



## ANNUAL REPORT

# 2013-14



# BARAK Valley CEMENTS Limited

# BARAK VALLEY CEMENTS Limited

## Annual Report 2013-2014

### Composition of Board

Sh. Bijay Kumar Garodia	Chairman and Whole Time Director
Sh. Kamakhya Chamaria	Vice Chairman and Managing Director
Sh. Mahendra Kumar Agarwal	Vice Chairman
Sh. Santosh Kumar Bajaj	Whole Time Director
Sh. Prahlad Rai Chamaria	Director
Sh. Brahm Prakash Bakshi	Director
Dr. Dhanpat Ram Agarwal	Director
Sh. Ramesh Chandra Bajaj	Director
Sh. Vishal More	Director
Smt. Renu Kejriwal	Additional Director

#### Company Secretary

Ms. Bhavna Jangid

#### Chief Financial Officer

Sh. Sushil Kumar Kothari

#### Auditor

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

#### Bankers and FIs

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

#### Offices:

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

#### Works:

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

#### Corp. office:

281, Deepali, Pitam Pura,  
Delhi-110034

#### Branches:

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

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# BARAK VALLEY CEMENTS LIMITED

## DIRECTORS' REPORT

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

The Directors of your company are glad to present the 15th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2014.

### FINANCIAL RESULTS

The summary of your Company's financial performance during the Financial Year ended 31st March, 2014 is as under:

(₹ in Lacs)

Particulars	Year Ended as at 31st March, 2014	Year Ended as at 31st March, 2013
Revenue from Operations (net)	10,360.88	10,888.17
Other Income	27.64	30.18
<b>Total Sales &amp; other Income</b>	<b>10,388.52</b>	<b>10,918.36</b>
<b>Income before Finance cost, Depreciation and Amortization and Income tax</b>	<b>1,213.34</b>	<b>1,326.15</b>
Less : Depreciation and Amortization expenses	493.84	519.44
<b>Profit before Interest and Income Tax</b>	<b>719.50</b>	<b>806.71</b>
Less : Finance Cost	792.49	836.42
<b>Profit before Income Tax</b>	<b>(72.99)</b>	<b>(29.71)</b>
Less : Exceptional Items	12.03	8.55
Less : Provision for Income tax	—	—
Earlier year provisions written back	—	—
Current Income Tax	—	—
Deferred Tax liability/(Assets)	(20.65)	(15.59)
<b>Profit After tax</b>	<b>(64.37)</b>	<b>(22.68)</b>
Less : Balance brought forward from last year	4,134.43	4,157.11
<b>Profit available for appropriation</b>	<b>4,070.05</b>	<b>4,134.42</b>
Less : Appropriations:		
Transfer to General Reserves	—	—
Proposed Dividend on Equity shares	—	—
Corporate Dividend Tax	—	—
<b>Balance Transfer to Reserve and Surplus</b>	<b>4,070.05</b>	<b>4,134.42</b>

### CHANGES IN CAPITAL STRUCTURE

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

As at 31st March, 2014 the paid-up capital of the Company was ₹ 22,16,00,000/- divided into 2,21,60,000 Equity Shares of ₹ 10/- each and there was no change in the capital structure of your Company during the year under report.

### OPERATIONS

#### Standalone

The Standalone turnover of the company stood at ₹ 10,360.88 Lakhs during the year 2013-14, which is decreased in comparison to previous year turnover of ₹ 10,888.17 Lakhs. The Company's losses are increased to ₹ 64.38 Lakhs during the financial year 2013-14, when compared with the previous year loss of ₹ 22.68 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 2013-14 the consolidated revenue from operations

## BARAK VALLEY CEMENTS LIMITED

decreased to ₹ 12,391.86 Lakhs in the Current Year as compared to ₹ 13,078.93 Lakhs in the period 2012-13. The consolidated loss has also increased from ₹ 447.98 Lakhs in 2012-13 to ₹ 763.96 Lakhs in the current period.

### DIVIDEND

Your Directors after considering the performance of the Company for the Financial Year 2013-14 have decided not to recommend Dividend this year.

### SUBSIDIARIES

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

The statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiaries is annexed to this report. Pursuant to General Circular No. 2/2011 dated 8th February, 2011, the Board of Directors of Company in their Meeting held on 14th February, 2014, subject to conditions mentioned in the said circular resolved, not to attach Balance sheet of subsidiaries with Balance Sheet of Company for the Financial Year 2013-14.

