581</b>	151,439,581
<b>Total (1+2+3)</b>	<b>566,103,016</b>	510,362,323
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS :</b>		
<b>1. Rupee Term Loan from Banks/Financial Institutions</b> (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.)	<b>56,450,000</b>	122,082,000
<b>2. Interest accrued and due on Term Loans</b>	-	1,305,729
<b>3. (a) Equipment finance from Banks</b>	-	613,701
(b) Equipment & Vehicle finance from others/private parties (Secured against hypothecation of respective assets)	<b>5,135,157</b>	8,302,646
<b>4. Cash Credit from Banks</b> (Secured against first charge on current assets, second charge on the fixed assets and personal guarantee of promoter directors of the company.)	<b>243,194,149</b>	179,154,977
	<b>304,779,306</b>	311,459,053

Note : Out of 1 and 3 above a sum of Rs. 371.50 Lakhs  
(Previous Year : Rs. 675.73 Lakhs) would become  
due for payment within a year.

**SCHEDULE - 4**  
**SCHEDULE OF FIXED ASSETS & DEPRECIATION THEREON FOR THE YEAR ENDED ON 31.03.2009**  
**(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 01.04.2008	Additions during the Year	Deduction/ Adjustment during the Year	Subsidy	As On 31.03.2009	As On 01.04.2008	For the Year	Deduction/ Adjustment	As On 31.03.2009	As On 31.03.2008
<b>(A) Tangible Assets:</b>										
Land and Site Devel.	74,726,536	10,626,028	-	-	85,352,564	-	-	-	85,352,564	74,726,536
Factory Building	98,860,593	3,438,657	-	-	102,299,250	32,942,783	6,604,255	-	62,752,212	65,917,810
Office Building	-	2,177,902	-	-	2,177,902	-	21,343	-	2,156,560	-
Furniture & Fixtures	4,925,770	319,378	-	-	5,245,148	2,885,264	570,299	-	1,789,585	2,040,506
Computer	4,767,734	578,767	-	-	5,346,501	3,512,937	636,190	-	1,197,374	1,254,797
Motor Vehicles	8,811,758	2,589,616	934,872	-	10,466,502	3,573,067	686,638	614,209	6,821,006	5,238,691
Office Equipment	4,961,171	331,583	-	-	5,292,754	1,960,356	547,426	-	2,784,972	3,000,815
Plant, Machinery & Installations	556,706,195	53,191,204	-	-	609,897,399	228,690,417	51,073,248	-	330,133,734	328,015,778
<b>Total (A)</b>	753,759,758	73,253,135	934,872	-	826,078,021	273,564,824	60,139,399	614,209	492,988,008	480,194,934
<b>(B) Intangible Assets:</b>										
Computer Software	1,823,949	102,478	-	-	1,926,427	1,089,437	642,142	-	194,848	734,512
<b>Total (B)</b>	1,823,949	102,478	-	-	1,926,427	1,089,437	642,142	-	194,848	734,512
<b>Total (A+B)</b>	755,583,708	73,355,613	934,872	-	828,004,448	274,654,261	60,781,542	614,209	493,182,855	480,929,447
Previous year	589,689,362	219,262,141	3,411,815	49,955,982	755,583,708	229,546,112	46,879,786	1,771,637	480,929,447	

**Schedules Forming Part of Balance Sheet As On 31.03.2009**

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b>SCHEDULE - 5</b>		
<b>INVESTMENTS :</b>		
<b>Long Term Investments (at Cost) :</b>		
<b>i) In Subsidiaries</b>		
(Other than trade, Unquoted, fully paid up equity shares)		
<b>Name of Subsidiary Company</b>	<b>No. of Shares (Current Year)</b>	<b>No. of Shares (Previous Year)</b>
1. Badarpur Energy (P) Ltd.	<b>3,563,340</b>	3,563,340
2. Cement International Ltd.	<b>992,700</b>	992,700
3. Meghalaya Minerals & Mines Ltd.	<b>1,490,000</b>	1,490,000
	<b>263,966,000</b>	263,966,000
<b>(ii) In Others :</b>		
Other than trade, Quoted, fully paid up equity shares		
{50 Shares (previous year: 50 shares) of Gujarat Ambuja Ltd., Market Value Rs. 3,530.00 (Previous Year: 6,052.50)}		
	<b>4,423</b>	4,423
	<b>263,970,423</b>	263,970,423
<b>SCHEDULE - 6</b>		
<b>INVENTORIES :</b>		
(At lower of cost or net realisable value)		
Store, Spares and Fuel	<b>40,632,395</b>	35,274,205
Raw Material	<b>6,376,182</b>	20,490,941
Packing Material	<b>4,217,641</b>	6,857,213
Semi Finished Goods	<b>6,562,931</b>	29,646,459
Finished Goods	<b>7,574,949</b>	2,368,873
Goods in transit	-	11,330
	<b>65,364,098</b>	94,649,021
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS</b>		
<b>(i) (Secured and considered good)</b>		
- Debts outstanding for a period exceeding six months	<b>22,731</b>	-
- Other Debts	<b>2,200,099</b>	178,839
	<b>2,222,830</b>	178,839
<b>(ii) (Unsecured and considered good)</b>		
- Debts outstanding for a period exceeding six months	<b>713,520</b>	944,014
- Other Debts	<b>57,019,266</b>	45,264,848
	<b>57,732,786</b>	46,208,862
<b>Total (i + ii)</b>	<b>59,955,616</b>	46,387,701
<b>SCHEDULE - 8</b>		
<b>CASH &amp; BANK BALANCE</b>		
Cash in Hand	<b>6,951,701</b>	1,218,697
Balances with Scheduled Banks :		
- In Current Account	<b>15,922,489</b>	6,591,872
- In Fixed Deposits	<b>3,692,481</b>	3,874,481
Cheques/Demand Drafts in Hand	<b>7,534,694</b>	2,710,552
	<b>34,101,365</b>	14,395,602

**Schedules Forming Part of Balance Sheet As On 31.03.2009**

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b>SCHEDULE - 9</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured and considered good for recovery by the Management)		
1) Subsidy Receivable from Central/State Govt.	91,681,069	144,492,483
2) Balances with Central Excise	21,081,586	6,785,558
3) Advance to Suppliers/Contractors	34,046,093	100,441,005
4) Security Deposits	9,219,712	7,640,681
5) Other advances - Recoverable in cash or in kind or for value to be recieved	152,309,027	7,303,534
	<b>308,337,487</b>	<b>266,663,261</b>
<b>SCHEDULE - 10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
1) Sundry Creditors for Capital Expenditure	5,080,190	4,345,640
2) Sundry Creditors (Trade)	26,302,700	21,339,384
3) Statutory Liabilities	4,545,600	1,702,669
4) Interest Accrued but not due	-	42,708
5) Advance from Customers	38,205,203	22,858,301
6) Security Money received from customers	6,376,283	5,912,502
7) Other Liabilities	9,090,914	6,027,402
	<b>89,600,890</b>	<b>62,228,606</b>
<b>Provisions</b>		
1) Provision for Income-Tax	9,480,158	14,696,539
2) Provision for Fringe Benefit Tax	710,691	805,491
	<b>10,190,849</b>	<b>15,502,030</b>
Less : Advance Income Tax and Tax Deducted at Source	(5,699,105)	(14,580,963)
Less : Advance Fringe Benefit Tax	(775,000)	(700,000)
	<b>3,716,744</b>	<b>221,067</b>
3) Provision for Gratuity	1,446,263	818,521
4) Provision for Leave Encashment	1,494,735	976,329
5) Proposed Dividend	22,160,000	44,320,000
6) Corporate Dividend Tax	3,766,092	7,532,184
	<b>32,583,834</b>	<b>53,868,101</b>
<b>SCHEDULE - 11</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
1) Mines Development	1,712,056	2,568,084
2) Lease Rights	115,000	172,500
	<b>1,827,056</b>	<b>2,740,584</b>



