

BARAK VALLEY CEMENTS LIMITED

Annual Report
2011-2012



Barak Valley Cements Limited

Annual Report 2011-2012

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. Ramesh Chandra Bajaj -	Director
Mr. Vishal More -	Director
Mr. E. E. Fernandes -	Nominee Director (IDBI)

Company Secretary

Ms. Nidhi Sharma

Auditor

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

Bankers And FIs

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

Offices:

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

Corp. Office:
281, Deepali, Pitam Pura,
Delhi - 110034

Works:

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

Branches:

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

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Notice

NOTICE is hereby given that the 13th Annual General Meeting of the Members of **BARAK VALLEY CEMENTS LIMITED** will be held on Thursday, the 09th day of August, 2012, at the 202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007 at 01:00 P.M to transact the following businesses :-

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and Profit and Loss A/c for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint Director in place of Sh. Prahlad Rai Chamaria, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Director in place of Sh. Ramesh Chandra Bajaj, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Director in place of Sh. Vishal More, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint M/s Kumar Vijay Gupta & Co., Chartered Accountants as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD
For Barak Valley Cements Limited

Place : Delhi
Date : 30.05.2012

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

NOTES:

1. ***A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her self and the proxy need not be a member of the Company.***
2. The instrument appointing a proxy, to be effective, must be duly filled, stamped and must reach the company's registered office not later than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this notice.
3. As required by Clause 49 of the Listing Agreement, the relevant details of the Directors liable to retire by rotation and seeking re-appointment are annexed herewith.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 03rd day of August, 2012 to Thursday, the 09th day of August, 2012 (both days inclusive).
5. M/s MCS Limited is the Registrar & Share Transfer Agent (R&TA) of the Company. All investor related communications may be addressed to MCS Limited at the following address:
M/s MCS Limited
Unit: Barak Valley Cements Limited
F-65, Okhla Industrial Area,
Phase-I, New Delhi-110020
Ph: 011-41406149; Fax: 011-41709881; E-Mail: admin@mcsdel.com
6. Members are requested to notify about any changes in address/ bank details/ECS (Electronic Clearing Service) mandate to:
 - a) The Company or its R&T Agent viz. M/s MCS Limited, if shares are held in physical form; and
 - b) their respective Depository Participants (DPs), if shares are held in electronic form.
7. Members/proxies are requested to kindly take note of the following:
 - i. attendance Slip, as sent herewith, is required to be produced at the venue duly filled in and signed for attending the meeting,
 - ii. entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips and
 - iii. in all correspondence with the Company and/or the R&T Agent, Folio No./DP & Client ID no. must be quoted.

8. Members are requested to send their queries, if any, at least 10 days in advance of the meeting so that the information can be compiled in advance.
9. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
11. For any investor related queries, communication may be sent by e-mail to cs@barakcement.com.
12. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination 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.
13. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the company or its RTA in the following cases viz, transfer of shares, deletion of name, transmission of shares and transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
14. 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.
15. 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.
16. Ministry of Corporate Affairs vide their circular 17/2011 dated 21/04/2011 clarified that it would be compliance to Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode providing that Company has obtained e-mail addresses of its members for sending notice/ documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company.

In order to cherish and support the Green Initiative taken by Government of India to secure paperless compliance for betterment of environment, members who have not provided their e-mail address are requested to contact to RTA or compliance officer of the company for the same.
17. The Annual Report of the Company for the year 2011-12, circulated to the Members of the Company, will also be made available on the Company's website viz. www.barakcement.com. The Annual Accounts of the Company's Subsidiary Companies and the related detailed information shall be made available to the shareholders seeking such information at any point of time.

BY ORDER OF THE BOARD
For Barak Valley Cements Limited

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

Place : Delhi
Date : 30.05.2012

ANNEXURE TO ITEM NO. 3 OF THE NOTICE

Details of the Directors seeking re-appointment in the 13th Annual General Meeting of the Company pursuant to Clause 49 of the Listing Agreement

I. BRIEF RESUME

Sh. Prahlad Rai Chamaria

Sh. Prahlad Rai Chamaria, aged about 70 years is the Promoter Director of your Company. He is a Commerce Graduate and holds Bachelor Degree in Law. He had also been conferred Masters Degree in Economics from the University of Guwahati. Shri Chamaria being a graduate in Law can very well look after the legal matters of the Company and has got full knowledge of accounts and finance.

After completing his studies, he joined his family business of saw mill. He thereafter incorporated M/s Donyolo Udyog Ltd. for starting a Prestressed Pretensioned Concrete Sleeper factory at Shamgarh (M.P) which is a full fledged Prestressed Concrete Sleeper plant with modern technology. He has built up a good reputation in the industry and Government circles in both Assam and Arunachal Pradesh.

Sh. Ramesh Chandra Bajaj

Sh. R.C.Bajaj, aged about 62 years, is associated with the company since 2006. He is a man of amicable nature with resolute mind and farsightedness. 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.

Sh. Vishal More

Sh. Vishal More aged about 33 years is a Masters Degree holder in Economics and Chartered Financial Analyst (CFA) from USA. He has also worked as an economist with the corporate research wing of Confederation of Indian Industry (CII).

Sh. Vishal More has rich experience in the areas of economics and financial research and analyses; management consulting, restructuring and governance, market prioritization and intervention schemes based on extensive research and surveys, etc.

Sh. Vishal More has also worked as a consultant to multilateral and development institutions such as the World Bank at Washington DC. As a part of dissemination of his work, he has also co-authored reports on various topics ranging from analysis of industrial sectors and investment climate in India.

II. OTHER DETAILS

Name of the Director	Sh. Prahlad Rai Chamaria	Sh. Ramesh Chandra Bajaj	Sh. Vishal More
Category	Promoter and Non-Executive Director	Independent Director	Independent Director
Date of Birth	13.11.1941	12.11.1949	21.12.1978
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	28.04.1999	21.11.2006	22.05.2007
Qualifications	Law Graduate and Masters Degree in Economics	Under-Graduate	Masters Degree holder in Economics and Chartered Financial Analyst (CFA), USA.
Inter-se Relationship with Other Directors	Mr. Kamakhya Chamaria, Managing Director is Brother	None	None
Number of Shares Held in the Company	19,84,800	Nil	Nil
Expertise in Functional Areas	Legal Matters, Labour Laws, Industrial Dispute, etc	General and Business Management	Economic and Financial Research and Analysis, Management Consulting & Restructuring and Governance
List of Directorships held in other Companies	<ul style="list-style-type: none"> • Donyolo Udyog Ltd • Balaji Udyog Ltd • Star India Cements Ltd • Valley Strong Cements Ltd 	Nil	Cement International Limited
Chairman/Member of the Committees of the Boards (across all Companies)	Nil	Member, Audit Committee	Chairman, Audit Committee

Notes :

- a) The aforesaid information is as at 31st March, 2012.
- b) The Directorships/Committee Memberships exclude private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.
- c) Only two committees viz. Audit Committee and Shareholder's Grievance Committee have been considered for determining Chairmanship/Membership which is pursuant to Clause 49 of the Listing Agreement.

Directors' Report

**To,
The Members,
Barak Valley Cements Limited**

Dear Shareholders,

The Directors of your company are glad to present the 13th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March 2012.

Financial Results

The summary of your Company's financial performance during Financial Year ended 31st March 2012 is as under:

Particulars	Year Ended as at 31st March, 2012	(Rs. In Lacs) Year Ended as at 31st March, 2011
Revenue from operations (net)	9722.84	8994.43
Other Income	19.71	19.83
Total Sales & Other Income	9742.55	9014.26
Income before Finance Cost, depreciation and amortization and Income Tax	544.83	1048.76
Less: Depreciation & amortization expenses	496.41	531.74
Profit before Interest and Income Tax	48.42	517.02
Less: Finance Cost	717.74	494.36
Profit before Income Tax	(669.36)	22.66
Less: Exceptional Items	(17.06)	(33.44)
Less: Provision for Income Tax		
Current Income Tax	-	-
Deferred Tax Liability	18.63	(1.60)
Profit After Tax:	(670.89)	57.70
Less: Balance brought down from last year	4828.00	4,770.30
Profit available for Appropriation	4157.11	4,828.00
Less: Appropriations:	-	-
Transfer to General Reserve	-	-
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	-	-
Balance Transferred to Reserve & Surplus	4157.11	4,828.00

OPERATIONS

Standalone

The Standalone turnover of the company stood at Rs. 9722.65 lakhs during the year 2011-12 which is an increase over previous year turnover of Rs. 8994.43 Lakhs. However, the profitability of the company for the current year witnessed a sharp fall to a loss of Rs. 670.89 Lakhs when compared with the previous year profit of Rs. 57.70 Lakhs.

Consolidated

Pursuant to the requirements of Clause 32 of the Listing Agreement, the audited consolidated financial results are also attached with the standalone financial results in this Annual Report. During the year 2011-12 the consolidated revenue from operations increased to Rs. 12,201.83 Lakhs as compared to Rs. 11409.80 Lakhs in the period 2010-11. The consolidated loss has also increased from 375.52 Lakhs in 2010-11 to Rs. 1065.10 Lakhs in the current period.

DIVIDEND

Your Directors after considering the performance of the Company for the Financial Year 2011-12 have decided not to recommend Dividend this year.

SUBSIDIARIES

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

Pursuant to General Circular No. 2/2011 dated 8th February 2011, the Board of Directors of the Company in their Meeting held on 14th February 2012, subject to conditions mentioned in said circular resolved, not to attach Balance Sheet of subsidiaries with Balance Sheet of Company for Financial Year 2011-12. The annual accounts of the subsidiary companies and the related detailed information shall be made available to the shareholders of the Company and that of the subsidiary companies who are seeking such information at any point of time and a hard copy of details of accounts of the subsidiaries will be provided to shareholder on demand. A statement giving certain information as required by the said circular is placed along with the Consolidated Accounts.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

DIRECTORS

In accordance with the provisions of Section 255 & 256 of the Companies Act, 1956 Sh. Prahlad Rai Chamaria, Sh. Ramesh Chandra Bajaj & Sh. Vishal More, Directors of the Company are liable to retire by rotation and they have offered themselves for re-appointment.

AUDITORS

Statutory Auditors

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

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

Cost Auditors and Cost Audit Report

The Board of Directors on the recommendation of the Audit Committee has proceeded to re-appoint M/s. Manash R & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2012-2013 in accordance with the provisions of Section 233B(2) of the Companies Act, 1956. M/s. Manash R & Associates, Cost Accountants have confirmed that their appointment is within the limits of the Section 224 (1B) of the Companies Act, 1956 and have also certified that they are free from any disqualifications specified under Section 233B(5) read with Section 224 sub section (3) or sub section (4) of Section 226 of the Companies Act 1956.

The Audit Committee has also received a Certificate from the Cost Auditor Certifying their independence and arm's length relationship with the Company. Pursuant to Companies (Cost Audit Report) Rules 2011 the due date for filing the Cost Audit Report for the financial year 2011-2012 is 27th September, 2012.

AUDIT COMMITTEE

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

AUDITORS' REPORT

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. that all the applicable accounting standards have been followed in preparation of the financial statements and there are no material departures from the said standards;

- ii. that reasonable and prudent accounting policies have been used in preparation of the financial statements, that they have been consistently applied and that reasonable and prudent judgments and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs and the profit of the company for the year ended 31.03.2012;
- iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the financial statements have been prepared on a going concern basis.

INSURANCE

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

PUBLIC DEPOSITS AND BUY BACK OF SHARES

During the period under review, your Company has not accepted any deposit from public/ shareholders in accordance with Section 58A of the Companies Act, 1956 and rules made there under and hence no amount of principal or interest was outstanding as on 31/03/2012.

No Buy Back of Shares was proposed or pending during the Financial Year ended on 31/03/2012.

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

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

ACKNOWLEDGEMENT

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

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

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

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

For Barak Valley Cements Limited

Place : Delhi
Date : 30.05.2012

Sd/-
(Kamakhya Chamarla)
Chairman

Annexure 'A' to Directors' Report

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

a) Energy Conservation Measures Taken:

- i. Cyclone fan of 72000 m³/hr capacity with bag filter to stop pollution & recycle the collected dust to blending silo installed.
- ii. Cement Mill No.1 450 KW motor changed with 350 KW/3.3 KV/990 rpm motor.
- iii. Steel chord elevator to feed the clinker in cement mill no. 1 & No. 2 installed.
- iv. Bigger size of dryer (1.8 m x 20 m) being installed to dry the alternative fuel like saw dust, bamboo dust, rice husk etc.
- v. Raw Mill No. 3 Roller support changed with trunion bearing.
- vi. Raw Mill No. 3 Gear box changed to optimize the revolution per minute.
- vii. Existing crushing system relocated to crush the clinker to increase the output.

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

- i. Replacement of screw conveyor into weigh feeder in main firing of coal.
- ii. Weigh feeder in raw material grinding.
- iii. Auxiliary drive in raw mill no. 1.
- iv. To replace the girth gear of coal mill no. 2 and optimize the loading of grinding media to increase the production.
- v. Close circuiting of raw mill no. 3.
- vi. Replacement of existing spillage from 125 m/m to 250 m/m size.
- vii. To change bad tyres and shell of kiln.
- viii. To provide VFD in different fan to reduce the power consumption.
- ix. To change existing impact crusher into secondary crusher and use of secondary crusher into tertiary crusher.

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

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

d) Total Energy Consumption and Consumption per unit of production as per Form A in respect of Industries specified in the schedule:

FORM – A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

Power and Fuel Consumption	2011-2012	2010-2011
a) Purchase Units (KWH)	2,31,51,900Units	2,00,60,000Units
Total Amount (Rs. in Lakhs)	1,049.38	854.03
Rate/Unit (Rs.)	4.53	4.26
Own Generation (KWH)	12,90,616Units	6,87,993Units
Total Amount (Rs. in Lakhs)	150.91	74.02
Rate/Unit (Rs)	11.69	10.76
b) Coal Consumption	29,460.77MT	25,202.25MT
Total Amount (Rs. in Lakhs)	1,615.21	1,179.04
Rate/MT (Rs)	5,482.59	4,678.00
Consumption per unit of production (Unit/MT)	Power (Per MT of Cement)	Coal (Per MT of Clinker)
Standard, if any	129.00	0.20
Current Year	133.51	0.19
Previous Year	123.60	0.18

FORM-B

TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

1. Researches and Development (R&D)

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

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

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

Cost of Clinker will reduce by 1 to 2%.

c) Future plan of action

To modify the preheater with precalciner to maintain the production of clinker from 600 MTD to 750 MTD.

d) Expenditure on R&D

Particulars	2011-12	2010-11
i) Capital Expenditure	Nil	Nil
ii) Recurring Expenditure	<u>17,21,352</u>	<u>2,512,544</u>
iii) Total Expenditure	<u>17,21,352</u>	<u>2,512,544</u>

2. Technology absorption, adaptation and innovation during 2011-2012 the following jobs were taken up :-

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

b) Benefit derived as a result of the above efforts

The production of Kiln will increase

c) Foreign Exchange earning and outgo.

The company is not engaged in any activity relating to import or export.