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

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

### Business of Company and its Subsidiaries

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

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, is given separately and forms part of this Report.

### CORPORATE GOVERNANCE REPORT

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

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

### DIRECTORS

Pursuant to provisions of Section 152 of Companies Act, 2013 and the Articles of Association of the Company Sh. Mahendra Kumar Agarwal and Sh. Prahlad Rai Chamaria, Directors of the Company are liable to retire by rotation and being eligible, offers themselves for re-appointment.

During the year under report Sh. Edwin Especiano Fernandes's nomination was withdrawn by IDBI Bank from the Board of the Company w.e.f. from 28th June, 2013.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, and the Articles of Association of the Company, Smt. Renu Kejriwal was appointed as an Additional Director designated as an Independent Director w.e.f. 20th December, 2013 and she shall hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received requisite notice in writing from a member proposing Smt. Renu Kejriwal for appointment as an Independent Director.

## BARAK VALLEY CEMENTS LIMITED

In terms of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013, it is proposed to re-appoint Sh. Brahm Prakash Bakshi, Sh. Vishal More, Dr. Dhanpat Ram Agarwal and Sh. Ramesh Chandra Bajaj, Independent Directors on the Board of the Company for another term of 5 years through Special Resolution at the ensuing Annual General Meeting. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

### AUDITORS

#### **Statutory Auditors**

The Statutory Auditors of the Company M/s Kumar Vijay Gupta & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting of the Company and have confirmed that their re-appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013. They also satisfy the qualifications laid under section 141 of the Companies Act, 2013. They have sought re-appointment and have confirmed that their appointment, if made, shall be within the limits laid down under Section 141(3) (g) of the Companies Act, 2013. 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 proposes the re-appointment of M/s Kumar Vijay Gupta & Co., Chartered Accountants, as Statutory Auditors of the Company on the recommendation of Audit Committee, to hold the office from the conclusion of ensuing Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

#### **Cost Auditors and Cost Audit Report**

Cost audit records have been maintained for the financial year 2013-14 and pursuant to directives of central government and provisions of Section 233B (2) of Companies Act, 1956 and Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee has proceeded to appoint Sh. Nirmalendu Kar Purkayastha, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2014-15.

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

### AUDIT COMMITTEE

Your Company has an Audit Committee, in terms of Companies Act, 2013 and that of Listing Agreement, further details of Audit Committee are given in the Corporate Governance Report.

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In terms of Section 177 of the Companies Act, 2013 and SEBI circular no. CIR/CFD/Policy Cell/2/2014 dated 17th April, 2014, regarding amendment in clause 49, your company has a vigil mechanism/ Whistle Blower Policy for directors and employees to report to the concerns about the unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.

### INDEPENDENT AUDITORS' REPORT

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

### PARTICULARS OF EMPLOYEES

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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;
- that reasonable and prudent accounting policies have been used in preparation of the financial statements, that they have been consistently applied and that reasonable and prudent judgments and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs and the loss of the company for the year ended 31.03.2014;
- 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;
- that the financial statements have been prepared on a going concern basis.

## **BARAK VALLEY CEMENTS LIMITED**

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### **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 73 of the Companies Act, 2013 and rules made there under and hence no amount of principal or interest was outstanding as on 31st March, 2014.

No Buy Back of Shares was proposed or pending during the Financial Year ended on 31st March, 2014.

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

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

### **APPRECIATION**

Your Directors would like to express their appreciation to the Investors, Banks, Financial Institutions, Clients, Vendors, Central and the State Government and other Regulatory Authorities for their assistance, continued support, co-operation and guidance during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For **BARAK VALLEY CEMENTS LIMITED**

Place : Delhi  
Date : 30th May, 2014

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

**ANNEXURE 'A' TO DIRECTOR'S REPORT**
**Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**
**a. Energy Conservation measures taken:**

- i. Replacement of screw conveyor into weigh feeder in main firing of coal.
- ii. Weigh feeder in raw material grinding.
- iii. Replacement of gun metal bearing in phosphorus bronze to increase the life of bearing.
- iv. Clinker shed in front of cooler.
- v. To change bad tyres and shell of kiln.
- vi. Increase of one module of Bag Filter in Coal Mill to increase the output.
- vii. Cooler orientation changed from inline to perpendicular.
- viii. Cut the Kiln for better performance and power saving.
- ix. Raw Mill 1 shell with Tyre changed.