### Schedules Forming Part of the Profit & Loss Account for the Year Ended 31.03.2009

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b><u>SCHEDULE - 12</u></b>		
<b><u>SALES</u></b>		
Gross Sales	905,134,275	710,684,119
Add : Captive Consumption of Cement	771,711	1,377,243
	905,905,986	712,061,362
Less : Cement Damaged	198,204	146,066
	905,707,782	711,915,296
<b><u>SCHEDULE - 13</u></b>		
<b><u>OTHER INCOME</u></b>		
Equipment Hire charges	3,020,470	2,697,418
Sale of Scrap	1,162,652	1,395,504
Misc. Income	468,240	250,741
Insurance Claim Received	132,486	293,882
Profit on sales of motor vehicle	29,337	-
	4,813,185	4,637,545
<b><u>SCHEDULE - 14</u></b>		
<b><u>INCREASE/(DECREASE) IN STOCK</u></b>		
<b><u>Semi Finished Goods</u></b>		
Opening Stock	29,646,459	9,869,674
Closing Stock	6,562,931	29,646,459
	(23,083,528)	19,776,785
<b><u>Finished Goods</u></b>		
Opening Stock	2,368,872	2,576,935
Closing Stock	7,574,949	2,368,872
	5,206,077	(208,063)
Increase/(Decrease) in Stock	(17,877,451)	19,568,723
<b><u>SCHEDULE - 15</u></b>		
<b><u>COST OF MATERIALS</u></b>		
Raw Material Consumed	160,749,017	122,783,453
Finished Goods Purchase	-	53,721,268
Stores and Spares consumed	24,788,282	17,580,513
Packing Material consumed	21,881,266	14,300,071
	207,418,565	208,385,305
<b><u>SCHEDULE - 16</u></b>		
<b><u>MANUFACTURING AND OPERATING EXPENSES</u></b>		
Power & Fuel Expenses	242,313,787	132,138,417
Material Handling & Freight Charges	7,384,599	6,025,655
Repair and Maintenance		
– Plant & Machinery	11,849,795	8,016,986
– Building	958,672	1,173,201
Salaries, Wages & Bonus	47,489,434	38,792,422
Contribution to Provident Fund	1,043,664	767,494
Staff Welfare Expenses	1,806,153	2,133,080
Research and Development Expenditure	275,000	226,500
Other Production Overheads	10,466,156	8,795,907
	323,587,260	198,069,662

**Schedules Forming Part of the Profit & Loss Account  
for the Year Ended 31.03.2009**

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b><u>SCHEDULE - 17</u></b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Auditor's Remuneration	150,000	168,540
Bank Charges	407,069	586,705
Books & Periodicals	292,114	84,062
Charity & Donation	3,607,324	2,053,907
Bad Debts	15,859	3,280,919
Director's Remuneration	4,700,000	2,750,000
Staff Recruitment Expenses	70,862	927,240
Electricity Expenses	952,971	989,417
Fees & Subscription	1,310,902	344,906
ROC Filing Fees & Legal Expenses	460,643	207,471
House/Office Rent & Maint. Expenses	1,270,077	1,284,389
Insurance	659,381	738,440
Loss on sale of assets	-	823,183
Misc. Exps. Written off	913,528	913,528
Motor Car Running, Maint. & Hire Charges	2,312,350	2,063,524
Office and Other Miscellaneous Expenses	2,366,809	1,823,326
Postage & Telegraph Exps.	412,666	270,393
Printing, Stationery and Computer Expenses	2,006,134	1,712,753
Provision for Gratuity	647,230	239,908
Rates & Taxes	130,089	297,022
Repair & Maintenance	786,842	535,636
Salary and other benefits to staff	8,229,015	3,697,497
Professional & consultancy service charges	163,990	593,777
Staff Fooding & Welfare Expenses	1,825,221	1,624,573
Sundry Balances written - off	(100,642)	(2,370)
Telephone Expenses	2,360,022	2,351,986
Travelling & Conveyance Expenses	4,951,448	5,963,146
Processing Charges	1,500	250,000
	<b>40,903,402</b>	<b>36,573,878</b>
<b><u>SCHEDULE - 18</u></b>		
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
Transportation Cost	97,459,086	54,573,330
Sales Promotion Expenses	7,704,465	4,080,816
Advertisement & Publicity	5,539,465	3,596,723
VAT/Sales Tax	19,109,121	19,275,080
Market Survey, Consultancy & Other Charges	783,766	1,418,796
Shop/Godown Rent	1,451,978	451,579
	<b>132,047,881</b>	<b>83,396,324</b>
<b><u>SCHEDULE - 19</u></b>		
<b><u>INTEREST &amp; FINANCIAL CHARGES</u></b>		
Term Loan	10,352,785	13,268,372
Working Capital facility (Net)	18,072,306	10,615,121
Others	1,441,919	1,253,489
Less : Interest Received, including TDS of Rs. Nil (Previous Year TDS Rs. 8,075/-)	(621,159)	(567,521)
	<b>29,245,851</b>	<b>24,569,461</b>

**SCHEDULE - 20 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

**(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared on the historical cost convention basis. 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) FIXED ASSETS:**

**(a)** Fixed Assets are stated at their original cost of acquisition, installation or construction (net of Modvat / 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.

**(3) 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.

**(4) 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.

**(5) 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.

**(6) 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.

**(7) 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.

**(8) 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.

**(9) MISCELLANEOUS EXPENDITURE:**

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

**(10) 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.

**(11) 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 AS-22.

**(12) 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.

**(13) 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 upto the date of commercial production.

**(14) 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.

**(15) CONTINGENT LIABILITY:**

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

**(16) 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.

**(17) 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 not provided for amounts to Rs. 51.53 Lakhs (Previous year: Rs. 209.86 Lakhs)

**(2) Contingent liabilities not provided for:**

- (a) Bank Guarantee issued by Banks Rs.2,25,000 (Previous Year - Rs. 2,25,000)
- (b) Corporate Guarantees given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: Rs. 3,100 Lakhs (Previous year - Rs. 2,200 Lakhs)
- (c) Claims against the company not acknowledged as debts : Disputed demands of Income Tax pending before the Appellate Tribunal : Rs. 282.55 lakhs (Previous year - Rs. 282.55 lakhs)

**(3) 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	2008-2009 (M.T.)	2007-2008 (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.)	1,66,142	1,15,306

**(b) Sales :**

	Qty. (MT)	Value (Rs.)	Qty.(MT)	Value (Rs.)
(1) Cement	1,64,753.45**	80,59,54,679	1,27,625.20**	61,28,20,630
(2) Clinker	24,422.32	8,54,77,839	26,416.44	9,03,21,105
<b>Total</b>	<b>1,89,175.77</b>	<b>89,14,32,518</b>	1,54,041.64	70,31,41,735

\*\* Including damage/ shortage 34.70 MT (Previous Year 40.60 MT)

**(c) Stock of Finished and Semi Finished Goods :**

	Qty. (MT)	Value (Rs.)	Qty.(MT)	Value (Rs.)
<b>(i) Cement</b>				
Opening Stock	657.75 M.T.	23,68,872	767.60 M.T.	25,76,935
Closing Stock	2,046.30 M.T.	75,74,949	657.75 M.T.	23,68,873
<b>(ii) Clinker</b>				
Opening Stock	9,238.70 M.T.	2,94,62,217	3,264.41 M.T.	96,17,524
Closing Stock	1,793.98 M.T.	63,10,973	9,238.70 M.T.	2,94,62,217
<b>(iii) Raw-Mix</b>				
Opening Stock	307.07 M.T.	1,84,242	420.25 M.T.	2,52,150
Closing Stock	419.93 M.T.	2,51,958	307.07 M.T.	1,84,242