Foreign Exchange Earned	:	NIL
Foreign Exchange Used	:	NIL

For Barak Valley Cements Limited

Place : Delhi
Date : 30.05.2012

Sd/-
(Kamakhya Chamaria)
Chairman

Management Discussion and Analysis Report

INDIAN INDUSTRY OUTLOOK

India is the world's second largest producer of cement after China. The demand for cement, being a derived demand, depends mainly on the industrial activities, real estate business, construction activities and investment in the infrastructure sector. India is experiencing growth in all these areas and hence the cement market is moving ahead in spite of the world-wide economic recession. The initiatives provided by the Government of India to various infrastructure projects, road network and housing activities will provide required stimulus towards the growth of cement industry in India. Strong demand from the housing sector is also anticipated arising out of increasing urbanization, the burgeoning middle class with higher disposable incomes and Government stimulus for enhancing rural income and affordable housing.

As per Cement Manufacturer's Association (CMA) India has 139 large cement plants and 365 mini cement plants as on 31.03.2011. It will be worth noting that according to CMA the cement production has also increased to 179.79 MT during the year 2011-12 as compared to 169.21 MT of cement production during the previous year 2010-11. Cement Manufacturer's Association (CMA) is targeting to achieve 550 MT capacities by 2020.

NORTH EAST INDIA SCENARIO

India's North Eastern region is a rainbow country, extraordinarily diverse and colorful, mysterious when seen through parted clouds. Despite of being full of natural resources, it is a very poignant situation that it is one of the most backward regions of our Country.

By 2020, the people of North East India want to see their region strong, confident, peaceful and want to witness a never ending elevation. The policies on North East India strive to improve infrastructure in order to enhance connectivity and facilitate trade and promotion of tourism industry. The region now aspires to have economic, social and cultural progress so that it may lead towards prosperity and well-being. The NE India is gradually heading towards banishing poverty and illiteracy and higher disposable incomes which reflects rapid increase in cement consumption in the region and serves as the idyllic situation for the cement industries to develop and grow. With the progress of the master plan of development of Eight Sisters, your Company will also mature and develop more by time.

COMPANY PERFORMANCE

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

	FY 2011-12	(Rs. in Lacs) FY 2010-11
Net Sales	9722.84	8994.43
Profit/(Loss) after tax	(670.89)	57.70
Net Worth	8322.58	8993.47
Borrowings	2772.22	1469.65
EPS	(3.03)	0.26
Production (MT)	183073	167871
Despatches (MT)	186655	166630

During the year ending on 31.03.2012 your company has suffered loss of Rs. 671 Lakhs in comparison of profit of Rs. 58 Lakhs in the previous year. The reason of such a shrink performance of the company is mainly due to fall in NCR due to increased competition, increase in Interest and Financial Costs, exhaustion of VAT exemption and increase in Power & Fuel costs.

PERFORMANCE OF SUBSTANTIAL 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 2011-12 as compared to the financial year 2010-11 is as under:

	FY 2011-12	FY 2010-11
CEMENT INTERNATIONAL LIMITED		
Production (MT)	59,560	50,154
Dispatches (MT)	60,105	49,950
Turnover (Rs. in lakhs)	(2913.18)	(2488.80)
Profit after Tax (Rs. in lakhs)	83.89	174.17
BADARPUR ENERGY PRIVATE LIMITED		
Units Generated (In Lakhs)	---	31.59
Net Units Sold (In lakhs)	---	25.38
Turnover (Rs. in Lakhs)	--	152.27
Profit after Tax (Rs. In lakhs)	(426.55)	(523.02)
MEGHALAYA MINERALS AND MINES LIMITED		
Limestone Extracted (MT)	1,47,670	1,72,675
Limestone Dispatched (MT)	1,83,681	1,68,071
Turnover (Rs. In lakhs)	(1,254.68)	(1,145.42)
Profit after Tax (Rs. In lakhs)	(1.58)	(11.51)

SALES & MARKETING

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

During the year the Net Revenue from operations were Rs. 9,723 Lakhs in comparison of previous year Rs. 8,994 Lakhs which is an increase of about 8 %. However, the NCR of cement was Rs. 191.84 per bag as against the NCR of Rs. 205.10 per bag in 2010-11 mainly due to new entrants in the industry leading to high level of competition, increased supply from the industries in the mainland and exhaust of VAT exemption of the Company. Your company had also incurred Rs. 152 Lakhs in the year 2011-12 as compared to Rs. 120 Lakhs in the year 2010-11 on the Advertisement, Publicity & Sales Promotion expenses.

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

During the year, the company has consumed 1,92,212 MT of Lime stone as compared to 1,74,658 MT of Limestone during last year. The main source of Limestone is from Meghalaya Minerals & Mines Ltd., which is a wholly owned subsidiary of your company. The per tonne limestone cost for producing cement comes out to Rs. 633/- this year as compared to Rs. 679/- last year. The consumption of limestone per ton of clinker in the current year was Rs 832/- (1.31 MT) against Rs. 851/- (1.25 MT) during the previous year.

(ii) Fly Ash:

During the year, the company has consumed 41,364 MT of Fly ash against 26,982 MT during last year. The average acquisition cost per MT of Fly ash has been Rs. 1,779/- per MT in current year as compared to Rs. 1,677/- per MT in the last year. The total cost of fly ash in the year 2011-12 was Rs.722.47 Lakhs & in the year 2010-11 it came out to be Rs. 462.75 Lakhs. In current financial year 2011-12, overall Fly ash cost constitutes 29% of overall Raw material cost as compared to 22% of raw material cost in the earlier year.

The company has produced 1,26,143 MT of PPC cement as compared to 1,02,190 MT of PPC cement in the last year. The per tonne fly ash cost of producing PPC Cement comes out to Rs. 395/- per MT as compared to Rs. 276/- per MT of producing cement in the last year. During the year the fly ash consumption was 32.79% of the cement production however the consumption of fly ash in the previous year was 26.40% of the cement production.

(iii) Gypsum:

Gypsum consumption of the company in the period 2011-12 was 323 MT as compared to 528 MT in the year 2010-11. The overall gypsum consumption cost comes to 0.64% of overall raw material cost as compared to 1.05% in the last year. The total cost of gypsum in the year 2011-12 was Rs. 15.76 Lakhs & in the year 2010-11 it came out to be Rs. 22.64 Lakhs. The average cost of Gypsum for producing per MT cement comes out to Rs. 8.61 as compared to Rs. 13.49 last year.

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

During the year, the company has consumed 29,461 MT of coal, which constitutes 19% of per MT clinker production as compared to 25,202 MT during last year (18% of per MT clinker production). In current year, the company has incurred Rs. 1615.21 lakhs on coal as compared to Rs. 1,179.04 lakhs in previous year. In 2011-12 average coal costing comes out to Rs. 5,482/- per MT as compared to Rs. 4,678/- per MT in 2010-11. The coal cost per ton of cement comes out to be Rs. 780/- in the year 2011-12 when compared with Rs. 673/- in the previous year 2010-11.

(ii) Power:

In current year, the company has purchased 231.52 lakhs units from ASEB as compared to 200.60 lakhs unit purchased from ASEB/BEPL in the last year.

During the year Company has generated 12.91 Lakhs power units with DG sets at an average cost of Rs. 11.69 per unit as compared to 6.88 Lakhs units in 2010-11 at an average cost of Rs. 10.76 per unit. In the current year, the company has incurred Rs. 1200.29 lakhs on power cost with an average of Rs. 4.91 per unit as compared to 928.05 lakhs (Rs. 4.47 per unit) in the last year. The cost of power per ton of cement comes out to be Rs. 594/- in the year 2011-12 when compared with Rs. 534/- in the previous year 2010-11.

(c) Salaries, Wages and Labor Cost

In current year 2011-12, the company has incurred Rs. 793.17 lakhs on salaries, wages and labor cost as against Rs. 802.76 lakhs in 2010-11. In overall terms in current year, wages cost comes out to Rs. 329/- per MT of Cement cost as compared to Rs. 396/- per MT in the last year.

(d) Transportation Cost

The Company has dispatched 186655 MT of cement as compared to 1,66,398 MT of cement in the previous financial year. However, the overall transportation cost comes down to Rs. 1816.59 lakhs as compared to Rs. 1868.02 lakhs in the last year.

(e) Financial Costs

During the year the company had faced a remarkable increase in Interest & Financial Costs against the last year. In 2011-12 the financial costs rose to Rs. 717.74 Lakhs from Rs. 494.36 Lakhs in the previous year 2010-11 due to higher lending rates charged by the bankers and others.

RISKS AND AREAS OF CONCERN**• COAL**

The fuel and energy costs account for 30% of total costs of cement and the same have seen an increase of around a 20% CAGR over the last seven years in the cement industry. In India, during the period 2011-12 the coal prices had a significant increase due to reduced supplies, rising freight costs and higher imported coal quantities in India. Thus, the cost of coal is a major area of concern for your company due to its direct co-relation with economy of the country and other global factors.

• TRANSPORT

The foremost reasons for increase in transportation cost are freight & fuel costs which are also vital areas of concern for your company. Freight costs account for 22% of total costs of cement and the industry have seen almost a 25% CAGR increase over the last seven years. Currently, only 30-35% of cement in the country is moved by railways, a sharp drop from 60% seen 10 years ago. Recently, railways have increased freight by 30% which will have an additional impact on a shift towards road for transporting cement. However, due to better realization of finished product, we would be able to offset the same against increased cost.

• INFLATION

The March 2012 inflation stood at 6.9 per cent was close to the Reserve Bank's indicative projection of 7.0 per cent. Keeping in view the domestic demand-supply balance, the global trends in commodity prices and the likely demand scenario, the baseline projection for WPI inflation for March 2013 is placed at 6.5 per cent as per Reserve Bank of India Monetary Policy Statement 2012-13.

• INCREASE IN DUTY

One of the highest taxed sectors in the country, the cement industry today stands at the crossroads. Inadequate power and fuel supply, rising input cost and high State and Central taxes threaten to derail expansion of the sector. The per capita cement consumption in India stands at 156 kg against the world average of 356 kg. In the Union Budget 2012-13, the cement industry has been taxed heavily not only on account of change in the basis of excise duty from 10 per cent to 12 per cent but also due to change in the basis of charging excise duty on the retail selling price (RSP) instead of transaction value. The major area of concern is additional levy coming on the back of recent hike in the rail freight would considerably affect the delivered cost of cement to the consumers and, hence, the cost of construction would be adversely impacted.

• CHANGES IN GOVERNMENT POLICY

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

• LAW & ORDER IN NE REGION

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has adequate Internal Control System which ensure that transactions are authorized, recorded and reported correctly duly complying with policies, procedures and statute. The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures. BVCL has engaged the services of a professional firm to carry out internal audit spanning of all production units, regional offices and head offices. The Company has an Audit Committee that regularly reviews the reports submitted by the Internal Auditors to ensure effectiveness and efficiency of the company's operations. The Internal Control systems are reviewed periodically and revised to keep in tune with the changing business environment.

HUMAN RESOURCES

Your company believes that it does not possess just 'Human Resource' instead it is backed with a strongly built 'Human Capital' that not only embodies true strength but also symbolize dedication, hard work and commitment towards the company. Your company trusts that its manpower is the key to sustain vigorously in such high degree of competencies. BVCL is always keen to develop the skills of all its employees by inducing motivation & incentives with additions of trainings and up gradations so that each one of them discovers their own potential and talent. The Total number of employees in your company was 255 as on 31st March, 2012.

CORPORATE SOCIAL RESPONSIBILITY

Your Company not only focuses to be a pioneer in its business and in the industry but also understands its responsibility towards the environment and people in and around the company. The goal of Corporate Social Responsibility is to embrace responsibility for the

company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. To name a few, the social responsibilities carried out by the company during the year 2011-12 are highlighted herein below:

Health Care Initiatives

During the year, your company had organized a Diabetic Camp at Tagore School, Badarpurghat in collaboration with Lions Club, Badarpur Greater. BVCL organized a Free Eye Checkup Camp at *BVCL Free Health Care Centre* in Association with Lions Club of Badarpur Greater.

Educational Initiatives

It is already known that your company has sponsored a school namely "Vivekenanda Kendra Vidyalaya" to provide modern day schooling to the students at Debendra Nagar, Badarpurghat, Assam. Like last year this year also Company sponsored students of this locality for education at V.K.V., School Devendranagar and also provided Furniture, Black Board etc.

Environmental Initiatives

"If you would know strength and patience, welcome the company of trees." - Hal Borland

Inspired by the said lines by Hal Borland, your company BVCL and Lions Club of Badarpur Greater celebrated World Environmental Day on 5th June 2011 and planted medicinal trees in the vacated land of Vivekananda Kendra Vidyalaya at Debendranagar, Badarpurghat, Dist-Karimganj.

Community Welfare Initiatives

Under community welfare concerns, the company had undertaken the following activities:

- The Company initiated Clothes distribution among Handicapped persons as per list provided by the General Secretary, Handicapped Society, Badarpur. The clothes were also distributed to the people living under Below Poverty Level.
- Umbrella distribution among School Students at Mullaganj in Karimganj District was also assumed by your Company in presence of Hon'ble Minister Shri Siddek Ahmed, Govt. of Assam. During the year, your company distributed approximately 25,000 number of Umbrellas to the school students in the Barak Valley region.
- BVCL also carried out Water distribution camp during Durga Puja on the days of Saptami, Astami, Navami & Dasherra in the year 2011. The Company installed Mineral Water Distribution Stalls in front of various Puja Pandals in several areas & Towns of 3 (Three) Districts of Barak Valley Region i.e. Cachar, Karimganj & Hailakandi.

CAUTIONARY STATEMENT

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

For Barak Valley Cements Limited

Place : Delhi
Date : 30.05.2012

Sd/-
(Kamakhya Chamaria)
Chairman

Corporate Governance Report

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance strive to meet its business objectives efficiently and accomplishing its responsibility towards its stakeholders. Your Company believes that Corporate Governance is not just complying with regulatory requirements but also to create highest standards of transparency in its every endeavor. The Corporate Governance has created such a sound system of check & balances in the organization that has made it easy to bite the bullet. The Company believes that its operations and actions must serve the underlying goal of enhancing long-term shareholders' value. In our commitment to practice sound governance principles, we are guided by the following core principles:

- ✓ Transparency
- ✓ Commitment
- ✓ Accountability
- ✓ Sheer Compliances
- ✓ Ethical conduct
- ✓ Safeguarding Stakeholders' interests

All the compliances pursuant to Clause 49 of the Listing Agreement are also being timely followed to climb the corporate ladder.

II. BOARD OF DIRECTORS & THEIR COMMITTEES

The Board of your company is constituted by ten venerable members who are a perfect blend of expertise, experience and enthusiasm. Under the pioneer ship of such fortified Board, your company has always sustained to look at the forefront and learn to move onward even in its grey days.

A. BOARD OF DIRECTORS

- *Composition*

The Board of Directors comprise of Three Executive Directors and Seven Non-Executive Directors from a total of Ten Directors in the Board. Since the Chairman is an Executive Director, the Board has an optimum combination of Five Independent Directors and Five Non-Independent Directors.