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

- i. To replace the girth gear of coal mill no. 2 and optimize the loading of grinding media to increase the production.
- ii. Close circuiting of raw mill no. 3.
- iii. Replacement of existing spillage from 125 m/m to 250 m/m size.
- iv. To change Polyacrolonitrile Bags to Nomex Bag or P-84 in high temperature bag filters.
- v. Change of Girth Gear, Penion and Bad Shell of Kiln.
- vi. Direct feeding of Clinker.

**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:**

<b>Power And Fuel Consumption</b>	<b>2013-2014</b>	<b>2012-13</b>
a) Purchase Units (KWH)	<b>1,67,66,736 Units</b>	2,28,81,138 Units
Total Amount (₹ in Lakhs)	<b>925.94</b>	1134.67
Rate/Unit (₹)	<b>5.52</b>	4.96
Own Generation (KWH)	<b>1,04,810 Units</b>	7,01,019 Units
Total Amount (₹ in Lakhs)	<b>16.97</b>	96.47
Rate/Unit (₹)	<b>16.19</b>	13.76
b) Coal Consumption	<b>23,837 MT</b>	27,129 MT
Total Amount (₹ in Lakhs)	<b>1,435.81</b>	2,049.58
Rate/MT (₹)	<b>6,023.44</b>	7,554.95
<b>Consumption per unit of production (Unit/MT)</b>	<b>Power (Per MT of Cement)</b>	<b>Coal (Per MT of Clinker)</b>
Standard, if any	<b>120</b>	18%
Current Year	<b>126</b>	18%
Previous Year	<b>119</b>	16%



**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 2 to 3%**
**c) Future Plan of Action**

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

**d) Expenditure on R&D.**

	<b>2013 – 14</b>	<b>(Amount in ₹) 2012 – 13</b>
i) Capital Expenditure	<b>NIL</b>	NIL
ii) Recurring Expenditure	<b>61,908</b>	12,02,205
iii) Total Expenditure	<b>61,908</b>	12,02,205

**2. Technology absorption, adaptation and innovation during 2013-2014 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.
- (iv) Recycling Kiln inlet dust.

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

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

**c) Foreign Exchange earning and outgo**

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

Foreign Exchange Earned : NIL

Foreign Exchange Used : NIL

For **BARAK VALLEY CEMENTS LIMITED**

Place : Delhi  
Date : 30th May, 2014

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



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **ECONOMIC OVERVIEW**

The Fiscal Year 2013-14 proved to be a challenging year with the Indian economy witnessing sustained slowdown across various sectors when growth has reached its decadal low; inflation has reached its height and rupee at bottom low against dollar. Reduced infrastructure spending by the Government has deteriorated position further. In the recent past years, the Indian economy has had to overcome varied challenges in its resolve to sustain its economic success.

The major challenges to Indian Economy included:

- Unsupportive external environment,
- Domestic structural constraints,
- Growth slowdown and;
- Inflationary pressures.

The country's economy is estimated to have growth at 4.9% in the fiscal year 2013-14, a shade lower than the government's earlier projection but marginally above than 4.5% in last year 2012-13, highlighting the pain in Asia's third-largest economy.

### **OVERVIEW OF INDIAN CEMENT INDUSTRY**

Cement is one of the core industries and plays a vital role in the growth and development of a nation. The cement industry of India is the second largest producer in the world. The production of cement has increased at a compound annual growth rate (CAGR) of 9.7 per cent to reach 272 million tonnes (MT) during FY 06-13. The production capacity is expected to grow to 550 MT by FY 20.

India's potential in infrastructure is huge. The country is expected to become the world's third largest construction market by 2025, adding 11.5 million homes a year to become a US\$ 1 trillion a year market.

The Indian cement sector is expected to witness positive growth in coming years, with demand set to increase at a CAGR of more than 8 per cent during 2013-14 to 2015-16, according to the latest RNCOS report titled, 'Indian Cement Industry Outlook 2016'.

In 2013-14, the Cement Industry added 22 million tonnes of capacity increasing capacity to more than 360 million tonnes; however, prolonged monsoon as well as mining ban imposed on coal mining in some states and reduced Government spending has put pressure on consumption side resulting in lower capacity utilisation. The demand for cement is dependent on four key segments. Housing, infrastructure, commercial and industrial segment.