**(d) Raw Materials Consumed:**

Particulars	2008-2009		2007-2008	
	Qty. (MT)	Value (Rs.)	Qty.(MT)	Value (Rs.)
(i) Lime Stone	1,98,175.79	9,81,43,411	1,64,413.50	8,01,97,317
(ii) Gypsum	1,139.88	33,99,071	567.89	15,20,038
(iii) Fly Ash	18,996.14	3,88,73,502	11,242.48	2,11,78,902
(iv) Clinker	1,962.79	53,30,941	1,988.48	62,42,833
(v) Other Materials	49,190.64	1,50,02,092	40,432.36	1,36,44,362
<b>Total</b>		<b>16,07,49,017</b>		<b>12,27,83,453</b>

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

	2008-2009		2007-2008	
	Value (Rs.)	%	Value (Rs.)	%
<b>(1) Raw Materials/Packing Material :</b>				
Limestone Gypsum, Fly ash, Clinker, Clay, HDPE Bags.				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	18,26,30,283	100%	13,70,83,524	100%
<b>(2) Stores &amp; Spares :</b>				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	2,47,88,282	100%	1,75,80,513	100%

**(f) Sales and purchases includes following amount of trading activities:**

- : Purchase of finished goods from Cement International Ltd. (wholly owned subsidiary) : Rs. Nil (Previous Year - Rs. 5,37,21,268 (12,209.35 MT))
- : Sales of purchased finished goods: Rs. Nil (Previous Year - Rs. 5,69,58,948 (12,209.35 MT))

- (g) C.I.F. Value of Import :** Nil (Previous Year - Nil)
- (h) Earning in Foreign Exchange :** Nil (Previous Year - Nil)
- (i) Expenditure in Foreign Currency :** Rs. Nil (Previous Year - 14,54,889)  
(Foreign Travelling expenses)

- (4) During the year, an amount of Rs. 18,22,958 was paid to selling agents of the Company as Sales Commission. (Previous Year Rs. 9,80,174)
- (5) During the year, the Company has capitalized the borrowing cost amounting to Rs. Nil for major expansion activities of plant at factory site. (Previous Year - Rs. 79,86,911)
- (6) Payment made to Auditor's during the year ended is as under :-

	Current Year	Previous Year
a. Statutory audit fees	Rs. 93,755	Rs. 95,506
b. Tax Audit fees	Rs. 35,000	Rs. 35,000
c. Company Law and other matters	Rs. 30,000	Rs. 30,000
d. Reimbursement of expenses (including service tax)	Rs. 6,695	Rs. 8,034
<b>Total</b>	<b>Rs. 1,65,450</b>	<b>Rs. 1,68,540</b>

- (7) Remuneration paid to Director's during the year: Rs. 47,00,000 (Previous Year: Rs. 27,50,000)

**(8) GOVT. SUBSIDIES**

Insurance and interest subsidy amounting to Rs. 15,13,845 (as at 31.03.2008 Rs. 14,66,077) and 59,26,031 (as at 31.03.2008 Rs. 42,15,844) respectively has been adjusted from related overheads and shown as receivable forming part of loans and advances. Capital Investment subsidy amounting to Rs. Nil (Previous Year : 4,99,55,982) has been adjusted from cost of related fixed asset capitalised during the year. During the year, Excise Duty amounting to Rs. 5,58,10,177 (Previous Year : 4,62,79,856) has been refunded back by Govt. of India.

- (9) According to the information available with the company, there are no outstanding dues in respect of principal amount or interest due in respect of micro enterprises and small enterprises or any S.S.I. Undertakings. (Previous Year: Nil)
- (10) **Employee Defined Benefits:**

**(a) Defined Contribution Plans**

The Company has recognized an expense of Rs. 10,43,664 (Previous year Rs. 7,67,494) towards the defined contribution plans.

**(b) Defined Benefit Plans -As per Actuarial Valuation as at 31st March, 2009**

Particulars	2008-09		2007-08	
	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, 2009				
1. Current Service Cost	311,948	248,584	96,114	313,921
2. Interest Cost	90,591	98,843	46,289	-
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	244,691	635,066	(2,495)	992,306
8. Losses/(gains) on plan assets	-	-	-	-
9. Total Expenses	647,230	982,493	239,908	1,306,227
II. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2009				
1. Present Value of Defined Benefit obligations	1,446,263	1,494,735	818,521	976,329
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/(Deficit)]	(1,446,263)	(1,494,735)	(818,521)	(976,329)
4. Net Asset/(Liability) as on 31st March, 2009	(1,446,263)	(1,494,735)	(818,521)	(976,329)
III. Change in Obligation during the Year ended 31st March, 2009				
1. Present value of Defined Benefit obligation at the beginning of the year	818,521	976,329	5,78,613	-
2. Current Service Cost	311,948	248,584	196,114	313,921
3. Interest Cost	90,591	98,843	46,289	-
4. Curtailment cost/(Credit)	-	-	-	-
5. Settlement cost/(Credit)	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Plan amendments	-	-	-	-
8. Acquisitions	-	-	-	-
9. Actual (gains)/Losses	244,691	635,066	(2,495)	992,306
10. Benefits paid	(19,488)	(464,087)	-	(329,898)
11. Present Value at the end of the year	1,446,263	1,494,735	818,521	976,329
IV. Change in Fair Value of Assets during the year ended 31st March, 2009				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Expected Return on plan Assets	-	-	-	-
3. Actual Company Contributions	19,488	464,087	-	-
4. Employee Contributions	-	-	-	-
5. Actuarial Gain/(Loss) on plan assets	-	-	-	-
6. Benefits paid	(19,488)	(464,087)	-	-
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  
(with effect from 31.03.2006)**

Meghalaya Minerals & Mines Ltd.  
Badarpur Energy Pvt. Ltd.  
Cement International Ltd.

**Associates**

M/s. Nefa Udyog  
M/s. Meghalaya Cements Ltd.  
M/s. Balaji Udyog Ltd.

**Key Management Personnel  
and their relatives**

Kamakhya Chamarla (Vice Chairman & Managing Director)  
Bijay Kumar Garodia (Chairman & Whole Time Director)  
Santosh Kumar Bajaj (Whole Time Director)  
Sushil Kumar Kothari (Chief Financial Officer)  
Jagdish Prasad Shah (G.M.-Administrator)  
Prahlaad Rai Chamarla (Non-Ex. Director)  
Mahendra Kumar Agarwal (Vice Chairman)

Details of transactions between the company and related parties for the year ended on 31.03.2009 are given as under:

(Rs. in Lakhs)

S. No.	Type of transaction	Subsidiary Companies		Associates		Key Management Personnel/Relatives	
		31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
1.	Sale of finished/Semi finished goods : Meghalaya Minerals & Mines Ltd. : Cement International Ltd. : Badarpur Energy Pvt. Ltd.	0.85 854.88 8.14	- 879.57 30.54	- - -	- - -	- - -	- - -
2.	Sale of Stores and other services, goods : Meghalaya Minerals & Mines Ltd. : Cement International Ltd. : Badarpur Energy Pvt. Ltd. : Balaji Udyog Ltd.	5.60 31.27 47.10 -	9.59 26.65 43.72 -	- - - 10.19	- - - 14.52	- - - -	- - - -
3.	Purchase of Raw Materials & goods : Meghalaya Minerals & Mines Ltd. : Cement International Ltd. : Badarpur Energy Pvt. Ltd. : Meghalaya Cements Ltd.	879.64 - 777.54 -	663.29 537.22 99.44 -	- - - 53.98	- - - 64.63	- - - -	- - - -
4.	Purchase of Store, spares and other services : Meghalaya Minerals & Mines Ltd. : Cement International Ltd. : Badarpur Energy Pvt. Ltd.	1.04 2.39 10.06	- - -	- - -	- - -	- - -	- - -
5.	Hire Charges received : Cement International Ltd. : Badarpur Energy Pvt. Ltd. : Nefa Udyog	22.41 10.81 -	- - -	- - -	- - 11.34	- - -	- - -
6.	Investment in shares : Meghalaya Minerals & Mines Ltd. : Badarpur Energy Pvt. Ltd.	- -	81.00 850.00	- -	- -	- -	- -
7.	Remuneration Paid	-	-	-	-	49.62	38.24
8.	Sitting fee paid	-	-	-	-	-	0.80

**(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 31<sup>st</sup> March, 2009 and the year ended 31<sup>st</sup> March, 2008.