Pursuant to provisions of Clause 49 of the Listing Agreement all the Board Members have given their complete disclosure about the committee positions held by them in other companies in the financial year 2011-12. Following is the list of Directors of the company showing details of their inter-se relations along with directorships in other companies and memberships & chairmanships in committees:

S. No	Name of Director	Category	Inter-se Relationship amongst Director	Details of Directorships, Chairmanships & memberships in other companies		
				Director*	Member**	Chairman**
1	Mr. Prahlad Rai Chamaria	Promoter, Non-Executive and Non-Independent Director	Brother of Mr. Kamakhya Chamaria	6	Nil	Nil
2	Mr. Bijay Kumar Garodia	Promoter, Executive and Non-Independent Director	Brother of Mr. Mahendra Kumar Agarwal's wife	10	2	Nil
3	Mr. Kamakhya Chamaria	Executive and Non-Independent Director	Brother of Mr. Prahlad Rai Chamaria	5	0	Nil
4	Mr. Mahendra Kumar Agarwal	Promoter, Non-Executive and Non-Independent Director	Brother-in-law of Sh. Bijay Kumar Garodia	21	3	Nil
5	Mr. Santosh Kumar Bajaj	Promoter, Executive and Non-Independent Director	Nil	4	Nil	Nil
6	Mr. Brahm Prakash Bakshi	Independent and Non-Executive Director	Nil	2	Nil	Nil
7	Dr. Dhanpat Ram Agarwal	Independent and Non-Executive Director	Nil	4	Nil	Nil
8	Mr. Edwin Especiano Fernandes	Non-Executive and Nominee Director	Nil	NIL	Nil	Nil
9	Mr. Ramesh Chandra Bajaj	Independent and Non-Executive Director	Nil	NIL	Nil	Nil
10	Mr. Vishal More	Independent and Non-Executive Director	Nil	1	Nil	Nil

Note : None of the Directors is a member in more than ten committees and a chairman in more than five committees.

* Includes directorships in all companies including Foreign and Private companies.

** Only two Committees viz Audit Committee & Shareholder's Grievance Committee of Public Companies (whether listed or not) are being taken for the purpose of considering the Membership & Chairmanship in committees of other companies.

- *Code of Conduct*

Your company has also framed a Code of Conduct for all Board members and Senior Management personnel of the company which is posted on its website, [www. barakcement.com](http://www.barakcement.com). All the Board members and Senior Management personnel have affirmed their compliance with the said code. This report also contains the declaration to this effect by the CEO of the company.

- *Meetings*

The Board of Directors of your company met 6 (six) times during the year 2011-12 i.e on 28th May, 2011, 07th July, 2011, 06th August, 2011, 14th November, 2011, 10th January, 2012 and 14th February, 2012 to transact various businesses and had also once participated in resolution by circulation dated 20th January, 2012. During the year the company also convened an Annual General Meeting (AGM) on 06th August, 2011 but no Extra-Ordinary General Meeting was held.

In the year 2011-12 the maximum time gap between two meetings of the Board did not exceed more than four months and have an adequate quorum in every meeting.

The attendance of the Board Members in the Board Meetings and the AGM is detailed herein below:

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

- *Information placed before the Board of Directors*

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

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

- *Other Compliances*

The Board periodically reviews the compliance reports of all laws applicable to the company and steps taken to rectify any instances of non-compliances by the company.

B. COMMITTEES OF THE BOARD

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

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

- Audit Committee
- Sub-Audit Committee
- Remuneration Committee
- Share Transfer Committee
- Shareholders' Grievance Committee
- General Purpose Committee

I. AUDIT COMMITTEE

On 26th May, 2001, your company had constituted an Audit Committee under the Companies Act, 1956 under the Chairmanship of Sh. Prahlad Rai Chamaria. However, in later years when the Company got listed and the provisions of Clause 49 became applicable, the Audit Committee was reconstituted under the Chairmanship of Sh. Vishal More and inclusion of other members as per Clause 49. Mr. More is Masters in Economics and credential holder of Chartered Financial Analyst from the CFA Institute, USA and proficient in accounting and financial management. All other members of the committee are also financially literate and have accounting or related knowledge.

• *Terms of Reference*

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

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

• *Composition*

As discussed above, the Audit Committee is headed by Sh. Vishal More as the Chairman who is also the Independent & Non-Executive Director. The Committee comprise of four members in total from whom three members are Independent and Non-Executive Directors and one members is an Executive and Non- Independent Director.

• *Meetings*

During the Financial year 2011-12 the Audit Committee met 4 (Four) times on 27th May 2011, 06th August 2011, 14th November 2011 and 14th February 2012. The following table displays the attendance of the members in the said meetings of the committee:

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

Notes:

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

- Sub-Audit Committee*

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

The committee consists of following executives of the company:

- Mr. R.G.Keyal
- Mr. S.K.P Dalmia
- Mr. Shishir Bajoria
- Mr. Ramesh Chand Pareek
- Mr. Rajesh Aggarwal

II. REMUNERATION COMMITTEE

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

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

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

- Composition*

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

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

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

- Meetings*

All through the year 2011-12, no meeting of the Remuneration Committee was held.

- *Details of Remuneration*

The Directors in the Board were entitled to the following remuneration during the Financial Year 2011-12:

S. No.	Name of Director	Managerial Remuneration (In Rs./- p.a)	Sitting Fees (In Rs./- p.a)	No. of Shares as on 31.03.2012
1	Mr. Prahlad Rai Chamaria	Nil	Nil	19,84,800
2	Mr. Bijay Kumar Garodia	18,00,000	Nil	21,62,500
3	Mr. Kamakhya Chamaria	15,75,000	Nil	3,40,000
4	Mr. Mahendra Kumar Agarwal	Nil	Nil	18,43,700
5	Mr. Santosh Kumar Bajaj	15,75,000	Nil	18,84,500
6	Mr. Brahm Prakash Bakshi	Nil	15000	Nil
7	Dr. Dhanpat Ram Agarwal	Nil	Nil	Nil
8	Mr. Edwin Especiano Fernandes	Nil	Nil	Nil
9	Mr. Ramesh Chandra Bajaj	Nil	30,000	Nil
10	Mr. Vishal More	Nil	45,000	Nil

Notes:

- The Managerial Remuneration has been paid in accordance with Companies Act, 1956 and as per their respective agreements with the company.
- The Non-Executive Directors are entitled only to the sitting fees which are within specified limits as per Companies Act, 1956 and none of the non-executive directors have no other pecuniary relationship with the company.
- Company has not issued any convertible instruments during the year 2011-12

III. SHARE TRANSFER COMMITTEE

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

- *Composition*

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

S. No	Name of Director	Designation
1	Mr. Prahlad Rai Chamaria	Chairman
2	Mr. Santosh Kumar Bajaj	Member
3	Ms. Nidhi Sharma	Member*

* The Share Transfer Committee was reconstituted on 06th August, 2011 wherein Ms. Nidhi Sharma was co-opted as the Member due to resignation of Mr. Hitesh Wadhwa.

- *Meetings*

No meeting of the Share Transfer Committee was held during the year ending 31st March, 2012.

IV. SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

The Shareholder's Grievance Committee is lead by Sh. Brahm Prakash Bakshi as its Chairman. The said committee was formed on September 07, 2006 in conformity with the provisions of the Listing Agreement.

The Committee is concerned with redressal of shareholder's complaints like transfer of shares, non-receipt of balance sheet or annual reports, non-receipt of declared dividend.

- *Composition*

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

- Meetings

The Committee has met for 1 (One) time on 28.05.2011 during the year 2011-12.

Sl. No.	Name of the Member	Designation in Committee	Category	Attendance
1	Mr. Brahm Prakash Bakshi	Chairman Independent Director	Non-Executive &	1/1
2	Mr. Kamakhya Chamaria	Member Independent Director	Executive & Non-	1/1
3	Dr. Dhanpat Ram Agarwal	Member Independent Director	Non-Executive &	1/1

- *Details of Complaints*

Pursuant to the requirement stipulated in the Listing Agreement the following are the details of complaints received & resolved during 2011-12:

Period	Complaints Received	Complaints Resolved	Pending Complaints
2011-12	Nil	Nil	Nil

- *Compliance Officer*

Name : Ms. Nidhi Sharma
 Designation : Company Secretary
 Contact : E-mail: cs@barakcement.com
 Phone: 91-11-48705200/300
 Fax: 91-11-27033830

V GENERAL PURPOSE COMMITTEE

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

The General Purpose Committee is empowered to carry out businesses like opening/closing, operating & maintenance of Bank Account(s) of the company and execution of day to day agreements, deeds, and contracts.

- Composition

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

- Meetings

The Committee met for two times during the year on December 01, 2011 & February 15, 2012 with following attendance:

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

III. SUBSIDIARY COMPANIES

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

Sl. No.	Name of the Subsidiary	Address		Main Business Activity	Date of Acquisition
		Registered Office	Works		
1	Cement International Limited	Village Lumshnong, District Jaintia Hills, Meghalaya-793002	Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam- 788803	Manufacturing & selling of cement	31.03.2006
2	Badarpur Energy Private Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam- 788803	Generation of Electricity	31.03.2006
3	Meghalaya Minerals & Mines Limited	Village Lumshnong, District Jaintia Hills, Lumshnong, Khliariat, Meghalaya-793200	Village Lumshnong, Distt. Jaintia Hills, Meghalaya- 793002	Mining of Limestone	31.03.2006
4	Goombira Tea Company Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam- 788737	Tea, Rubber & Biomass Plantation	01.10.2010
5	Singlacherra Tea Company Private Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam-781007	Cachar Area, Distt. Karimganj, Assam- 788737	Tea , Rubber & Biomass Plantation	01.10.2010
6	Chargola Tea Company Private Limited	202, Royal View, B.K.Kakoti Road, Ulubari, Guwahati, Assam- 781007	Cachar Area, Distt. Karimganj, Assam-788737	Tea, Rubber & Biomass Plantation	01.10.2010
7	Valley Strong Cements (Assam) Limited	Debendra Nagar, Jhoombasti, PO Badarpurghat, Badarpur, Assam-788803	Debendra Nagar, Jhoom Basti, P.O Badarpur Ghat, Distt. Karimganj, Assam- 788803	Proposing to start manufacturing of cement	31.03.2011

IV. GENERAL BODY MEETINGS

- *Annual General Meeting*

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

Sl.	Year	Date of AGM	Day & Time	Venue	Details of Special Resolution, if any
1	2008-09	30.09.2009	Wednesday, 02:00 P.M	202, Royal View, B.K.Kakoti Raod, Ulubari, Guwahati, Assam-781007	Nil
2	2009-10	07.08.2010	Saturday, 02:00 P.M	202, Royal View, B.K.Kakoti Raod, Ulubari, Guwahati, Assam-781007	Resolution to change name of the company to 'Barak Cement Limited' passed under Section 21
3	2010-11	06.08.2011	Saturday, 02:00 P.M	202, Royal View, B.K.Kakoti Raod, Ulubari, Guwahati, Assam-781007	Nil

- *Extra-ordinary General Meeting*

No Extra-Ordinary General meeting was held during the Financial Year 2011-12

- *Postal Ballot*

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

V. DISCLOSURES

- *Related Party Transaction*

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

Related party transactions are more fully mentioned in relevant Schedule of Notes on Accounts. None of the transactions with any related parties are in prejudice to the interest of the Company.

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

- *Disclosure of Accounting Treatment*

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

- *Non-Compliance/Penalties/Strictures Imposed*

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

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

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

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

- *Risk Management*

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

- *CEO/CFO Certification*

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

VI. MEANS OF COMMUNICATION

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

After their approval from Board and in consistency with the requirement of Clause 41 of the Listing Agreement, the Financial Results are published in English Language Newspaper ('Financial Express'), Hindi Newspaper ('Jansatta') (before 31.12.2011- Business Standard-English & Hindi Both) and Regional Newspaper ('Jansadharan').

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

VII. GENERAL SHAREHOLDER INFORMATION

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

- i. **Annual General Meeting**

Date : Thursday, 9th August, 2012

Time : 01:00 P.M

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

ii Financial Year

From : 1st April, 2011
 To : 31st March, 2012

iii Book Closure Date

From : 03.08.2012
 To : 09.08.2012
 (Both days inclusive)

iv Dividend Payment Date

No Dividend is proposed for the Financial Year 2011-12

v Stock Exchanges & Code

Stock Exchange	Code
Bombay Stock Exchange	532916
National Stock Exchange	BVCL

vi Payment of Listing Fees

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

vii Market Price & Data

Month (2011-12)	Bombay Stock Exchange		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April	23.70	19.60	23.50	18.55
May	22.80	17.05	22.80	17.00
June	18.70	16.15	18.90	16.20
July	18.75	16.15	18.85	16.10
August	17.35	12.30	17.30	11.35
September	16.35	12.90	16.40	12.50
October	14.70	13.10	14.65	13.15
November	14.85	12.10	14.90	12.20
December	13.45	11.41	13.75	11.10
January	14.79	11.35	14.90	11.30
February	19.15	12.75	20.75	12.65
March	15.15	11.90	14.95	11.90

viii Registrar & Share Transfer Agents

During the year 2011-12 the company has changed its Registrar & Share Transfer Agent (RTA) from M/s Link Intime (India) Private Limited to M/s MCS Limited. The details of the new RTA is as follows:

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

ix Share Transfer System

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

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

x **Details of Unpaid Dividend as on 31.03.2012**

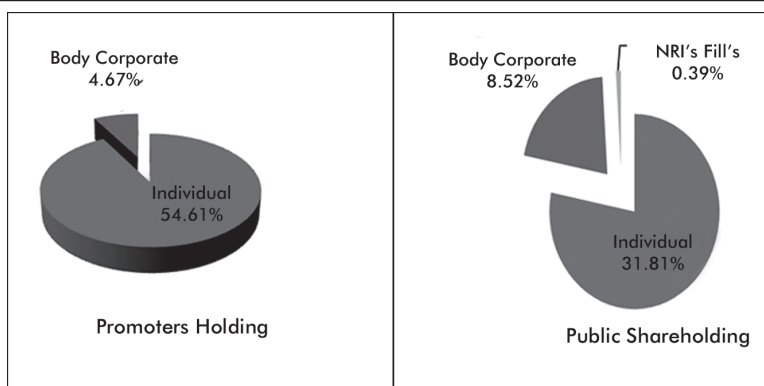
Year	Amount (In Rs.)
2007-08	1,16,850
2008-09	78,278
2009-10	94,622

 xi. **Distribution of Shareholding as on 31.03.2012**

Range	Shareholders		Amount (in Rs.)	
	Number	% of Total	Number	% of Total
1 - 500	6886	84.77	11273930	5.08
501 - 1000	578	7.12	4961340	2.24
1001 - 2000	272	3.35	4317860	1.95
2001 - 3000	114	1.40	2948930	1.33
3001 - 4000	38	.47	1351400	0.61
4001 - 5000	43	0.53	2019390	0.91
5001 - 10000	71	0.88	5233070	2.36
10001 - 50000	61	0.75	13270620	5.99
50001 - 100000	23	0.28	17509440	7.90
And Above	37	0.45	158714020	71.62
Total	8123	100	221600000	100

Shareholding Pattern as on 31st March, 2012

Category	No. of Shares	% of Holding
Promoter:		
Individual	12102500	54.61
Body Corporate	1035000	4.67
Sub Total (A):	13137500	59.28
Public:		
Individual	7048801	31.81
Body Corporate	1888194	8.52
Financial Institutions/Bank	Nil	-
NRI's, Foreign Nationals, FII's	85505	.39
Others	Nil	-
Sub Total (B):	9022500	40.72
Total (A+B):	22160000	100



xii **Dematerialized Shares and liquidity as on 31.03.2012**

Particular	Number of Shares	Percentage (%)
<i>Dematerialization:</i>		
NSDL	16834603	75.97
CDSL	4158391	18.77
Sub-Total:	20992994	94.73
Physical:	1167006	5.27
Total	22160000	100

xiii **Outstanding GDRs/ADRs/Warrants or any convertible Instruments**

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

xiv **Financial Calender:**

The following Financial Calendar is proposed for the year 2012-13 and is subject to change:

Quarter Ending 30th June, 2012	On or before 14th August, 2012
Quarter Ending 30th September, 2012	On or before 14th November, 2012
Quarter Ending 31st December, 2012	On or before 14th February, 2013
Quarter Ending 31st March, 2013	On or before 30th May, 2013

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

(b) Company Identification Number (CIN): L01403AS1999PLC005741

xvi **Plant Location**

Debendra Nagar, Jhoombasti, P.O.Badarpurghat,
Distt. Karimganj, Assam-788803
Phone: 03843-269435/881
Fax: 03843-268965

xvii **Address for Correspondence**

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

ANNEXURE

DECLARATION

I, Kamakhya Chamaria, Vice Chairman & Managing Director of the Company do hereby declare that during the Financial Year ended on 31.03.2012, all the board members and senior management personnel have affirmed compliance with the code of conduct of the Company.