### **OPPORTUNITIES**

The housing segment accounts for a major portion of the total domestic demand for cement in India. The Government of India is strongly focused on infrastructure development to boost economic growth and plans to increase investment in infrastructure to US\$ 1 trillion in the 12th Five Year Plan (2012-17). During the Plan, the industry is estimated to add a capacity of 150 MT. The cement industry in India is globally competitive as the industry continues to witness positive trends such as cost control, continuous technology upgradation and increased construction activities.

Infrastructure projects such as Dedicated Freight Corridors as well as new and upgraded airports and ports are expected to further drive construction activity. All this brings about a tremendous scope for the cement industry in the country.

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

### **NORTH EAST INDIA: A LAND OF OPPORTUNITIES FOR CEMENT INDUSTRY**

In the Union Budget 2014-15 the Government had planned an investment of an amount of ₹ 37,880 crores in NHAI and State Roads which includes ₹ 3000 crores for the North East which will lead to further increase in demand of cement in the North East region.

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

In order to reduce the demand and supply gap, the Government has already approved a package of fiscal incentives and other concessions for the North East Region by formulating a policy, namely the North East Industrial and Investment Policy, 2007, effective from 1 April, 2007.

### **OUTLOOK**

Consequent to the completion of the general elections and assumption of the new Government at the Centre, the economic activities which had slowed down during the election period is expected to pick up. The new Government's economic policies are

## BARAK VALLEY CEMENTS LIMITED

expected to give a big push and the Indian Economy is expected to record a GDP growth of 5.4% to 5.7% in the current year. The Union budget 2014-15 is a pragmatic and growth oriented one. Infrastructure sector has been given due thrust in the budget. In Union Budget 2014-15, a sum of ₹ 7060 crore is provided in the current fiscal for the project of developing 'one hundred Smart Cities'. As the Government of India is expanding its investment in the Infrastructure sector, the demand for Commercial Real Estate segments, comprising retail space, office space and hotels, as well as civic facilities including hospitals, multiplexes and schools, has been rising due to the growth in economy.

India's cement industry needs to nearly double its manufacturing capacity by 2025, according to a report titled 'Cement Vision 2025: Scaling New Heights' by the Confederation of Indian Industry (CII). The report highlights that an additional capacity of 330–380 MT in cement and 240–270 MT in clinker could be needed by 2025. This translates into an investment of close to ₹ 300,000 crore (US\$ 50.1 billion). With the ever-increasing industrial activities, real estate, construction and infrastructure, in addition to the onset of various Special Economic Zones (SEZs) being developed across the country, there is a demand for cement.

The cement industry in India is globally competitive as the industry continues to witness positive trends such as cost control, continuous technology upgradation and increased construction activities. Indian cement industry has a pride of place, being the second largest cement producer in the world. It has made rapid strides not only in terms of capacity addition but also in producing world class quality cement from state of the art technology. Indian cement industry today accounts for about 7 per cent of the global production.

### COMPANY PERFORMANCE

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

(₹ In Lakhs)

	2013-2014	2012-2013
Net Sales	10,360.88	10,888.17
Profit/(Loss) after tax	(64.37)	(22.68)
Net Worth	8,235.53	8,299.90
Borrowings(Long Term)	3190.15	3,474.67
EPS	(0.29)	(0.10)
Production (MT)	1,74,272	1,81,109
Despatches (MT)	1,73,728	1,80,544

During the year ending on 31.03.2014 your company has suffered net loss of ₹ 64.37 Lakhs in comparison of loss of ₹ 22.68 Lakhs in the previous year.

### PERFORMANCE OF SUBSTANTIAL SUBSIDIARIES

The performance of the subsidiary companies viz. Cement International Limited (CIL), Meghalaya Minerals and Mines Limited (MMML) and Badarpur Energy Private Limited (BEPL) for the financial year 2013-14 as compared to the financial year 2012-13 is as under:

#### CEMENT INTERNATIONAL LIMITED

	FY 2013-14	FY 2012-13
Production (MT)	37,554	49,264
Despatches (MT)	37,499	49,497
Turnover (₹ in lakhs)	2,204.83	2,798.10
Profit/(Loss) after Tax (₹ in lakhs)	(104.41)	5.93

#### BADARPUR ENERGY PRIVATE LIMITED

	FY 2013-14	FY 2012-13
Units Generated/ Sold (In MW)	67,55,938	—
Turnover (₹ in Lakhs)	351.18	—
Profit/(Loss) after Tax (₹ in lakhs)	(311.11)	(287.22)