	As on <u>31.03.2009</u>	As on <u>31.03.2008</u>
(a) Profit/(Loss) attributable to Equity Shareholders	8,16,66,785	11,00,28,827
(b) The weighted average number of Ordinary Share outstanding for Basic/Diluted EPS	2,21,60,000	1,86,34,098
(c) Face value per Ordinary Share (Rs.)	10	10
(d) Earnings Per Share – Basic & Diluted (Rs.)	3.69	5.90

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

(14) 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.

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

(16) Sundry debtors includes due from following subsidiary companies/ companies in which directors are interested:

- (a) Badarpur Energy Pvt. Ltd. Rs. 45,750 (as at 31.03.2008 : Nil). Maximum balance outstanding: Rs. 2,67,501
- (b) Cement International Ltd. 38,780 (as at 31.03.2008 : Nil). Maximum balance outstanding: Rs. 2,23,40,140
- (c) Balaji Udyog Limited: Rs. 14,100 (as at 31.03.2008 : 13,15,453). Maximum balance outstanding: Rs. 14,100

(17) Sundry Creditors includes due to following subsidiary company/ firm in which directors are interested:

- (a) Nefa Udyog : Rs. Nil (as at 31.03.2008 : 1,79,727 credit balance) Maximum balance outstanding : Rs. 1,79,727
- (b) Meghalaya Cements Limited : 53,97,697 (as at 31.03.08 : Nil). Maximum balance outstanding : Rs. 53,97,697

(18) Advance to Suppliers / other advances includes due from following subsidiary companies:

- (a) Badarpur Energy Pvt. Ltd. Rs. 12,62,42,311 (Previous Year : 5,73,59,585). The said sum will be adjusted against future supply of power from subsidiary company after a period of two years from the date of advance.

- (b) Cement International Ltd. Rs.4,21,021 (Previous Year : Nil)  
 (c) Meghalaya Minerals & Mines Ltd. Rs. 1,40,56,185 (Previous Year : 2,76,05,791)  
 (d) Balaji Udyog Limited Rs. 5,17,323 (Previous Year : Nil)
- (19) Advance from customers includes Rs. Nil (Previous year : 1,58,46,064) due to Cement International Limited. (Subsidiary company).
- (20) 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.
- (21) **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 01.04.2008	Balance As on 31.03.2009
<b>1. (a)</b>	<b>Deferred Tax Liabilities</b>		
	Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	1,08,28,026	1,30,71,500
<b>2. (b)</b>	<b>Deferred Tax Assets</b>		
	Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax (provision for gratuity & Leave Encashment)	6,10,070	9,99,645
	<b>Deferred Tax Liability (a – b)</b>	<b>1,02,17,956</b>	<b>1,20,71,855</b>

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.

**c) Fringe Benefit Tax**

Provision for Fringe Benefit tax has been separately shown in the profit & loss account in accordance with the guidance note issued by the ICAI.

- (22) The Company deals in only one Segment i.e. cement manufacturing. There is no separate reportable segment as required by AS-17 "Segment Reporting".
- (23) Previous year figures have been regrouped/ restated wherever necessary.
- (24) Figures have been rounded off to the nearest rupee.

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

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

**For & on behalf of the Board**

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)



## 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	31.03.2009		

**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	1,104,554	Total Assets	1,104,554
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**SOURCES OF FUNDS**

Paid-up Capital	221,600	Reserves & Surplus	566,103
Secured Loans	304,779	Deferred Tax Liability	12,072
Un-Secured Loans	-		

**APPLICATIONS OF FUNDS**

Net Fixed Assets	493,183	Investments	263,970
Net Current Assets	345,574	Misc. Expenditure	1,827
Accumulated Losses	NIL		

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

Turnover & other income	878,368	Total Expenditure	793,985
Profit/Loss Before Tax	84,384	Profit /Loss After Tax	81,667
Basic & Diluted Earning Per Share (in Rs.)	3.69	Dividend @ %	10%

**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 & on behalf of the Board**

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

Guwahati, 30th June, 2009

### Cash Flow Statement for the Year Ended 31st March, 2009

S.N.	Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
	Net Profit before Tax	84,383,751	129,473,587
	<b>Adjustment for :</b>		
	Add : Depreciation & Misc. expenditure	61,080,860	46,021,677
	Interest & finance charges	29,245,851	24,569,461
	Operating Profit before working capital changes	174,710,462	200,064,725
	Adjustment for change in :		
	Trade & other receivables	(48,768,036)	(102,326,774)
	Inventories	29,284,923	(33,323,983)
	Trade and other payables	5,377,326	38,599,317
	<b>Cash generated from Operations</b>	160,604,675	103,013,285
	Direct Taxes Paid	(6,474,105)	(15,280,963)
	Prior period adjustments	(152,376)	-
	<b>Net Cash Flow from Operating Activities</b>	153,978,194	87,732,322
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
	Acquisition of Fixed Assets	(72,420,740)	(82,461,318)
	Purchase of Investments	-	(93,100,000)
		(72,420,740)	(175,561,318)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>			
	Net proceeds from issue of Equity Shares	-	208,039,581.00
	Increase in Bank borrowings	(6,679,747)	(46,094,213)
	Dividend (including CDT)	(25,926,092)	(51,852,184)
	Interest and finance charges paid	(29,245,851)	(24,569,461)
		(61,851,691)	85,523,723
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	19,705,763	(2,305,273)
	Add:- Cash & Cash Equivalents at the beginning of the year	14,395,602	16,700,876
	Cash & Cash Equivalents at the Closing of the year	34,101,365	14,395,602

**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

For & on behalf of the Board

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

Guwahati, 30<sup>th</sup> June, 2009

## **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 31<sup>st</sup> March 2009, 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 31<sup>st</sup> March 2009;
- (b) In the case of the Consolidated Profit and Loss Account, of the profit 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

New Delhi, 30<sup>th</sup> day of June, 2009

### Consolidated Balance Sheet As At 31st March, 2009

Particulars	Schedule No.	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b>I. SOURCES OF FUNDS :</b>			
<b>1. Shareholders' Funds :</b>			
i) Share Capital	1	221,600,000	221,600,000
ii) Reserves & Surplus	2	565,640,891	532,267,382
		<b>787,240,891</b>	<b>753,867,382</b>
<b>2. Loan Funds :</b>			
i) Secured Loans	3	624,676,490	550,254,721
<b>3. Deferred Tax Liability</b>			
		10,854,249	11,245,423
<b>TOTAL :</b>		<b>1,422,771,630</b>	<b>1,315,367,526</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>1. Fixed Assets :</b>			
i) Gross Block	4	1,271,125,066	1,095,173,858
Less :- Depreciation		373,445,758	289,708,254
		<b>897,679,308</b>	<b>805,465,604</b>
ii) Capital Work-in-Progress		-	89,856,933
		<b>897,679,308</b>	<b>895,322,537</b>
<b>2. Investments</b>			
	5	4,423	4,423
<b>3. Current Assets, Loans &amp; Advances</b>			
i) Inventories	6	106,469,077	119,602,968
ii) Sundry Debtors	7	98,110,112	54,379,700
iii) Cash & Bank Balance	8	61,596,197	39,753,906
iv) Loans & Advances	9	441,150,288	332,382,439
		<b>707,325,673</b>	<b>546,119,013</b>
<b>Less : Current Liabilities &amp; Provisions :</b>			
i) Liabilities	10	147,267,232	73,590,017
ii) Provisions		37,039,219	55,551,174
		<b>523,019,223</b>	<b>416,977,822</b>
<b>Net Current Assets</b>			
		<b>523,019,223</b>	<b>416,977,822</b>
<b>4. Miscellaneous Expenditure :</b>			
(to the extent not written off or adjusted)	11	2,068,676	3,062,744
<b>TOTAL :</b>		<b>1,422,771,630</b>	<b>1,315,367,526</b>