For **Barak Valley Cements Limited**

Sd/-

(Kamakhya Chamaria)

Vice Chairman & Managing Director

Place :Delhi
Date : 30.05.2012

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Barak Valley Cements Limited

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

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

For **Barak Valley Cements Limited**

Sd/-
J. L. Anchalia
(Chief Financial Officer)
Place : Kolkata
Date : 29.05.2012

Sd/-
Kamakhya Chamaria
(Chief Executive Officer)
Place : Delhi
Date : 28.05.2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of **Barak Valley Cements Limited**

1. We have examined the compliance of conditions of Corporate Governance by **Barak Valley Cements Limited** for the year ended on March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

Date : 28.05.2012
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, 2012, the Statement of Profit and Loss and 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 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 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 those books;
 - (iii) The Balance Sheet, Statement of Profit & Loss 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, statement of Profit and Loss 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, 2012 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 financial statements, 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, 2012;
 - (b) In the case of the Profit & Loss Account, of the Loss 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 Accountant

Sd/-

(CA. Mahesh Goel)

Partner

M. No. 88958

Firm Regn. No. : 007814-N

New Delhi, 30th May, 2012

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) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) of the Order are not applicable.
- (b) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees Five Lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public to which the directions issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
- (viii) We have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act,1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income tax, service tax, excise duty/cess and any other material statutory dues applicable to it, with the appropriate authorities. There were no arrears of statutory dues as at 31st March, 2012 except for a sum of Rs. 10,87,184/- on account of Cess on Cement for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of disputed statutory dues, which have not been fully deposited with the appropriate authorities, are as under:

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

- (x) The Company has no accumulated losses as at the end of the financial year under report. The company has incurred cash loss amounting to Rs. 1,61,68,505/- during the financial year covered by our audit but has not incurred any cash loss 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 the information and explanations given to us by the management, term loans were applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) According to information and explanations given to us, the company has not issued Debentures during the period covered by our report. As such, no securities or charge has been created in respect of such issue.
- (xx) According to the information and explanations given to us, the company has not raised money by public issues during the year. As such, reporting on this clause does not arise.
- (xxi) According to information and explanations given to us, and based upon the audit procedures performed during the year, we report that no fraud on or by the Company has been noticed or reported during the year.

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

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

New Delhi, 30th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Notes	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	221,600,000	221,600,000
Reserves and Surplus	4	610,658,259	677,747,168
		832,258,259	899,347,168
Non-Current liabilities			
Long Term Borrowings	5	277,222,281	146,965,421
Deferred Tax Liabilities (Net)	6	12,565,058	11,285,773
Other Long Term Liabilities	7	32,179,237	9,372,765
Long Term Provisions	8	4,028,913	4,988,335
		325,995,489	172,612,294
Current liabilities			
Short Term Borrowings	9	385,808,158	376,436,376
Trade Payables	10	44,861,541	13,276,843
Other Current Liabilities	11	128,873,695	136,254,624
Short Term Provisions	12	10,922,666	5,249,511
		570,466,060	531,217,355
		1,728,719,808	1,603,176,816
ASSETS			
Non-Current Assets			
Fixed Assets	13		
-Tangible Assets		479,547,371	436,463,802
-Intangible Assets		178,803	506,332
-Capital Work in Progress		-	62,102,820
		479,726,174	499,072,954
Non Current Investments	14	525,574,502	515,074,502
Long Term Loans and Advances	15	255,500,424	125,009,540
		1,260,801,099	1,139,156,996
Current Assets			
Inventories	16	75,486,053	97,908,165
Trade Receivables	17	102,602,982	75,934,817
Cash and Bank Balances	18	31,697,267	42,154,530
Short Term Loans and Advances	19	258,132,406	248,022,308
		467,918,708	464,019,820
		1,728,719,808	1,603,176,816
Significant Accounting Policies			
	2		

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

As per our report of even date

 For **Kumar Vijay Gupta & Co.**
 Chartered Accountants
 Firm Registration No. 007814-N

For & on behalf of the Board

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

 Sd/-
(Bijay Kumar Garodia)
 Chairman & Whole Time Director
 DIN: 00044379

 Sd/-
(Kamakhya Chamaria)
 Vice Chairman & Managing Director
 DIN: 00612581

 New Delhi, 30th May' 2012

 Sd/-
(Jhanwar Lal Anchalia)
 Chief Financial Officer

 Sd/-
(Nidhi Sharma)
 Company Secretary

 Sd/-
(Santosh Kumar Bajaj)
 Whole Time Director
 DIN: 00045759

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

		(Amount in Rs.)	
	Notes	31.03.2012	31.03.2011
Income			
Revenue from Operations (Gross)	20	997,792,417	918,228,015
Less: Excise Duty		25,508,469	18,784,750
Revenue from Operations (Net)		972,283,948	899,443,265
Other Income	21	1,971,255	1,982,705
Total Revenue (I)		974,255,203	901,425,970
Expenses			
Cost of Raw Materials including packaging material consumed	22	245,674,857	215,141,607
(Increase)/Decrease in Inventories	23	27,719,493	(15,391,450)
Employee Benefit Expenses	24	86,078,436	87,150,224
Finance Costs	25	71,774,054	49,436,018
Depreciation and amortization expenses	13	49,641,118	53,174,301
Other Expenses	26	560,299,053	509,649,414
Total Expenses (II)		1,041,187,011	899,160,114
Profit before exceptional items and tax	(I) - (II)	(66,931,808)	2,265,856
Exceptional items		(1,706,056)	(3,343,927)
Profit / (Loss) before tax		(65,225,752)	5,609,783
Tax Expenses			
- Current Tax		-	1,040,054
Less: MAT Credit entitlement		-	(1,040,054)
- Net Current Tax		-	-
- Earlier year tax provisions written back		583,871	-
- Deferred Tax		1,279,285	(160,096)
Profit / (Loss) for the year		(67,088,908)	5,769,880
Earnings Per Equity Share (face Value of Rs. 10/-each) (refer note-35)			
Basic Earning Per Share		(3.03)	0.26
Diluted Earning Per Share		(3.03)	0.26

Significant Accounting Policies

2

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

As per our report of even date

 For **Kumar Vijay Gupta & Co.**
 Chartered Accountants
 Firm Registration No. 007814-N

For & on behalf of the Board

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

 Sd/-
(Bijay Kumar Garodia)
 Chairman & Whole Time Director
 DIN: 00044379

 Sd/-
(Kamakhya Chamaria)
 Vice Chairman & Managing Director
 DIN: 00612581

 New Delhi, 30th May' 2012

 Sd/-
(Jhanwar Lal Anchalia)
 Chief Financial Officer

 Sd/-
(Nidhi Sharma)
 Company Secretary

 Sd/-
(Santosh Kumar Bajaj)
 Whole Time Director
 DIN: 00045759

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

S.No.	Particulars	31.03.2012	31.03.2011
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES :</u>		
	Net Profit before Tax and exceptional items	(66,931,808)	2,265,857
	<u>Adjustment for:</u>		
	Add : Depreciation & Misc. expenditure	47,090,609	54,056,119
	Interest & finance charges	71,774,054	47,570,785
	Operating Profit before working capital changes	51,932,854	103,892,761
	<u>Adjustment for change in :</u>		
	Trade & other receivables	(164,807,101)	(63,509,586)
	Inventories	22,422,112	(11,379,051)
	Trade and other payables	39,248,705	(33,465,410)
	Cash generated from Operations	(51,203,430)	(4,461,286)
	Direct Taxes Paid	(2,462,045)	(4,699,990)
	Prior period adjustments / Exceptional Items	1,122,185	3,343,927
	Net Cash Flow from operating activities	(52,543,290)	(5,817,349)
B.	<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
	Acquisition of Fixed Assets	(27,743,828)	(43,836,413)
	Purchase of Investments	(10,500,000)	(109,462,079)
		(38,243,828)	(153,298,492)
C.	<u>CASH FLOW FROM FINANCING ACTIVITIES :</u>		
	Net proceeds from issue of Equity Shares	-	-
	Increase in Bank & Other borrowings	152,103,910	194,737,794
	Dividend (including CDT)	-	-
	Interest and finance charges paid	(71,774,054)	(47,570,785)
		80,329,856	147,167,009
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(10,457,263)	(11,948,832)
	Add:- Cash & Cash Equivalents at the beginning of the year	42,154,530	54,103,362
	Cash & Cash Equivalents at the Closing of the year	31,697,267	42,154,530

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
Firm Registration No. 007814-N

For & on behalf of the Board

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

Sd/-
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Vice Chairman & Managing Director
DIN: 00612581

New Delhi, 30th May' 2012

Sd/-
(Jhanwar Lal Ancharia)
Chief Financial Officer

Sd/-
(Nidhi Sharma)
Company Secretary

Sd/-
(Santosh Kumar Bajaj)
Whole Time Director
DIN: 00045759

1. CORPORATE INFORMATION

Barak Valley Cements Limited (the company) is a public limited company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange of India. The company is engaged in the manufacturing and selling of various brands of Cement primarily in North Eastern States.

BASIS OF PREPARATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENT**

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.2 ESTIMATES :

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

2.3 FIXED ASSETS:

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

2.4 DEPRECIATION:

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

2.5 GOVERNMENT GRANTS/ SUBSIDIES :

Government grants and subsidies are recognized when there is reasonable assurance that the same will be received and company will comply with the conditions attached to them. Revenue grants 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.

2.6 INVESTMENTS:

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

2.7 INVENTORIES:

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

2.8 REVENUE:

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

2.9 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.

2.10 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.

2.11 TAXES ON INCOME:

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

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

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

2.12 RESEARCH AND DEVELOPMENT EXPENDITURE:

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

2.13 BORROWING COSTS:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are recognised as an expense in the period they occur.

2.14 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. Expenditure on purchased / developed software are written off over a period of three years.

2.15 PROVISIONS AND CONTINGENCIES:

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

2.16 CASH & CASH EQUIVALENTS:

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

2.17 EARNINGS PER SHARE:

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)		
3. SHARE CAPITAL	31.03.2012	31.03.2011
Authorised Capital	250,000,000	250,000,000
{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2011) of Rs. 10/- each}		
Issued, Subscribed, Called & fully Paid -up shares	221,600,000	221,600,000
{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.11) of Rs. 10/- each, fully paid up.}		
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
<u>Equity Shares</u>	<u>No of Shares</u>	<u>No of Shares</u>
At the beginning of the year	22,160,000	22,160,000
Issued during the year	-	-
Outstanding at the end of the year	22,160,000	22,160,000
(b) Terms/Rights attached to equity shares		
The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share.		
In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(c) Details of Shareholders holding more than 5% shares in the company		
<u>Name of the Shareholders</u>	<u>No of Shares</u> <u>% of holding</u>	<u>No of Shares</u> <u>% of holding</u>
Sh. Bijay Kumar Garodia	2,162,500 9.76%	2,162,500 9.76%
Sh. Prahlad Rai Chamaria	1,984,800 8.96%	1,984,800 8.96%
Sh. Santosh Kumar Bajaj	1,884,500 8.50%	1,884,500 8.50%
Sh. Mahendra Kumar Agarwal	1,843,700 8.32%	1,843,700 8.32%
As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial owner.		
(Amount in Rs.)		
4. RESERVES & SURPLUS	31.03.2012	31.03.2011
Securities Premium Account		
Balance as per last financial statements	151,439,581	151,439,581
Addition/(Deduction) during the year	-	-
	151,439,581	151,439,581
General Reserve		
Balance as per last financial statements	43,507,527	43,507,527
Addition/(Deduction) during the year	-	-
	43,507,527	43,507,527
Surplus/ (Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	482,800,060	477,030,180
Profit / (Loss) for the year	(67,088,908)	5,769,880
Amount available for appropriation	415,711,151	482,800,060
Less: Appropriations	-	-
Net Surplus in the statement of profit and loss	415,711,151	482,800,060
Total Reserves and Surplus	610,658,259	677,747,168

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
5. LONG TERM BORROWINGS	31.03.2012	31.03.2011
Term Loans		
Rupee Loans from Banks (Secured)	141,718,178	180,200,000
Rupee Loan from a Financial Institution (Secured)	185,000,000	-
Other Loans & Advances		
-Hire Purchase Finance from banks (Secured)	2,815,320	3,306,505
-Hire Purchase Finance from financial institutions (Secured)	4,237,055	6,831,002
	333,770,552	190,337,507
Less: Current Maturities of long term borrowings	56,548,272	43,372,086
	277,222,281	146,965,421
(i) Rupee Term Loan of Rs.1,417.18 lakhs (sanctioned amount Rs. 2,000.00 lakhs) from a bank is repayable in 59 equal monthly installments of Rs. 33.00 lakhs and 1 instalment of Rs. 53.00 lakhs ending on September 2015. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company. Further, the loan has been guaranteed by personal guarantees of some of Directors of the Company.		
(ii) Rupee Term Loans of Rs. 1,850.00 lakhs from financial institution (sanctioned limit Rs. 2,000.00 lakhs) is repayable in 50 equal monthly installments of Rs. 40.00 lakhs each commencing from January 2013. The loan is secured by first charge on fixed and immovable assets of company's assets on pari -passu basis in respect of Rs. 750.00 lakhs and by second charge on fixed and immovable assets of the company in respect of remaining Rs. 1250.00 lakhs. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.		
(iii) Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within three to four years having varying date of payment.		
(iv) The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.		
6. DEFERRED TAX LIABILITIES(NET)	31.03.2012	31.03.2011
Deferred Tax liability		
-Fixed assets	14,525,891	13,052,319
Gross deferred tax liability	14,525,891	13,052,319
Deferred Tax Assets		
-Leave encashment	759,431	628,894
- Gratuity to staff	1,201,402	1,137,652
Gross deferred tax asset	1,960,833	1,766,546
Net Deferred Tax Liability	12,565,058	11,285,773
7. OTHER LONG TERM LIABILITIES	31.03.2012	31.03.2011
Others		
-Security Deposits	12,179,237	9,372,765
- Advance received for capital assets	20,000,000	-
	32,179,237	9,372,765