## BARAK VALLEY CEMENTS LIMITED

### MEGHALAYA MINERALS AND MINES LIMITED

	FY 2013-14	FY 2012-13
Limestone Extracted/Purchased (MT)	1,78,394	1,42,360
Limestone Dispatched (MT)	1,67,548	1,44,177
Turnover (₹ In lakhs)	469.75	937.85
Profit/(Loss) after Tax (₹ in lakhs)	(82.55)	(76.08)

### 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 ₹ 10,360.88 Lakhs in comparison of previous year ₹ 10,888.17 Lakhs. However, the NCR of cement was ₹ 214.59 per bag as against the NCR of ₹ 220.34 per bag in 2012-13. Your company had also incurred ₹ 201.27 Lakhs in the year 2013-14 as compared to ₹ 138.12 Lakhs in the year 2012-13 on the Advertisement, Publicity & Sales Promotion expenses.

### COSTS

#### (a) Raw Material

##### (i) Lime Stone :

During the year, the company has consumed 1,71,900MT of Lime stone as compared to 2,10,182 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 ₹ 662/- this year as compared to ₹ 700/- last year. The consumption of limestone per ton of clinker in the current year was ₹ 930/- (1.30 MT) against ₹ 913/- (1.28 MT) during the previous year.

##### (ii) Fly Ash:

During the year, the company has consumed 31,533 MT of Fly ash against 37,034 MT during last year. The average acquisition cost per MT of Fly ash has been ₹ 890/- per MT in current year as compared to ₹ 1,696/- per MT in the last year. The total cost of fly ash consumed in the year 2013-14 was ₹ 290 Lakhs & in the year 2012-13 it came out to be ₹ 629.59 Lakhs. In current financial year 2013-14, overall Fly ash cost constitutes 12% of overall Raw material cost as compared to 23% of raw material cost in the earlier year.

The company has produced 1,26,653MT of PPC cement as compared to 1,12,918 MT of PPC cement in the last year. The per tonne fly ash cost of producing PPC Cement comes out to ₹ 166/- per MT as compared to ₹ 348/- per MT of producing cement in the last year. During the year the fly ash consumption was 24.90% of the PPC cement production, as compared to 32.80% in the last year.

##### (iii) Gypsum:

Gypsum consumption of the company in the year 2013-14 was 174 MT as compared to 304 MT in the year 2012-13. The overall gypsum consumption cost comes to 0.37% of overall raw material cost as compared to 0.58% in the last year. The total cost of gypsum in the year 2013-14 was ₹ 9.13 Lakhs & in the year 2012-13 it came out to be ₹ 15.55 Lakhs. The average cost of Gypsum for producing per MT cement comes out to ₹ 5.24 as compared to ₹ 8.59 last year.

#### (b) Fuel and Power

##### (i) Coal:

During the year, the company has consumed 23,837 MT of coal, which constitutes 18% of per MT clinker production as compared to 27,129 MT during last year (17% of per MT clinker production). In current year, the company has incurred ₹ 1,435.81 lakhs on coal as compared to ₹ 2,049.58 lakhs in previous year. In 2013-14 average coal costing comes out to ₹ 6023/- per MT as compared to ₹ 7,555/- per MT in 2012-13. The coal cost per ton of cement comes out to be ₹ 770/- in the year 2013-14 when compared with ₹ 960/- in the previous year 2012-13.

##### (ii) Power:

In current year, the company has purchased 167.67 lakhs units from ASEB as compared to 228.81 lakhs units purchased from ASEB in the last year.

During the year Company has generated 1.05 Lakhs power units with DG sets at an average cost of ₹ 16.19 per unit as compared to 7.01 Lakhs units in 2012-13 at an average cost of ₹ 13.76/-. In the current year, the company has incurred ₹ 1267.54 lakhs on power cost with an average of ₹ 5.50 per unit as compared to ₹ 1,231.14 lakhs (₹ 5.22 per unit) in last year. The cost of power per ton of cement comes out to be ₹ 702/- in the year 2013-14 when compared with ₹ 597/- in the previous year 2012-13.

## BARAK VALLEY CEMENTS LIMITED

### (c) Salaries, Wages and Labor Cost

In current year 2013-14, the company has incurred ₹ 933.31 lakhs on salaries, wages and labour cost as against ₹ 851.64 lakhs in 2012-13. In overall terms in current year, wages cost comes out to ₹ 466/- per MT of Cement cost as compared to ₹ 369/- per MT in the last year.