Significant Accounting Policies &amp; Notes on Accounts

"20"

Schedules "1" to "11" and "20" 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 &amp; on behalf of the Board

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

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

 Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

 Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

 Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

 Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

Guwahati, 30th June, 2009

**Consolidated Profit & Loss Account for the Year Ended 31st March, 2009**

Particulars	Schedule No.	Year Ended 31.03.2009 (Amt. in Rs.)	Year Ended 31.03.2008 (Amt. in Rs.)
<b>INCOME</b>			
Gross Sales	12	1,230,600,930	835,713,808
Less: Excise Duty paid (Net)		<u>36,482,672</u>	<u>26,365,112</u>
		1,194,118,258	809,348,696
Other Income	13	2,704,021	5,041,662
Increase/(Decrease) in Stock	14	<u>(16,215,365)</u>	<u>23,071,129</u>
<b>TOTAL :</b>		<u><u>1,180,606,914</u></u>	<u><u>837,461,486</u></u>
<b>EXPENDITURE</b>			
Cost of Materials	15	273,690,153	165,407,616
Manufacturing and Operating Expenses	16	405,150,080	241,640,983
Administrative & Other Expenses	17	51,835,685	40,891,647
Selling & Distribution Expenses	18	248,334,549	143,749,783
Interest & Financial Charges	19	55,334,454	33,210,404
Depreciation	4	<u>86,360,548</u>	<u>58,520,988</u>
<b>TOTAL :</b>		<u><u>1,120,705,468</u></u>	<u><u>683,421,421</u></u>
<b>PROFIT BEFORE TAXATION</b>		59,901,446	154,040,066
Less : Prior Period Adjustments (Net)		<u>(152,376)</u>	<u>-</u>
		59,749,070	154,040,066
<b>LESS : PROVISION FOR TAXATION</b>			
- Current Income Tax		14,409,499	17,807,196
Less : MAT Credit entitlement		<u>(14,409,499)</u>	<u>-</u>
Net Current Tax		-	17,807,196
- Deferred Tax Liability/(Asset)		(391,174)	4,967,446
- Fringe Benefit Tax		<u>840,643</u>	<u>1,011,769</u>
<b>PROFIT AFTER TAXATION</b>		59,299,601	130,253,655
Add : Balance Brought Forward from last year		<u>331,668,839</u>	<u>265,092,129</u>
<b>Profit Available for Appropriation :</b>		390,968,440	395,345,784
Less : Equity Dividend		22,160,000	44,320,000
Tax on Dividend		3,766,092	7,532,184
Transfer to General Reserve		<u>-</u>	<u>11,824,761</u>
<b>Balance Carried to Balance Sheet</b>		<u><u>365,042,348</u></u>	<u><u>331,668,839</u></u>
<b>Earning Per Share (Face Value of Rs. 10/- each)</b>			
: Basic & Diluted (Refer to Note 18 of Schedule "20")		<b>2.68</b>	6.99

Significant Accounting Policies & Notes on Accounts

"20"

Schedules "4" , "12" to "20" 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

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

Guwahati, 30<sup>th</sup> June, 2009

**Schedules Forming Part of Consolidated Balance Sheet As On 31.03.2009**

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b><u>SCHEDULE - 1</u></b>		
<b><u>SHARE CAPITAL :</u></b>		
<b>Authorised Capital</b> (2,50,00,000 Equity Shares of Rs. 10/- Each)	<b>315,000,000</b>	250,000,000
<b>Issued, Subscribed, Called up &amp; Paid-up Capital</b> (2,21,60,000 Equity Shares of Rs. 10/- each, fully paid up)	<b>221,600,000</b>	221,600,000
	<b>221,600,000</b>	221,600,000
<b><u>SCHEDULE - 2</u></b>		
<b><u>RESERVES &amp; SURPLUS :</u></b>		
<b>1. General Reserve</b>		
Balance Brought forward	47,080,126	35,255,365
Additions during the year	-	11,824,761
	<b>47,080,126</b>	47,080,126
<b>2. Capital Reserve on Consolidation</b>	<b>2,078,836</b>	2,078,836
<b>3. Profit &amp; Loss Account</b>	<b>365,042,348</b>	331,668,839
<b>4. Securities Premium Account</b>		
Balance Brought forward	151,439,581	181,120,000
Additions/adjustments during the year	-	(29,680,419)
	<b>151,439,581</b>	151,439,581
<b>Total (1+2+3+4)</b>	<b>565,640,891</b>	532,267,382
<b><u>SCHEDULE - 3</u></b>		
<b><u>SECURED LOANS :</u></b>		
<b>1. Rupee Term Loan from Banks/Financial Institutions</b> (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.)	<b>235,672,440</b>	311,671,264
<b>2. Interest accrued and due on Term Loans</b>	-	1,305,729
<b>3. (a) Equipment &amp; Vehicle finance from Banks</b>	<b>1,029,309</b>	1,620,971
<b>(b) Equipment &amp; Vehicle finance from others/private parties</b> (Secured against hypothecation of respective assets)	<b>5,135,157</b>	8,302,646
<b>4. Cash Credit from Banks</b> (Secured against first charge on current assets, second charge on the fixed assets and personal guarantee of promoter directors of the company.)	<b>382,839,584</b>	227,354,111
	<b>624,676,490</b>	550,254,721

Note : Out of 1 and 3 above a sum of Rs. 473.53 Lakhs  
(Previous Year : Rs. 848.87 Lakhs) would become  
due for payment within a year.

**SCHEDULE - 4**

**SCHEDULE OF CONSOLIDATED FIXED ASSETS & DEPRECIATION THEREON FOR THE YEAR ENDED ON 31.03.2009**

(Amt. in Rs.)

NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As On 01.04.2008	Additions during the Year	Deduction/ Adjustment during the Year	Subsidy	As On 31.03.2009	As On 01.04.2008	For the Year	Deduction/ Adjustment	As On 31.03.2009	As On 31.03.2008	
<b>(A) Tangible Assets:</b>											
Land and Site Devel.	118,276,418	14,348,199	-	-	132,624,617	-	-	-	-	132,624,617	118,276,418
Live Stock	33,570	-	-	-	33,570	-	-	-	-	33,570	33,570
Factory Building	162,884,619	17,889,587	18,979,201	-	161,795,005	34,871,596	10,082,314	-	44,953,910	116,841,096	128,013,023
Office Building	699,282	7,640,988	-	-	8,340,270	23,439	145,189	-	168,628	8,171,642	675,843
Furniture & Fixtures	5,539,298	444,187	-	-	5,983,485	3,274,065	742,632	-	4,016,697	1,966,788	2,265,233
Computer	5,106,934	652,817	-	-	5,759,751	3,585,112	716,749	-	4,301,861	1,457,890	1,521,822
Motor Vehicles	11,642,664	3,259,760	934,872	-	13,967,552	3,790,005	1,085,002	614,209	4,260,798	9,706,754	7,852,659
Office Equipment	5,528,627	639,698	-	-	6,168,325	2,006,832	605,290	-	2,612,122	3,556,203	3,521,795
Temporary Structure	2,008,835	-	2,008,835	-	-	2,008,835	-	2,008,835	-	-	-
Motor Tractor	1,353,955	-	-	-	1,353,955	411,884	282,621	-	694,505	659,450	942,071
Plant, Machinery & Installations	780,275,705	182,332,136	-	29,435,733	933,172,108	238,647,049	72,058,608	-	310,705,657	622,466,451	541,628,656
<b>Total (A)</b>	1,093,349,908	227,207,372	21,922,908	29,435,733	1,269,198,639	288,618,817	85,718,405	2,623,044	371,714,178	897,484,461	804,731,091
<b>(B) Intangible Assets:</b>											
Computer Software	1,823,949	102,478	-	-	1,926,427	1,089,437	642,142	-	1,731,579	194,848	734,512
<b>Total (B)</b>	1,823,949	102,478	-	-	1,926,427	1,089,437	642,142	-	1,731,579	194,848	734,512
<b>Total (A+B)</b>	1,095,173,858	227,309,849	21,922,908	29,435,733	1,271,125,066	289,708,254	86,360,548	2,623,044	373,445,758	897,679,308	805,465,604
Previous year	609,293,786	627,752,742	5,261,815	136,610,857	1,095,173,858	234,336,845	58,784,891	3,413,483	289,708,254	805,465,604	

**Note :** Depreciation amounting to Rs. Nil (previous year : Rs. 2,63,903/-) has been transferred to pre-operative expenses during construction period account.