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
8. LONG TERM PROVISIONS	31.03.2012	31.03.2011
Provisions for employee benefits		
- Leave Encashment	1,571,206	2,953,079
- Gratuity	2,457,707	2,035,256
	4,028,913	4,988,335
9. SHORT TERM BORROWINGS	31.03.2012	31.03.2011
Working Capital facilities from Banks		
- Cash Credit (Secured)	355,808,158	346,436,376
Loans from Other parties (Unsecured)	30,000,000	30,000,000
	385,808,158	376,436,376
a. The above amount includes		
Secured borrowings	355,808,158	346,436,376
Unsecured borrowings	30,000,000	30,000,000
b. Working Capital facilities from banks are secured by first charge on current assets of the Company and second charge on fixed assets of the Company. The Working capital facilities from banks have also been guaranteed by some of the Directors of the Company.		
c. Loans from Other parties are unsecured in nature and due for repayment within a period of 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.		
10. TRADE PAYABLES	31.03.2012	31.03.2011
Trade Payables	44,861,541	13,276,843
	44,861,541	13,276,843
11. OTHER CURRENT LIABILITIES	31.03.2012	31.03.2011
Current Maturities of long term borrowings	56,548,272	43,372,086
Interest accrued but not due on borrowings	161,139	-
Interest accrued and due on borrowings	2,005,090	2,088,584
Other Payables		
-Statutory Liabilities	7,086,585	11,590,139
-Creditors for Capital goods	-	1,421,983
-Creditors-Micro, Small & Medium Enterprises (refer Note 32)	-	-
-Advances from customer	40,184,237	42,080,250
-Salary and Bonus to employees	3,118,227	1,205,659
-Other Liabilities	19,770,146	34,495,922
	128,873,695	136,254,624
12. SHORT TERM PROVISIONS	31.03.2012	31.03.2011
Provisions for Employee Benefits		
-Leave Encashment	2,316,825	728,641
Provisions for selling and other expenses	8,605,841	4,520,870
	10,922,666	5,249,511

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

13. FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As On 01.04.2011	Additions	Disposals/ Adjustments	Total as on 31.03.2012	As On 01.04.2011	For the Year	Deduction/ Adjustment	Total as on 31.03.2012	As On 31.03.2012	As On 31.03.2011
A. TANGIBLE ASSETS:										
Land & Site Development	108,278,126	3,504,984	-	111,783,110	-	-	-	-	111,783,110	108,278,126
Factory Building	102,299,250	12,174,906	-	114,474,156	51,469,958	5,086,265	-	56,556,223	57,917,934	50,829,292
Non Factory Building	2,177,902	8,035,940	-	10,213,842	231,786	98,407	-	330,193	9,883,649	1,946,116
Plant, Machinery & Equipments	638,099,434	68,133,471	3,633,114	702,599,791	374,098,209	41,242,491	2,550,509	412,790,191	289,809,600	264,001,225
Furniture & Fixtures	6,071,620	220,703	-	6,292,323	4,300,747	371,030	-	4,671,777	1,620,546	1,770,873
Vehicles	14,566,022	781,783	-	15,347,805	8,424,752	1,634,638	-	10,059,390	5,288,415	6,141,270
Office Equipments	6,064,544	425,215	-	6,489,759	3,484,842	467,895	-	3,952,737	2,537,022	2,579,702
Computers	6,135,286	202,760	-	6,338,046	5,218,088	412,863	-	5,630,951	707,095	917,198
Total of Tangible Assets (A)	883,692,184	93,479,762	3,633,114	973,538,832	447,228,382	49,313,589	2,550,509	493,991,462	479,547,371	436,463,802
B. INTANGIBLE ASSETS										
Computer Software	2,909,012	-	-	2,909,012	2,402,680	327,529	-	2,730,209	178,803	506,332
Total Fixed Assets (A+B)	886,601,196	93,479,762	3,633,114	976,447,844	449,631,062	49,641,118	2,550,509	496,721,671	479,726,174	436,970,134
Previous year's Figure	856,555,555	30,099,626	53,985	886,601,196	396,488,471	53,174,301	31,710	449,631,062	436,970,134	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
14. NON CURRENT INVESTMENTS	31.03.2012	31.03.2011
Trade Investments (valued at cost unless stated otherwise)		
Investment in Unquoted Equity Instruments		
Investment in Subsidiaries		
Badarpur Energy Private Limited	317,767,000	317,767,000
49,63,340 (49,63,340 as at 31.03.11) Equity Shares of Rs 10/- each fully paid up.		
Cement International Limited	45,607,000	45,607,000
9,92,700 (9,92,700 as at 31.03.11) Equity Shares of Rs 10 each fully paid up.		
Meghalaya Minerals & Mines Limited	40,592,000	40,592,000
14,90,000 (14,90,000 as at 31.03.11) Equity Share of Rs 10 each fully paid up.		
Goombira Tea Company Ltd.	62,426,079	51,926,079
10,47,000 (8,72,000 as at 31.03.11) Equity Share of Rs 10 each fully paid up.		
Chargola Tea Company Pvt. Ltd.	14,479,000	14,479,000
7,42,000 (7,42,000 as at 31.03.11) Equity Share of Rs 10 each fully paid up.		
Singlacherra Tea Company Pvt. Ltd.	19,449,000	19,449,000
5,68,600 (5,68,600 as at 31.03.11) Equity Share of Rs 10 each fully paid up.		
Valley Strong Cements (Assam) Ltd.	22,250,000	22,250,000
2,67,500 (2,67,500 as at 31.03.11) Equity Share of Rs 10 each fully paid up.		
Investment in Associates		
North East Power & Infra Limited	3,000,000	3,000,000
3,00,000 (3,00,000 as at 31.03.11) Equity Share of Rs 10 each fully paid up.		
	525,570,079	515,070,079
Non Trade Investments (valued at cost)		
Investment in Quoted Equity Instruments		
Ambuja Cements Limited	4,423	4,423
50 (50 as at 31.03.11) Equity Shares of Rs 10/- each fully paid up		
	525,574,502	515,074,502
Aggregate amount of Quoted investment (market Value Rs. 8,610.00 as on 31.03.12)	4,423	4,423
Aggregate amount of Unquoted investments	525,570,079	515,070,079
		(Amount in Rs.)
15. LONG TERM LOANS AND ADVANCES	31.03.2012	31.03.2011
Capital Advances		
Unsecured, Considered Good	11,658,990	10,853,805
Security Deposits (unsecured considered good)		
	13,841,434	14,155,735
Loans and advances to related parties		
Unsecured considered Good	230,000,000	100,000,000
(Long term loan to Badarpur Energy Pvt. Ltd., a wholly owned subsidiary company)		
	255,500,424	125,009,540
16. INVENTORIES (REFER NOTE- 30)	31.03.2012	31.03.2011
Raw Materials and components	20,769,925	10,696,609
Work - In - Process	2,647,456	13,429,833
Finished Goods	1,842,511	18,779,627
Packing Material	2,539,309	4,304,276
Stores & Spares parts	47,686,852	50,697,820
	75,486,053	97,908,165

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
17. TRADE RECEIVABLES	31.03.2012	31.03.2011
Secured Considered Good		
Over Six months	-	152,500
Other debts	4,768,547	2,014,539
	4,768,547	2,167,039
Unsecured Considered Good		
Over Six Months	11,483,968	8,192,763
Other Debts	86,350,468	65,575,015
	97,834,435	73,767,778
Total Trade Receivables	102,602,982	75,934,817
18. CASH & CASH EQUIVALENTS	31.03.2012	31.03.2011
Cash in Hand	4,242,198	3,319,718
Cheques In Hand	-	11,479,777
Balance with Banks		
- In current accounts	22,835,088	23,754,531
- Balance with banks held as margin money / security deposits	4,619,981	3,600,504
	31,697,267	42,154,530
19. SHORT TERM LOANS AND ADVANCES	31.03.2012	31.03.2011
Loans and advances to related parties (Unsecured, Considered Good)	36,918,614	5,606,802
	36,918,614	5,606,802
Other Loans & Advances (Unsecured, Considered Good)		
Advances Recoverable in cash or kind	305,158	46,640,516
-Advances to suppliers	34,503,043	22,246,695
- Advances to employees	2,459,640	1,922,234
-Balances with/ Receivables from Government authorities	66,812,372	64,205,982
-Subsidies Receivable from Central/State Governments	114,170,675	103,351,079
-Advances for Services & Expenses	500,858	389,065
-Advance Income Tax (net of provision for tax including MAT)	2,462,045	3,659,936
	221,213,791	242,415,506
Total Short term loans and advances	258,132,406	248,022,308

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
20. REVENUE FROM OPERATIONS (REFER NOTE - 30(a))	31.03.2012	31.03.2011
Sale of Products	991,801,302	917,898,415
Other operating revenue		
Trade Mark Fee received	5,991,115	50,000
Equipment Hire Charges	-	279,600
Revenue from operations (gross)	997,792,417	918,228,015
21. OTHER INCOME	31.03.2012	31.03.2011
Interest Income		
-On Bank deposits	252,729	745,468
Dividend Income	140	1,515
Other Non Operating Income	1,718,386	1,235,722
	1,971,255	1,982,705
22. COST OF RAW MATERIALS (INCLUDING PACKAGING MATERIAL) CONSUMED [(REFER NOTE- 30 (c))]	31.03.2012	31.03.2011
Inventory at the beginning of the year	15,000,885	12,812,454
Add: Purchases	253,983,207	217,330,038
	268,984,092	230,142,492
Less :Inventory at the end of the year	23,309,235	15,000,885
Cost of Raw Materials (including packaging material) Consumed	245,674,857	215,141,607
23. (INCREASE) /DECREASE IN INVENTORIES [(REFER NOTE- 30(b))]	31.03.2012	31.03.2011
Inventories at the end of the year		
Work -in -Progress	2,647,456	13,429,833
Finished Goods	1,842,511	18,779,627
	4,489,967	32,209,460
Inventories at the beginning of the year		
Work -in -Progress	13,429,833	4,379,490
Finished Goods	18,779,627	12,438,520
	32,209,460	16,818,010
(Increase) /Decrease in inventories	27,719,493	(15,391,450)
24. EMPLOYEE BENEFIT EXPENSES	31.03.2012	31.03.2011
Salaries, Wages & other manpower expenses	79,316,680	80,275,810
Contribution to Provident and other funds	1,583,940	1,449,227
Gratuity Expenses	888,225	816,345
Staff welfare expenses	4,289,591	4,608,842
	86,078,436	87,150,224

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
25. FINANCE COSTS		
Interest expenses	67,981,115	48,316,253
Other borrowing costs	1,982,711	1,119,765
Interest expenses on demand of taxes	1,810,228	-
	71,774,054	49,436,018
26. OTHER EXPENSES		
Consumption of Stores & Spare parts	23,691,032	29,580,433
Power & Fuel	281,550,238	210,709,199
Rent	4,623,767	4,993,389
Repairs & Maintenance		
- Building	1,040,861	1,652,272
- Plant & Machinery	6,598,625	11,210,330
- Others	1,504,982	1,199,281
Vehicle running, maintenance & hire charges	4,281,915	4,284,863
Printing, Stationery & Computer expenses	2,036,852	1,993,495
Material Handling & Freight Charges	9,282,934	11,397,999
Travelling and Conveyance	5,141,861	4,865,352
Insurance(Net)	893,972	884,543
Rates & Taxes	277,086	179,318
Research & Development Expenses	1,721,352	2,512,544
Auditor's Remuneration	150,000	150,000
Bad debts / Advances written off	1,543,588	44,298
Director's Remuneration	4,725,000	7,800,000
Charity & Donation	2,631,930	2,380,995
Miscellaneous Expenses	9,719,249	12,950,432
Outward Transportation Cost	181,658,466	186,801,688
Advertisement, Publicity & Sales Promotion Expenses	15,198,858	12,004,526
Telephone expenses	2,026,485	2,054,459
	560,299,053	509,649,414

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
(27) Capital Commitments

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to Rs. 153.13 Lakhs (Previous year: Rs.1,144.82 Lakhs)

(28) Contingent liabilities not provided for :

- (a) Bank Guarantee issued by Banks : Nil (Previous Year - Nil)
- (b) Corporate Guarantees given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: Rs. 6,087.43 Lakhs (Previous year - 4,440.20 Lakhs)
- (c) Claims against the company not acknowledged as debts: Disputed demands of Income -Tax; pending before the Appellate Authorities: Rs.906.20 lakhs for Assessment Year 2005-06, 2006-07 and 2009-10 (Previous year - Rs. 624.57 lakhs)

(29) Fixed Deposit Receipts pledged with the banks / Others : Rs. 42.25 Lakhs (Previous Year : 32.25 Lakhs)

(30) (a) Sales of finished products :

	(Amount in Rupees)	
	2011 - 2012	2010 - 2011
(1) Cement	92,61,04,024	90,50,41,748
(2) Clinker	6,56,97,278	1,28,56,667
Total	99,18,01,302	91,78,98,415

(b) Details of Inventory :

	2011 - 2012	2010 - 2011
Work - in -progress :		
(1) Clinker	2,498,434	13,155,399
(2) Others	149,022	274,434
	2,647,456	13,429,833
Finished Goods :		
(1) Cement	1,842,511	18,779,627

(c) Details of Raw Material Consumed (including packaging material)

	2011 - 2012	2010 - 2011
Lime Stone	131,190,235	118,970,855
Gypsum	1,575,568	2,263,862
Fly Ash	72,247,542	46,275,434
Packaging Bags	27,881,121	23,140,890
Others	12,780,391	24,490,566
	245,674,857	215,141,607

(d) Details of Inventory of Raw Material (including packaging material)

	2011 - 2012	2010 - 2011
Lime Stone	14,599,677	2,392,264
Gypsum	434,291	371,810
Fly Ash	4,800,845	7,245,651
Packaging Bags	2,539,309	4,304,276
Others	935,113	686,884
	23,309,235	15,000,885

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

	2011-2012		2010-2011	
	Value (Rs.)	%	Value (Rs.)	%
(1) <u>Raw Materials including packaging material</u> :				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	24,56,74,857	100%	21,51,41,607	100%
(2) <u>Stores & Spares Parts:</u>				
: Imported	Nil	Nil	Nil	Nil
: Indigenous	2,36,91,032	100%	2,95,80,433	100%

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

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

	2011-2012	2010 - 2011
a. Statutory audit fees	Rs. 95,000	Rs. 95,000
b. Tax Audit fees	Rs. 35,000	Rs. 35,000
c. Company Law and other matters	Rs. 20,000	Rs. 20,000
Total	Rs. 1,50,000	Rs.1,50,000

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

(33) Employee Defined Benefits:

(a) Defined Contribution Plans: The Company has recognized an expense of Rs.15,83,940/- (Previous year Rs 14,49,227/-) towards the defined contribution plans.

(b) Defined Benefit Plans: As per Actuarial Valuation as at 31st March, 2012

Particulars	2011-12		2010-11	
	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, 2012				
1. Current Service Cost	578,320	757,512	524,265	1,248,546
2. Interest Cost	108,445	75,450	98,994	127,119
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	201,460	101,990	193,086	302,541
8. Losses/ (gains) on plan assets	-	-	-	-
9. Total Expenses	888,225	934,952	816,345	1,678,206
II. Net Asset / (Liability) recognised in the Balance Sheet as on 31st March, 2012				
1. Present Value of Defined Benefit Obligations	2,457,707	3,888,031	2,035,256	3,681,720
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/(Deficit)]	(2,457,707)	(3,888,031)	(2,035,256)	(3,681,720)
4. Net Asset/ (Liability) as on 31.03.2012	(2,457,707)	(3,888,031)	(2,035,256)	(3,681,720)
III. Change in Obligation during the year ended 31st March, 2012				
1. Present Value of Defined Benefit obligation at the beginning of the year	2,035,256	3,681,720	1,866,927	2,258,776
2. Current Service Cost	578,320	757,512	524,265	1,248,546
3. Interest Cost	108,445	75,450	98,994	127,119
4. Curtailment cost / (credit)	-	-	-	-
5. Settlement Cost/ (credit)	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Plan amendments	-	-	-	-
8. Acquisitions	-	-	-	-
9. Actual (gains) / Losses	201,460	101,990	193,086	302,541
10. Benefits paid	(465,774)	(728,641)	(648,016)	(255,262)
11. Present value at the end of the year	2,457,707	3,888,031	2,035,256	3,681,720
IV. Change in Fair Value of Assets during the year ended 31st March, 2012				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Expected Return on plan Assets	-	-	-	-
3. Actual Company Contributions	465,774	728,641	648,016	255,262
4. Employee Contributions	-	-	-	-
5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
6. Benefits paid	(465,774)	(728,641)	(648,016)	(255,262)
7. Plan Assets at the Closing of the year	-	-	-	-

(34) Disclosure in respect of Related Parties:

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

Subsidiary Companies Meghalaya Minerals & Mines Ltd. , Badarpur Energy Pvt. Ltd. , Cement International Ltd., Goombira Tea Co. Ltd., Chargola Tea Co. Pvt. Ltd., Singlacherra Tea Co. Pvt. Ltd., Valley Strong Cements (Assam) Ltd.