### (d) Transportation Cost

The Company has dispatched 1,73,728 MT of cement as compared to 1,80,544 MT of cement in the previous financial year. However, the overall transportation cost had increased to ₹ 2086.78 lakhs as compared to ₹ 1,854.82 lakhs in the last year.

### (e) Financial Costs

During the year the company had incurred ₹ 792.49 Lacs in Interest & Financial Costs as compared to ₹ 836.43 Lakhs in the previous year 2012-13.

## RISKS AND AREAS OF CONCERN

### • INPUT COST

Rising input costs of key raw material i.e. Coal has become a critical issue impacting the profitability of cement industry. Off-late, the cement companies depending on imported coal have seen some easing in cost pressures due to decline in price of imported coal. However, the benefit of declining prices has been offset by rupee depreciation to some extent. Rising domestic coal prices and non-availability of low cost linkage coal has increased the power and fuel cost for cement manufacturers.

### • TRANSPORT

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

### • RAW MATERIAL COST

The costs of limestone and gypsum are directly or indirectly co-related with diesel used for both excavation and transportation. With rise in diesel price, an upward movement is expected in the prices of key raw materials. Establishment of new power plants at coal mine pithead or near a port by companies has created scarcity of fly ash near the cement consumption centre.

### • CHANGES IN GOVERNMENT POLICY

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

### • LAW & ORDER IN NE REGION

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

## INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

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

## HUMAN RESOURCES

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

The Company maintains absolute harmony with its work force. Since inception there has not been even a single instance of strike or lock-out at any of the Company's work place. The total manpower strength of the Company as on 31st March, 2014 was 257.

## BARAK VALLEY CEMENTS LIMITED

### 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 2013-14 are highlighted herein below:

#### Health Care Initiatives

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

#### Educational Initiatives

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

#### Environmental Initiatives

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

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

#### Community Welfare Initiatives

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

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

### CAUTIONARY STATEMENT

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

For **BARAK VALLEY CEMENTS LIMITED**

Place : Delhi  
Date : 30th May, 2014

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

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on the Code of Corporate Governance

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. We at Barak Valley Cements Limited believe that good Corporate Governance is a key contributor to sustainable corporate growth and creating superior value for our stakeholders. The company places great emphasis on values such as:

- Empowerment and integrity of its employees;
- Safety of the employees & communities surrounding our plants;
- Transparency in decision making process;
- Fair & ethical dealings with all;
- Pollution free clean environment; and
- Accountability to all the stakeholders.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment by following best corporate governance norms in true letter and spirit.

In terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details of compliance for the year ended 31st March, 2014 are as follows:

### I. BOARD OF DIRECTORS

#### • Composition

The Company has an optimum combination of executive and non-executive directors on its Board, which primarily take care of the business needs and stakeholder's interest. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Agreement.

The Board of Directors as on 31st March, 2014, comprised of Ten Directors, where Chairman of the Board is an Executive Director and Promoter of the Company. Since the Chairman is an Executive Director, the Board has an appropriate combination of Five Independent Directors and Five Non-Independent Directors. None of the Directors is a director in more than 15 public companies and member of more than 10 committees or act as Chairman of more than 5 committees across all the companies in which they are Directors.

Pursuant to provisions of the Companies Act, 1956, Companies Act, 2013 and Clause 49 of the Listing Agreement, all the Board Members have given their complete disclosure about other directorships and the committee positions held by them in other companies in the financial year 2013-14. Following is the list of Directors of the company showing details of their inter-se relations along with directorships in other companies and memberships & chairmanships in committees:

S. No.	Name of Director	Category	Inter-se Relationship amongst Directors	Details of Directorships in other companies*	Position in Other Committees	
				Public	Member**	Chairman**
1	Sh. Prahlad Rai Chamaria	Promoter, Non-Executive and Non-Independent Director	Brother of Mr. Kamakhya Chamaria	5	Nil	Nil
2	Sh. Bijay Kumar Garodia	Promoter, Executive and Non-Independent Director	Brother of Mr. Mahendra Kumar Agarwal's wife	5	1	Nil
3	Sh. Kamakhya Chamaria	Executive and Non-Independent Director	Brother of Mr. Prahlad Rai Chamaria	2	Nil	Nil
4	Sh. Mahendra Kumar Agarwal	Promoter, Non-Executive and Non-Independent Director	Brother-in-law of Sh. Bijay Kumar Garodia	12	1	Nil
5	Sh. Santosh Kumar Bajaj	Promoter, Executive and Non-Independent Director	Nil	2	Nil	Nil
6	Sh. Brahm Prakash Bakshi	Independent and Non-Executive Director	Nil	1	Nil	Nil
7	Dr. Dhanpat Ram Agarwal	Independent and Non-Executive Director	Nil	2	Nil	Nil