**Schedules Forming Part of Consolidated Balance Sheet As On 31.03.2009**

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b><u>SCHEDULE - 5</u></b>		
<b><u>INVESTMENTS :</u></b>		
<b>Long Term Investments :</b>		
Other than trade, Quoted, fully paid up equity shares {50 Shares (previous year: 50 shares) of Gujarat Ambuja Ltd., Market Value Rs. 3,530.00 (Previous year : 6,052.50)}	4,423	4,423
	4,423	4,423
 <b><u>SCHEDULE - 6</u></b>		
<b><u>INVENTORIES</u></b>		
(At lower of cost or net realisable value)		
Stores, Spares and Fuel	59,693,046	49,080,432
Raw Material	21,716,067	27,241,906
Packing Material	5,751,854	8,214,867
Semi Finished Goods	6,562,931	29,177,417
Finished Goods	12,745,179	5,877,016
Goods in transit	-	11,330
	106,469,077	119,602,968
 <b><u>SCHEDULE - 7</u></b>		
<b><u>SUNDRY DEBTORS</u></b>		
(i) (Secured and considered good)		
- Debts outstanding for a period exceeding six months	22,731	-
- Other Debts	2,233,939	178,839
	2,256,670	178,839
(ii) (Unsecured and considered good)		
- Debts outstanding for a period exceeding six months	3,747,264	1,121,789
- Other Debts	92,106,178	53,079,072
	95,853,442	54,200,861
<b>Total</b>	98,110,112	54,379,700
 <b><u>SCHEDULE - 8</u></b>		
<b><u>CASH &amp; BANK BALANCE</u></b>		
Cash in Hand	12,800,432	9,701,336
Balances with Scheduled Banks :		
- In Current Account	37,568,590	23,467,537
- In Fixed Deposits	3,692,481	3,874,481
Cheques/Demand Drafts in Hand	7,534,694	2,710,552
	61,596,197	39,753,906



**Schedules Forming Part of Consolidated Balance Sheet As On 31.03.2009**

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b><u>SCHEDULE - 9</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
(Unsecured and considered good for recovery by the Management)		
1) Subsidy Receivable from Central/State Govt.	318,097,135	270,678,588
2) Balances with Central Excise & other Tax	31,031,468	10,451,322
3) Advance to Suppliers/Contractors	28,892,306	19,141,321
4) Security Deposits	11,064,879	9,463,378
5) Other advances - Recoverable in cash or in kind or for value to be recieved	52,064,501	22,647,830
	<b>441,150,288</b>	<b>332,382,439</b>
<b><u>SCHEDULE - 10</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b>(a) Current Liabilities</b>		
1) Sundry Creditors for Capital Expenditure	8,669,272	7,408,421
2) Sundry Creditors (Trade)	57,617,339	38,758,820
3) Statutory Liabilities	11,691,975	4,219,414
4) Interest Accrued but not due	-	42,708
5) Advance from Customers	43,314,630	7,200,710
6) Security Money received from customers	7,141,283	5,912,502
7) Other Liabilities	18,832,732	10,047,442
	<b>147,267,232</b>	<b>73,590,017</b>
<b>(b) Provisions</b>		
1) Provision for Income-Tax	14,409,499	17,807,196
2) Provision for Fringe Benefit Tax	840,643	934,674
	<b>15,250,142</b>	<b>18,741,870</b>
Less : Advance Income Tax and Tax Deducted at Source	(6,469,436)	(15,474,784)
Less : Advance Fringe Benefit Tax	(925,000)	(1,592,000)
	<b>7,855,706</b>	<b>1,675,086</b>
3) Provision for Gratuity	1,581,216	920,344
4) Provision for Leave Encashment	1,676,205	1,103,560
5) Proposed Dividend	22,160,000	44,320,000
6) Corporate Dividend-Tax	3,766,092	7,532,184
	<b>37,039,219</b>	<b>55,551,174</b>
<b><u>SCHEDULE - 11</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
(to the extent not written off or adjusted)		
1) Mines Development	1,953,676	2,890,244
2) Lease Rights	115,000	172,500
	<b>2,068,676</b>	<b>3,062,744</b>

### Schedules Forming Part of Consolidated Profit & Loss Account for the Year Ended 31.03.2009

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b><u>SCHEDULE - 12</u></b>		
<b><u>SALES</u></b>		
Gross Sales	1,229,918,097	835,713,808
Add: Captive Consumption of Cement	997,399	-
	1,230,915,496	835,713,808
Less : Cement Damaged	314,566	-
	1,230,600,930	835,713,808
<b><u>SCHEDULE - 13</u></b>		
<b><u>OTHER INCOME</u></b>		
Equipment Hire Charges	(39,182)	2,697,418
Sale of Scrap	1,631,562	1,395,504
Misc. Income	849,230	654,858
Insurance Claim Received	233,074	293,882
Profit on sales of motor vehicle	29,337	-
	2,704,021	5,041,662
<b><u>SCHEDULE - 14</u></b>		
<b><u>INCREASE/(DECREASE) IN STOCK</u></b>		
<b>Semi Finished Goods</b>		
Opening Stock	29,646,459	9,869,674
Closing Stock	6,562,931	29,646,459
	(23,083,528)	19,776,785
<b>Finished Goods</b>		
Opening Stock	5,877,016	2,582,672
Closing Stock	12,745,179	5,877,016
	6,868,163	3,294,344
Increase/(Decrease) in Stock	(16,215,365)	23,071,129
<b><u>SCHEDULE - 15</u></b>		
<b><u>COST OF MATERIALS</u></b>		
Raw Material Consumed	200,537,008	118,484,751
Stores and Spares Consumed	40,908,792	25,160,368
Packing Material Consumed	32,244,352	21,762,497
	273,690,153	165,407,616
<b><u>SCHEDULE - 16</u></b>		
<b><u>MANUFACTURING AND OPERATING EXPENSES</u></b>		
Power & Fuel Expenses	258,101,676	145,189,064
Operation & Maintenance Expenses	11,694,453	2,471,920
Material Handling, Equipment & Freight Charges	16,318,131	13,175,912
Repair and Maintenance		
– Plant & Machinery	14,057,299	8,342,827
– Building	1,267,122	1,173,201
– Equipments & Others	2,842,761	2,353,058
Salaries, Wages & Bonus	65,755,097	44,693,821
Contribution to Provident Fund	1,446,023	899,853
Job & Labour Charges	501,484	1,042,283
Staff Welfare Expenses	2,339,552	2,840,575
Royalties & Other Govt. Levies	10,532,083	7,663,545
Research and Development Expenditure	399,300	226,500
Other Production Overheads	19,895,099	11,568,424
	405,150,080	241,640,983