Associates M/s. Nefa Udyog, Meghalaya Cements Ltd., Balaji Udyog Ltd. North East Power & Infra Ltd., Valley Strong Cements Ltd.

Key Management Personnel and their relatives Kamakhya Chamaria (Vice Chairman & Managing Director), Bijay Kumar Garodia (Chairman & Whole Time Director), Santosh Kumar Bajaj (Whole Time Director), J.L. Anchalia (Chief Financial Officer) , Prahlad Rai Chamaria (Non -Ex. Director), Mahendra Kumar Agarwal (Vice Chairman)

Details of transactions between the company and related parties for the year ended on 31.03.2012 are given as under:

(Rs. in Lakhs)

S. No.	Type of transaction	Subsidiary Companies		Associates		Key Management Personnel/Relatives	
		31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
1	Sale of Finished / Semi finished goods						
	: Meghalaya Minerals & Mines Ltd.	-	1.24	-	-	-	-
	: Cement International Ltd.	689.82	135.00	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	-	0.16	-	-	-	-
	: Goombira Tea Co. Ltd.	-	0.17	-	-	-	-
	: Balaji Udyog Ltd.	-	-	0.07	0.47	-	-
	: North East Power & Infra Ltd.	-	-	117.51	26.57	-	-
2	Sale of Stores and other services, goods						
	: Meghalaya Minerals & Mines Ltd.	3.26	1.07	-	-	-	-
	: Cement International Ltd.	144.38	30.68	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	-	16.30	-	-	-	-
	: Goombira Tea Co. Ltd.	12.13	0.57	-	-	-	-
	: Singlacherra Tea Co. Pvt. Ltd.	0.48	-	-	-	-	-
	: Chargola Tea Co. Pvt. Ltd.	0.59	-	-	-	-	-
	: Valley Strong Cements (Assam) Ltd.	3.60	0.03	-	-	-	-
	: Valley Strong Cements Ltd.	-	-	0.02	-	-	-
	: Meghalaya Cements Ltd.	-	-	-	0.17	-	-
	: North East Power & Infra Ltd.	-	-	10.20	1.85	-	-
3	Purchase of Raw Material & goods.						
	: Meghalaya Minerals & Mines Ltd.	1,282.67	1,141.05	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	-	146.14	-	-	-	-
	: Meghalaya Cements Ltd.	-	-	-	84.77	-	-
	: North East Power & Infra Ltd.	-	-	11.31	-	-	-
4	Purchase of Store, spares and other services						
	: Meghalaya Minerals & Mines Ltd.	-	2.71	-	-	-	-
	: Cement International Ltd.	16.61	7.01	-	-	-	-
	: Badarpur Energy Pvt. Ltd.	-	24.51	-	-	-	-
	: Balaji Udyog Ltd.	-	-	0.39	-	-	-
5	Hire Charges Paid						
	: Meghalaya Minerals & Mines Ltd.	-	1.49	-	-	-	-
6	Investment in shares						
	: Chargola Tea Co. Pvt. Ltd.	-	144.79	-	-	-	-
	: Valley Strong Cements (Assam) Ltd.	-	217.50	-	-	-	-
	: Goombira Tea Co. Ltd.	105.00	519.26	-	-	-	-
	: Singlacherra Tea Co. Pvt. Ltd.	-	194.49	-	-	-	-
	: North East Power & Infra Ltd.	-	-	-	13.58	-	-
7	Loans & Advances Given :						
	: Badarpur Energy Pvt. Ltd.	1,300.00	1,000.00	-	-	-	-
8	Advances taken :						
	: Cement International Ltd.	200.00	-	-	-	-	-
9	Remuneration paid						
		-	-	-	-	47.25	78.00

(35) Earnings Per Share:

The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earning per Share for the year ended 31st March 2012 and the year ended 31st March 2011.

	As on 31.03.2012	As on 31.03.2011
(a) Profit/(Loss) attributable to Equity Shareholders	(6,70,88,908)	57,69,880
(b) The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS	2,21,60,000	2,21,60,000
(c) Face value per Ordinary Share.(Rs.)	10	10
(d) Earnings Per Share - Basic & Diluted (Rs.)	(3.03)	0.26

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

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

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

(39) Details of Exceptional items are as under:

	2011 - 12	2010 - 11
(a) Provision for Expenses written -back :	(13,70,000)	(55,19,060)
(b) Prior period Expenses / (Income) Recognized during the year :	(4,08,661)	21,75,858
(c) (Profit) / Loss on sale of assets :	72,605	(725)
Total	(17,06,056)	(33,43,927)

(40) **Previous year figures :** Till the year ended 31st March, 2011, the company was using pre -revised Schedule -VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule -VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

In terms of our report of even date

For **Kumar Vijay Gupta & Co.**
Chartered Accountants
Firm Registration No. 007814-N

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

New Delhi, 30th May' 2012

For & on behalf of the Board

Sd/-
(Bijay Kumar Garodia)
Chairman & Whole Time Director
DIN: 00044379

Sd/-
(Jhanwar Lal Ancharia)
Chief Financial Officer

Sd/-
(Nidhi Sharma)
Company Secretary

Sd/-
(Kamakhya Chamarlia)
Vice Chairman & Managing Director
DIN: 00612581

Sd/-
(Santosh Kumar Bajaj)
Whole Time Director
DIN: 00045759

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

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

We have examined the attached Consolidated Balance Sheet of **Barak Valley Cements Ltd.** and its subsidiaries as at 31st March 2012, the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

On the basis of information and explanations given to us and on the consideration of separate audit reports on individual financial statements of the company and its subsidiaries, we are of the opinion that the said consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March 2012;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the Loss of the company and its subsidiaries for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the consolidated Cash flows of the company and its subsidiaries for the year ended on that date.

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

Sd/-

(CA. Mahesh Goel)

Partner

M. No. 88958

Firm Regn. No. : 007814-N

New Delhi, 30th day of May' 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

	Notes	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	221,600,000	221,600,000
Reserves and Surplus	4	756,096,390	863,864,473
		977,696,390	1,085,464,473
Non-Current liabilities			
Long Term Borrowings	5	342,234,939	247,256,996
Deferred Tax Liabilities (Net)	6	9,455,836	8,208,031
Other Long Term Liabilities	7	14,229,637	11,195,189
Long Term Provisions	8	4,677,619	2,309,762
		370,598,031	268,969,978
Current liabilities			
Short Term Borrowings	9	650,265,591	633,983,740
Trade Payables	10	76,529,700	25,159,840
Other Current Liabilities	11	159,738,103	171,088,243
Short Term Provisions	12	16,044,630	11,552,786
		902,578,023	841,784,609
TOTAL		2,250,872,444	2,196,219,060
ASSETS			
Non-Current Assets			
Fixed Assets	13		
-Tangible Assets		1,250,752,425	1,186,849,947
-Intangible Assets		428,638	518,245
-Capital Work in Progress		24,077,329	66,992,867
		1,275,258,392	1,254,361,059
Non Current Investments	14	3,004,423	3,004,423
Long Term Loans and Advances	15	74,213,513	61,113,141
		1,352,476,328	1,318,478,623
Current Assets			
Inventories	16	116,802,775	137,712,464
Trade Receivables	17	128,602,298	115,221,357
Cash and Bank Balances	18	54,039,024	74,732,740
Short Term Loans and Advances	19	598,902,018	549,307,856
Other Current Assets	20	50,000	766,021
		898,396,115	877,740,438
TOTAL		2,250,872,444	2,196,219,060

Significant Accounting Policies

1&2

The accompanying notes 1-41 are an integral part of the financial statements

As per our report of even date

 For **Kumar Vijay Gupta & Co.**
 Chartered Accountants
 Firm Registration No. 007814-N

For & on behalf of the Board

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

 Sd/-
(Bijay Kumar Garodia)
 Chairman & Whole Time Director
 DIN: 00044379

 Sd/-
(Kamakhya Chamaria)
 Vice Chairman & Managing Director
 DIN: 00612581

 New Delhi, 30th May' 2012

 Sd/-
(Jhanwar Lal Anchalika)
 Chief Financial Officer

 Sd/-
(Nidhi Sharma)
 Company Secretary

 Sd/-
(Santosh Kumar Bajaj)
 Whole Time Director
 DIN: 00045759

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

(Amount in Rs.)			
	Notes	31.03.12	31.03.11
Income			
Revenue from Operations (Gross)	21	1,257,519,824	1,181,615,948
Less: Excise Duty		37,336,615	40,635,881
Revenue from Operations (Net)		1,220,183,210	1,140,980,067
Other Income	22	2,566,958	5,082,315
Total Revenue (I)		1,222,750,168	1,146,062,382
Expenses			
Cost of Raw Materials including packaging material consumed	23	233,675,528	217,198,944
(Increase)/Decrease in Inventories	24	31,002,956	(17,287,393)
Employee Benefit Expenses	25	104,348,463	111,431,376
Depreciation and amortization expenses	13	79,490,526	81,996,126
Finance Costs	26	114,161,055	89,235,930
Other Expenses	27	764,129,522	686,937,601
Total Expenses (II)		1,326,808,050	1,169,512,584
Profits before Exceptional Items (I) - (II)		(104,057,883)	(23,450,202)
Exceptional items		187,384	15,735,609
Profit / (Loss) before Taxes		(104,245,267)	(39,185,811)
Tax Expenses			
- Current Tax		1,700,534	3,401,068
Less: MAT Credit entitlement		(1,700,534)	(3,401,068)
- Net Current Tax		-	-
- Earlier year tax provisions written back		1,017,467	-
- Deferred Tax		1,247,806	(1,633,376)
Profit / (Loss) for the year		(106,510,540)	(37,552,435)
Earnings Per Equity Share (face Value of Rs.10/-each) (refer note 37)			
Basic Earning Per Share		(4.81)	(1.69)
Diluted Earning Per Share		(4.81)	(1.69)

Significant Accounting Policies

1 & 2

The accompanying notes 1-41 are an integral part of the financial statements

As per our report of even date

 For **Kumar Vijay Gupta & Co.**
 Chartered Accountants
 Firm Registration No. 007814-N

For & on behalf of the Board

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

 Sd/-
(Bijay Kumar Garodia)
 Chairman & Whole Time Director
 DIN: 00044379

 Sd/-
(Kamakhya Chamaria)
 Vice Chairman & Managing Director
 DIN: 00612581

 New Delhi, 30th May' 2012

 Sd/-
(Jhanwar Lal Anchalia)
 Chief Financial Officer

 Sd/-
(Nidhi Sharma)
 Company Secretary

 Sd/-
(Santosh Kumar Bajaj)
 Whole Time Director
 DIN: 00045759

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		(Amount in Rs.)	
S.No.	Particulars	31.03.2012	31.03.2011
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit before Tax and exceptional items	(104,057,883)	(23,450,203)
	<u>Adjustment for:</u>		
	Add : Depreciation & Misc. expenditure	78,842,025	84,736,485
	Interest & finance charges	114,161,055	86,825,193
	Operating Profit before working capital charges	88,945,197	148,111,475
	<u>Adjustment for change in :</u>		
	Trade & other receivables	(80,217,945)	(44,738,537)
	Inventories	20,909,689	(8,783,710)
	Trade and other payables	60,793,414	(80,170,814)
	Cash generated from Operations	90,430,356	14,418,414
	Direct Taxes Paid	4,858,490	(6,940,602)
	Prior period adjustments / Exceptional Items	(1,204,851)	(15,735,609)
	Net Cash Flow from operating activities	94,083,995	(8,257,797)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Acquisition of Fixed Assets	(100,996,902)	(144,953,491)
	Purchase of Investments	-	(1,358,000)
		(100,996,902)	(146,311,491)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Net proceeds from issue of Equity Shares	-	-
	Increase in Bank & Other borrowings	100,380,248	233,849,670
	Interest and finance charges paid	(114,161,055)	(86,825,193)
		(13,780,808)	147,024,477
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(20,693,715)	(7,544,810)
	Add:- Cash & Cash Equivalents at the beginning of the year	74,732,739	82,277,550
	Cash & Cash Equivalents at the Closing of the year	54,039,024	74,732,740

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
Firm Registration No. 007814-N

For & on behalf of the Board

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

Sd/-
(Bijay Kumar Garodia)
Chairman & Whole Time Director
DIN: 00044379

Sd/-
(Kamakhya Chamaria)
Vice Chairman & Managing Director
DIN: 00612581

New Delhi, 30th May' 2012

Sd/-
(Jhanwar Lal Ancharia)
Chief Financial Officer

Sd/-
(Nidhi Sharma)
Company Secretary

Sd/-
(Santosh Kumar Bajaj)
Whole Time Director
DIN: 00045759

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2012

1. Basis of Consolidation

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

S.No.	Name of the Subsidiary (All incorporated in India)	Proportion of Ownership as at 31.03.2012
1	Meghalaya Minerals & Mines Ltd.	100%
2	Badarpur Energy Pvt. Ltd.	100%
3	Cements International Ltd.	100%
4	Goombira Tea Company Ltd.	100%
5	Singlacherra Tea Company Pvt. Ltd.	100%
6	Chargola Tea Company Pvt. Ltd.	100%
7	Valley Strong Cements (Assam) Ltd.	100%

- 1.2 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 statements.

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

- 1.3 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 for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.

2. Significant Accounting Policies :

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

2.1 PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENT

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.2 ESTIMATES :

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

2.3 FIXED ASSETS:

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

2.4 DEPRECIATION:

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

2.5 GOVERNMENT GRANTS/ SUBSIDIES :

Government grants and subsidies are recognized when there is reasonable assurance that the same will be received and company will comply with the conditions attached to them. Revenue grants 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.

2.6 INVESTMENTS:

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

2.7 INVENTORIES:

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

2.8 REVENUE:

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

2.9 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.

2.10 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.

2.11 TAXES ON INCOME:

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

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized and carried forward for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable

income will be available against which such deferred tax assets can be realized. Deferred tax assets / liabilities are reviewed at the end of each reporting period based on the development during the year to reassess realizations or liabilities.

2.12 RESEARCH AND DEVELOPMENT EXPENDITURE:

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

2.13 BORROWING COSTS:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are recognised as an expense in the period they occur.

2.14 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. Expenditure on purchased / developed software are written off over a period of three years.