S. No.	Name of Director	Category	Inter-se Relationship amongst Directors	Details of Directorships in other companies*	Position in Other Committees	
				Public	Member**	Chairman**
8	Sh. Edwin Especiano Fernandes (Ceased to be director w.e.f. 28.06.2013)	Independent, Non Executive and Nominee Director	Nil	1	Nil	Nil
9	Sh. Ramesh Chandra Bajaj	Independent and Non-Executive Director	Nil	Nil	Nil	Nil
10	Sh. Vishal More	Independent and Non-Executive Director	Nil	1	Nil	Nil
11	Smt. Renu Kejriwal (Appointed w.e.f 20.12.2013)	Independent, Non-Executive Director	Nil	Nil	Nil	Nil

**Notes:**

\*Excluding alternate directorships and directorships in private limited companies, foreign companies and the Companies under section 25 of the Companies Act, 1956 ('the Act').

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

**• Meetings and Attendance**

The Board of Directors of your company met 5 (five) times during the year 2013-14 i.e. on 29th May, 2013, 13th August, 2013, 14th November, 2013, 20th December, 2013 and 14th February, 2014 to transact various businesses.

During the year 2013-14 the maximum time gap between two meetings of the Board did not exceed more than four months and have an adequate quorum in every meeting.

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

Sl. No	Name of Director	Attendance	
		Board Meeting	Last AGM
1	Sh. Bijay Kumar Garodia	2/5	No
2	Sh. Kamakhya Chamaria	5/5	Yes
3	Sh. Mahendra Kumar Agarwal	1/5	No
4	Sh. Santosh Kumar Bajaj	4/5	Yes
5	Sh. Prahlad Rai Chamaria	5/5	Yes
6	Sh. Brahm Prakash Bakshi	0/5	No
7	Sh. Dhanpat Ram Agarwal	0/5	No
8	Sh. Edwin Especiano Fernandes (Ceased to be director w.e.f. 28.06.2013)	1/5	No
9	Sh. Ramesh Chandra Bajaj	3/5	No
10	Sh. Vishal More	3/5	Yes
11	Smt. Renu Kejriwal (Appointed w.e.f 20.12.2013)	0/5	No

**• 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 financial results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.



## BARAK VALLEY CEMENTS LIMITED

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

- **Code of Conduct**

Your company has also framed a Code of Conduct for all the Board Members and Senior Management personnel of the company which is posted on its website, [www.barakcement.com](http://www.barakcement.com). All the Board Members and Senior Management personnel have affirmed their compliance with the said code. A declaration to that effect signed by the CEO is attached and forms part of the Annual Report of the Company.

- **Other Provisions**

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

## II. COMMITTEES OF THE BOARD

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

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

- Audit Committee
- Sub-Audit Committee
- Nomination Remuneration Committee (erstwhile Remuneration Committee)
- Share Transfer Committee
- Stakeholder's Relationship Committee (erstwhile Shareholder's/Investor's Grievances Committee)
- General Purpose Committee

### A. AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Company have a duly qualified and Independent Audit Committee, presided by an Independent Director. The Audit Committee of the Board comprises three Non- Executive Independent Directors and one Executive Non-Independent Director. All the members of the Audit Committee are financially literate. Sh. Vishal More, being the Chairman of the Committee is Masters in Economics and credential holder of Chartered Financial Analyst from the CFA Institute, USA and proficient in accounting and financial management.