**Schedules Forming Part of Consolidated Profit & Loss Account  
for the Year Ended 31.03.2009**

Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b><u>SCHEDULE - 17</u></b>		
<b><u>ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Auditor's Remuneration	310,300	325,844
Bank Charges	685,383	740,005
Books & Periodicals	295,789	84,062
Charity & Donation	4,152,552	2,321,797
Bad Debts	15,859	3,280,919
Director's Remuneration	4,700,000	2,750,000
Staff Recruitment Expenses	70,862	927,240
Electricity Expenses	1,120,765	1,125,638
Fees & Subscription	1,528,782	381,906
ROC Filing Fees & Legal Expenses	460,643	309,117
House/Office Rent & Maint. Expenses	4,130,928	2,660,439
Insurance	867,664	817,121
Loss on sale of assets	-	823,183
Misc. Exps. Written off	994,068	994,068
Motor Car Running, Maint. & Hire Charges	3,520,368	2,437,346
Office and Other Miscellaneous Expenses	3,007,512	1,945,372
Postage & Telegraph Exps.	459,878	284,292
Printing, Stationery and computer Expenses	2,442,393	1,923,230
Provision for Gratuity	680,360	270,640
Rates & Taxes	237,687	448,729
Repair & Maintenance	937,812	648,402
Salary and other benefits to staff	8,510,872	3,739,323
Professional & consultancy service charges	875,432	775,857
Staff Fooding & Welfare Expenses	2,302,838	1,734,453
Sundry Balances written-off	(4,338)	(19,221)
Telephone Exps.	2,702,004	2,610,779
Travelling & Conveyance Expenses	6,681,070	6,296,106
Testing & Inspection Charges	14,344	5,000
Upfront Fees	132,360	-
Processing Charges	1,500	250,000
	<b>51,835,685</b>	<b>40,891,647</b>
<b><u>SCHEDULE - 18</u></b>		
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
Transportation Cost	191,625,115	105,981,820
Sales Promotion Expenses	14,541,626	4,464,000
Advertisement & Publicity	5,539,465	3,596,723
VAT/Sales Tax	32,595,282	26,287,665
Market Survey, Consultancy & Other Charges	1,185,423	1,790,846
Shop/Godown Rent	1,451,978	451,579
Weighment Charges	1,395,660	1,177,150
	<b>248,334,549</b>	<b>143,749,783</b>
<b><u>SCHEDULE - 19</u></b>		
<b><u>INTEREST &amp; FINANCIAL CHARGES</u></b>		
Term Loan	28,601,158	19,999,162
Working Capital facility (Net)	25,833,449	12,547,820
Others	1,646,594	1,273,531
Less : Interest Received, including TDS of Nil (Previous Year TDS Rs. 8,075/-)	(746,747)	(610,109)
	<b>55,334,454</b>	<b>33,210,404</b>

**SCHEDULE - 20 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS**

**A. Principles of Consolidation**

- (a) The consolidated financial statements (CFS) comprise the financial statements of Barak Valley Cements Ltd. (BVCL) and its following subsidiaries

S.N.	Name of the Subsidiary (All incorporated in India)	Proportion of Ownership as at 31.03.2009
1.	Meghalaya Minerals & Mines Ltd.	100%
2.	Badarpur Energy Pvt. Ltd.	100%
3.	Cement International 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.

- (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 Accountants of India and the relevant provisions of the Companies Act, 1956.

**(2) 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.

**(3) 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.

**(4) 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 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.

**(5) INVENTORIES:**

Inventories are carried 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.

**(6) 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). In case of power, revenue is booked on the basis of actual billing to the customers. Interest income is recognized on time proportion basis.

**(7) 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.

**(8) 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.

**(9) 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.

**(10) MISCELLANEOUS EXPENDITURE:**

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

**(11) 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.

**(12) 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.

**(13) 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 upto the date of commercial production.

**(14) 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.

**(15) 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.

**(16) 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.

**(17) 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. 96.88 Lakhs (Previous Year Rs. 288.41 Lakhs)
- (2) Contingent liabilities not provided for:  
 - Claims against the company not acknowledged as debts: Disputed demand of Income Tax ; pending before the Appellate Tribunal : Rs. 282.55 lakhs (Previous Year : 282.55 lakhs)  
 - Bank Guarantees issued by banks Rs. 4,25,000 (Previous Year : Rs. 2,25,000)
- (3) In view of AS-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.37,45,500 (Previous Year : Rs. 18,20,267) was paid to selling agents of the company as Sales Commission.
- (5) During the year, the company has capitalized the borrowing cost amounting to Rs. Nil (Previous Year : Rs. 2,29,01,464) for major expansion activities/ new commissioning of plant at factory site.
- (6) 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. 2,42,660	Rs. 2,47,192
b. Tax Audit Fee	Rs. 45,000	Rs. 45,000
c. Company Law and other matters	Rs. 34,000	Rs. 34,000
d. Reimbursement of out of pocket expenses	Rs. 9,240	Rs. 10,888
<b>Total</b>	<b>Rs. 3,30,900</b>	<b>Rs. 3,37,080</b>

- (7) Remuneration paid to Director's during the year: Rs. 47,00,000 (Previous Year : Rs.27,50,000)

**(8) GOVT. SUBSIDIES**

During the year Insurance subsidy amounting to Rs.21,88,801/- ( previous year : 15,44,009/-), working capital interest subsidy amounting to Rs.86,34,204/- (previous year : 49,70,961/-), Power Subsidy amounting to Rs. 10,00,000/- (previous year : 10,00,000/-) Transport subsidy amounting to Rs.6,64,11,099/- (previous year : 3,76,98,181/-) has been adjusted from related overheads. Capital Investment Subsidy amounting to Rs.2,94,35,733/- (previous year : 13,66,10,857/-) has been adjusted out of cost of the related fixed assets. During the year Excise Duty amounting to Rs. 7,42,70,300/- (previous year : 6,15,10,615/-) has been refunded back by Govt. of India.

- (9) According to the information available with the company, there are no outstanding dues in respect of principal amount or interest due in respect of micro enterprises, small and medium enterprises or any S.S.I. Undertakings. (Previous Year: Nil)

**(10) 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  
 M/s. Prithvi Energy Limited

**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)  
 Sushil Kumar Kothari (Chief Financial Officer)  
 Mahendra Kumar Agarwal (Vice Chairman)  
 Jagdish Prasad Shah,  
 Prahlad Rai Chamaria

Details of transactions between the company and related parties for the year ended on 31.03.2009 is given as under:

(Rs. in Lakhs)

Sl.No.	Type of transaction	Associates	Key Management Personnel/relatives
1.	Sale of finished/semi finished goods/services	14.81 (25.01)	—
2.	Purchase of Raw Material/semi/finished goods	961.08 (503.13)	—
3.	Hire Charges paid	— (37.14)	—
4.	Remuneration and sitting fee paid to directors	—	49.62 (39.04)

Note : Figures in bracket represent transactions of previous year.

- (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) 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.
- (13) Expenditure on purchased software (ERP) and IT related expenses are written off over a period of three years.
- (14) **Employee Defined Benefits:**

**(a) Defined Contribution Plans**

The Company has recognized an expense of Rs.14,46,023 (Previous year Rs 8,99,853) towards the defined contribution plans.