2.15 PROVISIONS AND CONTINGENCIES:

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

2.16 CASH & CASH EQUIVALENTS:

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

2.17 EARNINGS PER SHARE:

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

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

2.18 SEGMENT REPORTING:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
3. SHARE CAPITAL	31.03.2012	31.03.2011
Authorised Capital	250,000,000	250,000,000
{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2011) of Rs. 10/- each}		
Issued, Subscribed, Called & fully Paid -up shares	221,600,000	221,600,000
{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.11) of Rs. 10/- each, fully paid up.}		
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares	No of Shares	No of Shares
At the beginning of the year	22,160,000	22,160,000
Issued during the year	-	-
Outstanding at the end of the year	22,160,000	22,160,000
(b) Terms/Rights attached to equity shares		
The company has only one class of equity shares having par value of Rs. 10.00 per share. Each holder of Equity shares is entitled to one vote per share.		
In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		

	(Amount in Rs.)	
4. RESERVES & SURPLUS	31.03.2012	31.03.2011
Securities Premium Account		
Balance as per last financial statements	151,439,581	151,439,581
Addition/(Deduction) during the year	-	-
	151,439,581	151,439,581
General Reserve		
Balance as per last financial statements	47,080,126	47,080,126
Addition/(Deduction) during the year	-	-
	47,080,126	47,080,126
Consolidate Reserve/ (Goodwill) on Consolidation		
Balance as per last financial statements	(22,144,177)	(22,144,177)
Addition/(Deduction) during the year	-	-
	(22,144,177)	(22,144,177)
Fixed Assets Revaluation Reserve		
Balance as per last financial statements	270,553,234	271,956,151
Addition/(Deduction) during the year	(1,257,543)	(1,402,917)
	269,295,691	270,553,234
Investment Allowance Reserve		
Balance as per last financial statements	152,512	152,512
Addition/(Deduction) during the year	-	-
	152,512	152,512
Surplus/ (Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	416,783,197	454,335,632
Profit / (Loss) for the year	(106,510,540)	(37,552,435)
Amount available for appropriation	310,272,657	416,783,197
Less: Appropriations	-	-
Net Surplus in the statement of profit and loss	310,272,657	416,783,197
Total Reserves and Surplus	756,096,390	863,864,473

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
5. LONG TERM BORROWINGS		
Term Loans		
Rupee Loans from Banks (Secured)	179,080,337	201,400,000
Rupee Loan from a Financial Institution (Secured)	192,090,965	116,738,793
Loans & Advances from other Body Corporates (unsecured)	30,000,000	-
Other Loans & Advances		
-Hire Purchase Finance from banks (Secured)	5,527,108	14,856,874
-Hire Purchase Finance from financial institutions (Secured)	8,535,388	6,831,002
	415,233,798	339,826,669
Less: Current Maturities of long term borrowings	72,998,859	92,569,673
	342,234,939	247,256,996
(i) Rupee Term Loan of Rs.1,417.18 lakhs (sanctioned amount Rs. 2,000.00 lakhs) from a bank is repayable in 59 equal monthly installments of Rs. 33.00 lakhs and 1 installment of Rs. 53.00 lakhs ending on September 2015. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company. Further, the loan has been guaranteed by personal guarantees of some of Directors of the Company.		
(ii) Rupee Term Loan of Rs.1,08.00 lakhs (sanctioned amount Rs. 500.00 lakhs) from a bank is repayable in 40 equal monthly installments of Rs. 8.00 lakh and 20 installments of Rs. 9.00 lakh ending on March 2013. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company.		
(iii) (a) Term Loan of Rs. 265.62 lakhs from bank is secured against hypothecation of all stocks of standing crops, harvested crops, receivables, book debts, plant & machineries and moveable fixed assets and other current assets of the Tea companies. Further loan is secured by way of equitable mortgage of land and building of the company.		
(b) Term Loan for Tea, Rubber & Bio -mass (sanctioned amount : Rs.1519.00 Lakhs) will be repaid after a moratorium period of 3-5 years and will concluded upto March, 21 having varying quarterly installments for tea, rubber and bio -mass plantation .		
(iv) Rupee Term Loans of Rs. 1,850.00 lakhs from financial institution (sanctioned limit Rs. 2,000.00 lakhs) is repayable in 50 equal monthly installments of Rs. 40.00 lakhs each commencing from January 2013. The loan is secured by first charge on fixed and immovable assets of company's assets on pari -passu basis in respect of Rs. 750.00 lakhs and by second charge on fixed and immovable assets of the company in respect of remaining Rs.1250.00 lakhs. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.		
Rupee term loan of 70.91 lakhs from SPTF, Tea Board (Sanctioned amount 88.64 lakhs) is secured by equitable mortgage second charge on the fixed assets including immovable properties of the company.		
(v) Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within three to four years having varying date of payment.		
(vi) The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.		
		(Amt. in Rs.)
6. DEFERRED TAX LIABILITIES(NET)	31.03.2012	31.03.2011
Deferred Tax Liabilities		
-Fixed assets	11,817,431	10,383,479
Gross deferred tax liability	11,817,431	10,383,479
Deferred Tax Assets		
-Leave encashment	1,047,590	1,460,940
- Gratuity to staff	1,314,005	714,508
Gross deferred tax asset	2,361,595	2,175,448
Net Deferred Tax Liability	9,455,836	8,208,031

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH' 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
7. OTHER LONG TERM LIABILITIES	31.03.2012	31.03.2011
Others		
-Security Deposits	<u>14,229,637</u>	<u>11,195,189</u>
	14,229,637	11,195,189
8. LONG TERM PROVISIONS	31.03.2012	31.03.2011
Provisions for employee benefits		
- Leave Encashment	<u>1,855,501</u>	-
- Gratuity	<u>2,822,118</u>	<u>2,309,762</u>
	4,677,619	2,309,762
9. SHORT TERM BORROWINGS	31.03.2012	31.03.2011
Working Capital facilities from Banks		
- Cash Credit (Secured)	<u>575,410,834</u>	<u>583,983,740</u>
Loans from Other parties (Unsecured)	<u>74,854,757</u>	<u>50,000,000</u>
	650,265,591	633,983,740
a. The above amount includes :-		
Secured borrowings	<u>575,410,834</u>	<u>583,983,740</u>
Unsecured borrowings	<u>74,854,757</u>	<u>50,000,000</u>
b. Working Capital facilities from banks are secured by first charge on current assets of the Company and second charge on fixed assets of the Company. The Working capital facilities from banks have also been guaranteed by some of the Directors of the Company.		
c. Loans from Other parties are unsecured in nature and due for repayment within a period of 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.		
10. TRADE PAYABLES	31.03.2012	31.03.2011
Trade Payables	<u>76,529,700</u>	<u>25,159,840</u>
	76,529,700	25,159,840
11. OTHER CURRENT LIABILITIES	31.03.2012	31.03.2011
Current Maturities of long term borrowings	<u>72,998,859</u>	<u>92,569,673</u>
Interest accrued but not due on borrowings	<u>200,510</u>	<u>43,039</u>
Interest accrued and due on borrowings	<u>2,752,948</u>	<u>3,324,349</u>
Other Payables		
-Statutory Liabilities	<u>23,106,336</u>	<u>19,088,490</u>
-Creditors for Capital goods	<u>813,509</u>	<u>2,417,059</u>
-Creditors-Micro, Small & Medium Enterprises (refer Note 32)	-	-
-Advances from customer	<u>29,966,727</u>	<u>10,147,508</u>
-Salary and Bonus to employees	<u>5,308,431</u>	<u>3,093,019</u>
-Overdrawn balances with banks	<u>1,757,387</u>	<u>2,065,931</u>
-Other Liabilities	<u>22,833,396</u>	<u>38,339,175</u>
	159,738,103	171,088,243
12. SHORT TERM PROVISIONS	31.03.2012	31.03.2011
Provisions for Employee Benefits		
-Leave Encashment	<u>2,952,580</u>	<u>4,718,705</u>
Provision for Selling & Other expenses	<u>13,092,050</u>	<u>6,834,081</u>
Total Short term Provisions	16,044,630	11,552,786

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

13. FIXED ASSETS

(Amount in Rs.)

Particulars of Assets	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	As on 01.04.2011 (At revalued Figures)	As on 01.04.2011 (As Cost)	Additions during the year	Deduction during the year	As on 31.03.2012	As on 31.04.2011	Depreciation for the year*	Deduction/ (Adjustment)	Depreciation for the year Charged from Revaluation Reserve	Total As on 31.03.2012	As on 31.03.2012 (At revalued Figures)	As on 31.03.2012 (As Cost)	As on 31.03.2011 (At revalued Figures)	As on 31.03.2011 (As Cost)		
(A) Tangible Assets :																
Land /Tea Estate & site development	475,453,477	217,161,075	47,613,201	90,803	522,975,875	-	-	-	-	-	522,975,875	258,756,842	475,453,477	211,234,444		
Factory Building & Structure	206,259,002	168,236,703	19,272,110	-	225,531,112	90,754,828	8,400,957	-	1,145,626	100,301,411	125,229,701	114,919,070	115,504,174	104,047,917		
Office Building	13,778,005	13,778,005	8,865,226	-	22,643,231	948,888	503,794	-	-	1,452,682	21,190,549	21,190,550	12,829,117	12,829,118		
Furniture & fixture	7,232,161	7,232,161	371,376	-	7,603,537	5,074,296	477,582	-	-	5,551,878	2,051,659	2,046,997	2,157,865	2,153,203		
Computer	6,822,668	6,822,668	276,560	-	7,099,228	5,602,520	551,708	-	-	6,154,228	945,000	945,000	1,220,148	1,220,148		
Motor Car & Vehicles	20,572,107	20,572,107	795,533	-	21,367,640	10,089,262	2,245,148	-	-	12,334,410	9,033,230	9,033,230	10,482,845	10,482,845		
Office Equipments	7,501,988	7,501,988	565,737	1,500	8,066,225	3,791,926	580,966	-	-	4,372,892	3,693,333	3,693,333	3,710,062	3,710,062		
Plant, Machinery & Installations	1,024,469,806	1,020,177,988	70,415,319	4,536,121	1,090,349,004	461,012,998	68,281,667	111,917	-	526,751,377	563,597,627	555,995,335	563,456,808	558,397,804		
Live Stock	33,570	33,570	-	-	33,570	-	-	-	-	-	33,570	33,570	33,570	33,570		
Tractor	2,954,050	2,954,050	-	-	2,954,050	952,169	-	-	-	952,169	2,001,881	2,001,881	2,001,881	2,001,881		
Total- (A)	1,765,076,834	1,464,470,315	148,175,062	4,628,424	1,908,623,472	578,226,887	81,041,822	2,655,205	1,257,543	657,871,047	1,250,752,425	968,615,808	1,186,849,947	906,110,992		
(B) Intangible Assets :																
Computer Software	2,926,882	2,372,601	365,800	-	3,292,682	2,408,637	455,407	-	-	2,864,044	428,638	428,638	518,245	518,245		
Total -(B)	2,926,882	2,372,601	365,800	-	3,292,682	2,408,637	455,407	-	-	2,864,044	428,638	428,638	518,245	518,245		
Total (A+B)	1,768,003,716	1,466,842,916	148,540,862	4,628,424	1,911,916,154	580,635,524	81,497,230	2,655,205	1,257,543	660,735,091	1,251,181,063	969,044,446	1,187,368,192	906,629,237		
Previous Year	1,623,170,656	1,322,564,136	145,217,534	384,473	1,768,003,717	491,970,347	81,996,126	5,266,136	1,402,917	580,635,526	1,187,368,192	906,629,237				

* Note : Out of depreciation for the year, an amount of Rs. 20,05,860/- has been charged to Land & site development and Rs. 844/- has been charged to Capital Work - In -Progress.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
14. NON CURRENT INVESTMENTS	31.03.2012	31.03.2011
Investment in Associates		
North East Power & Infra Limited	3,000,000	3,000,000
3,00,000 (3,00,000 as at 31.03.11) Equity Share of Rs 10 each fully paid up.	3,000,000	3,000,000
Non Trade Investments (valued at cost)		
Investment in Quoted Equity Instruments		
Ambuja Cements Limited	4,423	4,423
50 (50 as at 31.03.11) Equity Shares of Rs 10/- each fully paid up	3,004,423	3,004,423
Aggregate amount of Quoted investment (market Value Rs. 8,610/- as on 31.03.12)	4,423	4,423
Aggregate amount of Unquoted investments	3,000,000	3,000,000
15. LONG TERM LOANS AND ADVANCES	31.03.2012	31.03.2011
Capital Advances (unsecured, considered good)		
To others	57,299,963	44,905,662
-Security Deposit	16,913,550	16,207,481
	74,213,513	61,113,141
16. INVENTORIES	31.03.2012	31.03.2011
Raw Materials and components	28,849,268	16,031,281
Work - In - Process	2,647,456	13,429,833
Finished Goods	4,842,832	25,063,411
Packing Material	3,500,359	4,660,404
Stores & Spares parts	76,962,860	78,527,536
	116,802,775	137,712,464
17. TRADE RECEIVABLES	31.03.2012	31.03.2011
Secured Considered Good		
Over Six months	-	186,358
Other debts	4,925,747	2,029,539
	4,925,747	2,215,897
Unsecured Considered Good		
Over Six Months	16,311,363	11,930,027
Other Debts	107,365,189	101,075,433
	123,676,551	113,005,460
Total Trade Receivables	128,602,298	115,221,357
18. CASH & CASH EQUIVALENTS	31.03.2012	31.03.2011
Cash in Hand	7,755,037	11,586,867
Cheques In Hand	-	22,974,345
Balance with Banks		
- In current accounts	39,202,142	34,492,035
- Balance with banks held as margin money / security deposits	7,081,845	5,679,493
	54,039,024	74,732,740

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
19. SHORT TERM LOANS AND ADVANCES	31.03.2012	31.03.2011
Advances Recoverable in cash or kind (Unsecured, Considered Good)	305,158	-
Other Loans & Advances (Unsecured, Considered Good)		
-Advances to suppliers	94,500,603	41,705,277
- Advances to employees	3,958,547	3,227,622
-Balances with/ Receivables from Government authorities	93,691,184	18,780,256
-Subsidies Receivable from Central/State Governments	398,749,701	370,955,795
-Advances for Services & Expenses	2,838,335	107,698,304
-Advance Income Tax (net of provision for tax including MAT)	4,858,490	6,940,602
	598,596,860	549,307,856
Total Short term loans and advances	598,902,018	549,307,856
20. OTHER CURRENT ASSETS	31.03.2012	31.03.2011
Unamortised Expenditure	50,000	766,021
	50,000	766,021
21. REVENUE FROM OPERATIONS	31.03.2012	31.03.2011
Sale of Products	1,256,910,342	1,181,032,548
Other operating revenue		
Equipment Hire Charges	609,482	583,400
Revenue from operations (gross)	1,257,519,824	1,181,615,948
22. OTHER INCOME	31.03.2012	31.03.2011
Interest Income		
-On Bank deposits	516,698	882,949
Dividend Income	140	725
Other Non Operating Income	2,050,120	4,198,641
	2,566,958	5,082,315
23. COST OF RAW MATERIALS (INCLUDING PACKAGING MATERIAL) CONSUMED	31.03.2012	31.03.2011
Inventory at the beginning of the year	20,691,685	27,576,740
Add: Purchases	245,333,469	210,313,889
	266,025,154	237,890,629
Less :Inventory at the end of the year	32,349,627	20,691,685
Cost of Raw Materials (including packaging material) Consumed	233,675,528	217,198,944
24. (INCREASE) /DECREASE IN INVENTORIES	31.03.2012	31.03.2011
Inventories at the end of the year		
Work -in -Progress	2,647,456	13,429,833
Finished Goods	4,842,832	25,063,411
	7,490,288	38,493,244
Inventories at the beginning of the year		
Work -in -Progress	13,429,833	4,379,490
Finished Goods	25,063,411	16,826,361
	38,493,244	21,205,851
(Increase) /Decrease in inventories	31,002,956	(17,287,393)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(Amount in Rs.)	
	31.03.2012	31.03.2011
25. EMPLOYEE BENEFIT EXPENSES	31.03.2012	31.03.2011
Salaries, Wages & other manpower expenses	96,284,079	103,043,490
Contribution to Provident and other funds	2,081,424	2,044,251
Gratuity Expenses	978,130	903,076
Staff welfare expenses	5,004,830	5,440,559
	104,348,463	111,431,376
26. FINANCE COSTS	31.03.2012	31.03.2011
Interest expenses	109,390,255	87,708,142
Other borrowing costs	2,930,952	1,527,788
Interest expenses on demand of taxes	1,839,848	-
	114,161,055	89,235,930
27. OTHER EXPENSES	31.03.2012	31.03.2011
Consumption of Stores & Spare parts	27,889,889	41,480,667
Power & Fuel	303,566,586	222,982,436
Rent	6,026,502	7,752,247
Repairs & Maintenance		
- Building	1,507,400	1,725,615
- Plant & Machinery	10,247,408	14,104,121
- Others	1,815,469	5,061,814
Royalty and other Govt. Levies	19,689,750	13,333,613
Vehicle running, maintenance & hire charges	5,171,513	5,442,932
Printing, Stationery & Computer expenses	2,575,375	2,982,756
Material Handling & Freight Charges	12,501,872	18,533,248
Travelling and Conveyance	5,698,459	5,317,470
Insurance(Net)	1,450,564	767,892
Rates & Taxes	550,094	211,479
Research & Development Expenses	1,746,962	2,536,366
Auditor's Remuneration	379,782	370,300
Bad debts / Advances written off	3,126,388	(1,850,853)
Director's Remuneration	4,725,000	7,800,000
Charity & Donation	3,207,216	2,948,684
Miscellaneous Expenses	15,585,735	12,893,043
Equipment Running Maintenance and Hire Charges	1,206,153	1,578,600
Security Services Expenses	880,877	760,450
Professional Fees & Consultancy Expenses	93,987	806,804
Fees & Subscription	429,864	1,164,345
Outward Transportation Cost	314,869,850	301,062,843
Advertisement, Publicity & Sales Promotion Expenses	16,939,227	14,823,928
Telephone Expenses	2,247,600	2,346,801
	764,129,522	686,937,601

C. NOTES TO ACCOUNTS:

(28) The estimated amount of Contracts remaining to be executed on Capital Account and not provided for amounts to Rs. 288.89 Lakhs (Previous Year Rs. 1,160.49 Lakhs)

(29) Contingent liabilities not provided for:

- Claims against the company not acknowledged as debts: Disputed demands of Income -Tax; pending before the Appellate Authorities: Rs.1,034.39 lakhs (Previous year - Rs. 624.57 lakhs)
- Contingent liability not provided for: Nil: (Previous Year : Nil)
- Fixed Deposit Receipts pledged with the banks / others : Rs. 62.25 Lakhs (Previous year : Rs. 32.25 Lakhs)
- Bank Guarantees issued by banks Rs. 2.00 Lakhs (Previous Year : Rs. 2.00 Lakhs)

(30) In view of ASI-15, on Consolidated Financial Statements, additional information pursuant to the provision of Schedule VI to the Companies Act, 1956 are not disclosed herewith.

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

	<u>Current Year</u>	<u>Previous Year</u>
a. Statutory Audit Fee	Rs. 3,14,046	Rs. 3,04,770
b. Tax Audit Fee	Rs. 45,618	Rs. 49,515
c. Company Law and other Matters	Rs. 24,495	Rs. 20,000
d. Reimbursement of other exp.	Rs. 1,123	Rs. 1,515
Total	Rs. 3,85,282	Rs. 3,75,800

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

(33) 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. North East Power & Infra Ltd., M/s. Valley Strong Cements Ltd.

Key Management Personnel and their relatives Sh. Kamakhya Chamarla (Vice Chairman & Managing Director), Sh. Santosh Kumar Bajaj (Whole Time Director), Sh. Bijay Kumar Garodia (Chairman & Whole Time Director), Sh. J.L. Ancharia (Chief Financial Officer), Sh. Mahendra Kumar Agarwal (Vice Chairman) Sh. Jagdish Prasad Shah, Sh. Nathmal Todi.

Details of transactions between the company and related parties for the year ended on 31.03.2012 are given as under:

(Rs. in Lakhs)			
Sl.No.	Type of Transaction	Associates	Key Management Personnel / Relatives
1.	Sale of finished / semi finished goods/ services	127.80 (38.25)	-
2.	Purchase of Raw Material/ semi/ finished goods	11.70 (318.50)	-
3.	Investment in Shares	- (13.58)	-
4.	Remuneration paid to directors	-	47.25 (93.60)

Note : Figures in bracket represent transactions of previous year.

(34) 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.

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

(36) Borrowing Cost capitalized during the year amounts to Rs. 47,17,299/- (Previous Year : Rs. 6,14,336/-)

(37) Earnings per share::

Earning per Share for the year ended 31st March 2012 is calculated as under:

(Amt. in Rs.)

Sl.No.	Particulars	Year ended 31.03.12	Year ended 31.03.11
(a)	Profit/(Loss) attributable to Equity Shareholders	(10,65,10,540)	(3,75,52,435)
(b)	The weighted average number of Ordinary Share outstanding for Basic / Diluted EPS	2,21,60,000	2,21,60,000
(c)	The nominal value per Ordinary Share (Rs.)	10	10
(d)	Earnings Per Share Basic & Diluted (Rs.)	(4.81)	(1.69)

(38) Employee Defined Benefits:

 (a) Defined Contribution Plans: The Company has recognized an expense of Rs.20,81,424/- (Previous year Rs 20,44,251/-) towards the defined contribution plans.

 (b) Defined Benefit Plans : As per Actuarial Valuation as at 31st March, 2012

(Amt. in Rs.)

S. No.	Particulars	2011-12		2010-11	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I.	Expenses recognised in the statement of Profit and Loss Account for the year ended 31st March, 2012				
	1. Current Service Cost	6,69,735	10,92,703	6,12,110	21,66,196
	2. Interest Cost	1,15,390	140,931	1,06,904	2,31,970
	3. Expected Return on plan Assets	-	-	-	-
	4. Curtailment cost (credit)	-	(3,09,711)	-	-
	5. Settlement cost (credit)	-	-	-	-
	6. Past Service Cost	-	-	-	-
	7. Actuarial Losses / (gains) on defined benefit obligation	193,005	1,33,608	184,062	348,303
	8. Losses/ (gains) on plan assets	-	-	-	-
	9. Total Expenses	978,130	10,57,531	903,076	27,46,469
II.	Net Asset / (Liability) recognised in the Balance Sheet as on 31st March, 2012				
	1. Present Value of Defined Benefit Obligations	28,22,118	48,08,081	23,09,762	47,18,705
	2. Fair Value of Plan Assets	-	-	-	-
	3. Funded Status [Surplus/ (Deficit)]	(28,22,118)	(48,08,081)	(23,09,762)	(47,18,705)
	4. Net Asset/ (Liability) as on 31.03.2012	(28,22,118)	(48,08,081)	(23,09,762)	(47,18,705)
III.	Change in Obligation during the year ended 31st March, 2012				
	1. Present Value of Defined Benefit obligation at the beginning of the year	23,09,762	47,18,705	20,54,702	25,04,477
	2. Current Service Cost	6,69,735	10,92,703	6,12,110	21,66,196
	3. Interest Cost	1,15,390	1,40,931	1,06,904	231,970
	4. Curtailment cost / (credit)	-	(3,09,711)	-	-
	5. Settlement Cost/ (credit)	-	-	-	-
	6. Employee Contribution	-	-	-	-
	7. Plan amendments	-	-	-	-
	8. Acquisitions	-	-	-	-
	9. Actual (gains) / Losses	193,005	133,608	184,062	348,303
	10. Benefits paid	(465,774)	(968,155)	(648,016)	(5,32,241)
	11. Present value at the end of the year	28,22,118	48,08,081	23,09,762	47,18,705
IV.	Change in Fair Value of Assets during the year ended 31st March, 2012				
	1. Plan Assets at the beginning of the year	-	-	-	-
	2. Expected Return on plan Assets	-	-	-	-
	3. Actual Company Contributions	4,65,774	9,68,155	6,48,016	2,67,648
	4. Employee Contributions	-	-	-	-
	5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
	6. Benefits paid	(4,65,774)	(9,68,155)	(6,48,016)	(2,67,648)
	7. Plan Assets at the Closing of the year	-	-	-	-

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

(Rs. in Lakhs)

S. No.		2011-12				2010-11			
		Cement	Power	Others	Total	Cement	Power	Others	Total
A	Revenue (Gross)								
	External Sales	12,526.12	-	49.07	12,575.19	11,771.80	-	44.36	11,816.16
	Inter Segment Sales	-	-	-	-	-	-	-	-
	Total Revenue (Gross)	12,526.12	-	49.07	12,575.19	11,771.80	-	44.36	11,816.16
B	Results								
	Segment Result	295.85	(248.65)	53.09	100.29	842.35	(331.74)	120.38	630.99
	Unallocated Expenses/ (Incomes) Net	-	-	-	(0.74)	-	-	-	(2.76)
	Interest & Finance Charges	893.60	180.85	67.16	1,141.61	645.42	174.30	48.53	868.25
	Operating Profit	-	-	-	(1,040.58)	-	-	-	(234.50)
	Exceptional Items	(29.80)	(3.19)	34.86	1.87	(31.13)	27.33	161.16	157.36
	Provision for Taxation (Net of MAT Credit entitlement)	-	-	-	-	-	-	-	-
	Income Tax for earlier years	-	-	-	10.17	-	-	-	-
	Deferred Tax (net)	-	-	-	12.48	-	-	-	(16.33)
	Profit After Tax	-	-	-	(1,065.10)	-	-	-	(375.53)
C	Other Information								
(i)	Segment Assets	12,518.17	3,879.22	6,111.33	22,508.72	12,835.62	4,042.83	5,083.74	21,962.19
	Unallocated/ Other Assets	-	-	-	-	-	-	-	-
	Total Assets	12,518.17	3,879.22	6,111.33	22,508.72	12,835.62	4,042.83	5,083.74	21,962.19
(ii)	Segment Liabilities	10,305.17	559.33	1,772.70	12,637.20	8,405.29	1,629.85	990.33	11,025.47
	Unallocated/ Other Liabilities	-	-	-	-	-	-	-	-
	Total Liabilities	10,305.17	559.33	1,772.70	12,637.20	8,405.29	1,629.85	990.33	11,025.47
(iii)	Capital Expenditure	281.14	(4.61)	733.43	1,009.96	461.75	252.43	734.15	1,448.33
(iv)	Depreciation	568.72	169.38	56.80	794.90	607.40	167.00	45.56	819.96

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

(41) **Previous year figures** : Till the year ended 31st March, 2011, the company was using pre-revised Schedule -VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule-VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification.

In terms of our report of even date

 For **Kumar Vijay Gupta & Co.**
 Chartered Accountants
 Firm Registration No. 007814-N

For & on behalf of the Board

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

 Sd/-
(Bijay Kumar Garodia)
 Chairman & Whole Time Director
 DIN: 00044379

 Sd/-
(Kamakhya Chamarla)
 Vice Chairman & Managing Director
 DIN: 00612581

 New Delhi, 30th May' 2012

 Sd/-
(Jhanwar Lal Ancharia)
 Chief Financial Officer

 Sd/-
(Nidhi Sharma)
 Company Secretary

 Sd/-
(Santosh Kumar Bajaj)
 Whole Time Director
 DIN: 00045759

Information with regard to Subsidiary Companies for the Financial Year Ended on 31st March, 2012

S. No.	Name of Subsidiary Company	Cement International Ltd.	Meghalaya Minerals & Mines Ltd.	Badarpur Energy Pvt. Ltd.	Valley Strong Cements (Assam) Ltd.	Goombira Tea Company Ltd.	Chargola Tea Company Pvt. Ltd.	Singlacherra Tea Company Pvt. Ltd.
	Financial Year ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
(a)	Share Capital	9,927,000	14,900,000	49,633,400	2,675,000	1,047,000	742,000	568,600
(b)	Reserves & Surplus	148,183,025	51,531,437	46,636,538	19,575,000	175,797,358	76,104,317	70,634,087
(c)	Total Assets (Fixed Assets+ Investments + Current/ Deferred Assets)	350,531,297	157,673,396	391,224,759	32,174,794	268,009,335	81,058,614	85,901,971
(d)	Total Liabilities (Debts + Current / Deferred Liabilities)	192,421,273	91,241,959	294,954,821	9,924,794	91,164,977	4,212,297	14,699,284
(e)	Investments (excluding investment in subsidiary companies)	-	-	-	-	-	-	-
(f)	Turnover (gross)	316,469,959	125,467,887	-	-	1,489,938	1,401,516	1,766,117
(g)	Profit/ (Loss) before Taxation	8,430,840	493,506	(42,629,997)	-	(4,460,225)	(116,058)	(810,520)
(h)	Provision for Taxation/ Deferred Tax	41,382	335,849	24,886	-	-	-	-
(i)	Profit/ (Loss) after Taxation	8,389,458	157,657	(42,654,883)	-	(4,460,225)	(116,058)	(810,520)
(j)	Proposed Dividend	-	-	-	-	-	-	-

For **Kumar Vijay Gupta & Co.**
Chartered Accountants
Firm Registration No. 007814-N

For & on behalf of the Board

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

Sd/-
(Bijay Kumar Garodia)
Chairman & Whole Time Director
DIN: 00044379

Sd/-
(Kamakhya Chamaria)
Vice Chairman & Managing Director
DIN: 00612581

New Delhi, 30th May' 2012

Sd/-
(Jhanwar Lal Ancharia)
Chief Financial Officer

Sd/-
(Nidhi Sharma)
Company Secretary

Sd/-
(Santosh Kumar Bajaj)
Whole Time Director
DIN: 00045759



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 13th ANNUAL GENERAL MEETING of Barak Valley Cements Limited held on Thursday, the 09th day of August, 2012 at 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam-781007 at 1.00 P.M or any adjournment thereof.

Please ✓ in the box.

Member

Proxy

Name of the Proxy in Block Letters

Member's Signature

Proxy's Signature



BARAK VALLEY CEMENTS LIMITED

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

PROXY FORM

I/We.....of.....in the district of.....being a member(s) of BARAK VALLEY CEMENTS LIMITED hereby appoint.....of.....in the district of.....or failing him.....of.....in the district of.....as my/our proxy(ies) to attend and vote for me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held on 09th day of August, 2012 at 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam-781007 at 1.00 P.M 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 should reach at company's Registered Office at least 48 hours before the meeting.
3. That a shareholder may vote either for or against each resolution.



Kai application. Ek solution.



Addresses For Correspondence

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E-mail : kolkata@barakcement.com

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Phone : 03842-239230, 231573

Fax : 03842-239230

website : www.barakcement.com



Barak Valley Cements Limited

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