**(b) Defined Benefit Plans - As per Actuarial Valuation as at 31st March, 2009**

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I. Expense recognized in the Statement of Profit and Loss Account for the year ended 31st March, 2009				
1. Current Service Cost	368,939	372,376	2,51,076	436,023
2. Interest Cost	101,601	98,843	56,545	-
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	209,820	643,218	(36,981)	997,435
8. Losses/(gains) on plan assets	-	-	-	-
9. Total Expense	680,360	11,14,437	270,640	14,33,458
II. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2009				
1. Present Value of Defined Benefit obligations	1,581,216	16,76,205	920,344	1,103,560
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/(Deficit)]	(1,581,216)	(1,676,205)	(920,344)	(1,103,560)
4. Net Asset/(Liability) as on 31.03.2009	(1,581,216)	(1,676,205)	(920,344)	(1,103,560)
III. Change in Obligation during the Year ended 31st March, 2009				
1. Present value of Defined Benefit obligation at the beginning of the year	920,344	1,103,560	649,704	-
2. Current Service Cost	368,939	372,376	228,046	436,023
3. Interest Cost	101,601	98,843	54,549	-
4. Curtailment Cost/(Credit)	-	-	-	-
5. Settlement Cost/(Credit)	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Plan amendments	-	-	-	-
8. Acquisitions	-	-	-	-
9. Actual (gains)/Losses	209,820	643,218	(11,955)	997,435
10. Benefits paid	(19,488)	(541,792)	-	(329,898)
11. Present Value at the end of the year	1,581,216	1,676,205	920,344	1,103,560
IV. Change in Fair Value of Assets during the year ended 31st March, 2009				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Expected Return on plan Assets	-	-	-	-
3. Actual Company Contributions	19,488	479,755	-	-
4. Employee Contributions	-	-	-	-
5. Actuarial Gain/(Loss) on plan assets	-	-	-	-
6. Benefits paid	(19,488)	(479,755)	-	-
7. Plan Assets at the Closing of the year	-	-	-	-

- (15) Sundry Debtors includes Rs. 65,052 (Previous year : Rs. 20,09,066) due from Balaji Udyog Limited (associate company). Maximum balance outstanding during the year : Rs. 4,35,322
- (16) Sundry Creditors includes due to following companies/ firm in which directors are interested:
- (a) Nefa Udyog : Rs. Nil (as at 31.03.2008 : 1,79,727 credit balance) Maximum balance outstanding : Rs. 1,79,727
- (b) Meghalaya Cements Limited : 53,97,697 (as at 31.03.08 : Nil). Maximum balance outstanding : Rs. 53,97,697
- (17) Advance to Suppliers / other advances includes due from Balaji Udyog Limited (associate company) : Rs. 5,17,323 (Previous Year : Nil)

(18) **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 2009 and 31st March 2008.

	Year ended 31st March, 2009	Year ended 31st March, 2008
(a) Profit/(Loss) attributable to Equity Shareholders	5,92,99,601	13,02,53,655
(b) The weighted average number of Ordinary Share outstanding for Basic/Diluted EPS	2,21,60,000	1,86,34,098
(c) The nominal value per Ordinary Share	10	10
(d) Earnings Per Share Basic & Diluted (Rs.)	2.68	6.99

- (19) Balance of Sundry Debtors; Creditors and advances are subject to confirmation from respective parties.
- (20) Deferred Tax Liability / (Asset) as at 31st March, 2009 comprises as under :

S. No.	Particulars	Balance As on 01.04.2008	Additions/ (deductions) during the year	Balance As on 31.03.2009
1. (a)	<b>Deferred Tax Liabilities</b> Tax impact of difference between carrying amount of fixed assets in the financial statements and income tax returns	1,19,33,349	28,097	1,19,61,446
2. (b)	<b>Deferred Tax Assets</b> Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax (provision for gratuity & Leave Encashment)	6,87,926	4,19,271	11,07,197
	<b>Deferred Tax Liability/(Asset) (a – b)</b>	1,12,45,423	(3,91,174)	1,08,54,249

- (21) The company deals in only one Segment i.e. cement manufacturing. There is no separate reportable segment as required by AS-17 "Segment Reporting".
- (22) Previous year figures have been regrouped/ restated wherever necessary, to confirm to current year.
- (23) Figures have been rounded off to the nearest rupee.

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

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

For & on behalf of the Board

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)



### Consolidated Cash Flow Statement for the Year Ended 31st March, 2009

S.N.	Particulars	31.03.2009 (Amt. in Rs.)	31.03.2008 (Amt. in Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
	Net Profit before Tax	59,901,446	154,040,066
	<b>Adjustment for :</b>		
	Add : Depreciation & Misc. expenditure	84,731,572	56,365,477
	Interest & finance charges	55,334,454	33,219,612
	Operating Profit before working capital changes	199,967,473	243,625,155
	<b>Adjustment for change in :</b>		
	Trade & other receivables	(145,103,825)	(178,882,270)
	Inventories	13,133,891	(35,618,990)
	Trade and other payables	54,324,617	54,678,693
	<b>Cash generated from Operations</b>	<b>122,322,156</b>	<b>83,802,588</b>
	Direct Taxes Paid	(7,394,436)	(23,786,411)
	Prior period adjustments	(152,376)	-
	<b>Net Cash Flow from Operating Activities</b>	<b>114,775,344</b>	<b>60,016,177</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
	Acquisition of Fixed Assets	(86,094,275)	(157,443,516)
	Purchase of Investments	-	-
		<b>(86,094,275)</b>	<b>(157,443,516)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>			
	Net proceeds from issue of Equity Shares	-	208,039,581
	Increase in Bank borrowings	74,421,769	(6,221,450)
	Dividend (including CDT)	(25,926,092)	(51,852,184)
	Interest and finance charges paid	(55,334,454)	(33,219,612)
		<b>(6,838,778)</b>	<b>116,746,335</b>
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>21,842,291</b>	<b>19,318,995</b>
	Add:- Cash & Cash Equivalents at the beginning of the year	39,753,906	20,434,911
	Cash & Cash Equivalents at the Closing of the year	<b>61,596,197</b>	<b>39,753,906</b>

**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

**For & on behalf of the Board**

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

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Guwahati, 30<sup>th</sup> June, 2009

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

### Information with regard to Subsidiary Companies

(Required to be disclosed in the Annual Report pursuant to exemption letter dated 16/03/2009 of the Ministry of Corporate Affairs, exempting the company from attaching the Annual Reports and other particulars of its subsidiary companies u/s. 212 of the Companies Act, 1956)

S. No.	Name of Subsidiary Company	Cement International Limited	Meghalaya Minerals & Mines Limited	Badarpur Energy Private Limited
	<b>Financial Year ends on</b>	<b>31.03.2009</b>	<b>31.03.2009</b>	<b>31.03.2009</b>
(a)	Share Capital	9,927,000.00	14,900,000.00	35,633,400.00
(b)	Reserves & Surplus	87,341,882.00	44,516,355.00	71,473,380.00
(c)	Total Assets (Fixed Assets + Investments + Current/Deferred Assets)	247,110,103.00	118,843,176.00	422,952,220.00
(d)	Total Liabilities (Debts + Current/Deferred Liabilities)	149,841,220.00	59,426,821.00	315,845,440.00
(e)	Investments (excluding investment in subsidiary companies)	-	-	-
(f)	Turnover	410,371,268.00	87,962,765.00	84,568,680.00
(g)	Profit/(Loss) before Taxation	34,828,292.00	9,600,361.00	(69,395,223.00)
(h)	Provision for Taxation	90,452.00	42,848.00	(2,248,421.00)
(i)	Profit/(Loss) after Taxation	34,737,840.00	9,557,513.00	(67,146,802.00)
(j)	Proposed Dividend	-	-	-

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

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

For & on behalf of the Board

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

Sd/-  
**Bijay Kumar Garodia**  
(Chairman)

Sd/-  
**Santosh Kumar Bajaj**  
(Whole Time Director)

Sd/-  
**Sushil Kothari**  
(Chief Financial Officer)

Sd/-  
**Dimpy Choudhary**  
(Company Secretary)

Guwahati, 30<sup>th</sup> June, 2009



## 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 TENTH ANNUAL GENERAL MEETING of Barak Valley Cements Limited to be held on Wednesday, the 30<sup>th</sup> day of September, 2009 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

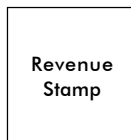
I/We.....of.....in the district of.....being a member(s) of BARAK VALLEY CEMENTS LIMITED hereby appoint.....of.....in the district of.....or failing him.....of.....in the district of.....as my/our proxy to attend and vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Company to be held on 30<sup>th</sup> day of September, 2009 and any adjournment thereof.

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

Name.....

Signature (s).....

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



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 of Rs. 1/- should reach Company's Registered Office at least 48 hours before the meeting.



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Fax : 0361-2464672

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Fax : 03842-239230

Website : [www.barakcement.com](http://www.barakcement.com)

## BOOK-POST



### Barak Valley Cements Limited

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