- **Meetings**

During the Financial year 2013-14 the Audit Committee met 4 (Four) times on 28th May, 2013, 13th August, 2013, 14th November, 2013, and 14th February, 2014. The following table displays the attendance of the members in the said meetings of the committee:

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

**Notes:**

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

## BARAK VALLEY CEMENTS LIMITED

### • **Terms of Reference**

The terms of reference of the Audit Committee are as defined under the relevant provisions of the Companies Act as in force (with effect from the notification of the Companies Act, 2013, governing provisions are contained under section 177 of the Companies Act, 2013 in place of erstwhile section 292A of the Companies Act, 1956) and clause 49 of the Listing Agreement with stock exchanges is as follows:

- a) The Audit Committee has power, to investigate any activity, seek information from any employee and to obtain outside legal or other professional advice, to secure attendance of outsiders with relevant expertise, when ever consider fit and proper by the Committee.
- b) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- c) Recommending to the Board, regarding the appointment, re-appointment, the replacement and removal of the statutory auditor and cost auditors, along with fixation of audit fees and other payments payable to Auditor for other services rendered by him.
- d) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- e) Examination of the financial statement and the auditors' report thereon;
- f) Approval or any subsequent modification of transactions of the company with related parties;
- g) Scrutiny of inter-corporate loans and investments;
- h) Valuation of undertakings or assets of the company, wherever it is necessary;
- i) Evaluation of internal financial controls and risk management systems;
- j) Monitoring the end use of funds raised through public offers and related matters.
- k) Reviewing, with the management, the quarterly financial statements, annual financial statements before submission to the Board for approval.
- l) 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.
- m) 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.
- n) Discussion with the Statutory and Cost Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- o) To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- p) 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.
- q) The Audit Committee is empowered to review the Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions, submitted by management, internal audit reports relating to internal control weaknesses, and appointment, removal and terms of remuneration of the Chief Internal Auditor.
- r) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

### • **Sub-Audit Committee**

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

The committee consists of following executives of the company:

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

## **B. NOMINATION & REMUNERATION COMMITTEE**

As stipulated in Companies Act, 2013 and the Listing Agreement as well, the Board had constituted the Nomination & Remuneration committee on 30th May, 2014 consequent to the dissolution of the 'Remuneration Committee' headed by Sh. Brahm Prakash Bakshi who is an Independent and Non- Executive Director.

## BARAK VALLEY CEMENTS LIMITED

The Nomination and Remuneration Committee determines the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policy, the Remuneration Committee determines the remuneration payable to the Directors. Apart from this, the detailed terms of reference of Nomination and Remuneration Committee are as follows:

### • Terms of Reference

- This committee shall be responsible for identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the aforesaid policy ensure the following things—
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

### Composition

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

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

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

### • Meetings

During the year 2013-14, no meeting of this Committee was held.

### • Details of Remuneration

The Directors in the Board were entitled to the following remuneration during the Financial Year 2013-14.

Sl. No	Name of Director	Managerial Remuneration (In ₹ p.a)	Sitting Fees (In ₹ p.a)	No. of Shares as on 31.03.2014
1	Sh. Prahlad Rai Chamaria	Nil	Nil	19,84,800
2	Sh. Bijay Kumar Garodia	Nil	Nil	21,62,650
3	Sh. Kamakhya Chamaria	10,80,000	Nil	3,40,000
4	Sh. Mahendra Kumar Agarwal	Nil	Nil	17,62,632
5	Sh. Santosh Kumar Bajaj	Nil	Nil	18,84,500
6	Sh. Brahm Prakash Bakshi	Nil	Nil	Nil
7	Dr. Dhanpat Ram Agarwal	Nil	Nil	Nil
8	Sh. Edwin Especiano Fernandes (Ceased to be director w.e.f. 28.06.2013)	Nil	Nil	Nil
9	Sh. Ramesh Chandra Bajaj	Nil	Nil	Nil
10	Sh. Vishal More	Nil	15,000	Nil
11.	Smt Renu Kejriwal (Appointed w.e.f. 20.12.2013)	Nil	Nil	150

## BARAK VALLEY CEMENTS LIMITED

### 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.
- The Chairman of Nomination & Remuneration Committee is an Independent Non Executive Director.
- Company has not issued any convertible instruments during the year 2013-14.

### C. STAKEHOLDER'S RELATIONSHIP COMMITTEE

As stipulated in Companies Act, 2013 and the Listing Agreement as well, the Board had constituted the stakeholder's relationship committee on 30th May, 2014 consequent to the dissolution of the 'Shareholder's/Investors' grievance Committee'. The said committee has been constituted at the Board level, under the Chairmanship of Sh. Brahm Prakash Bakshi, a Non-Executive, Independent director.

#### • Terms of Reference

- Oversee and review all matters connected with the transfer of the Company's securities.
- Approve issue of the Company's duplicate share/debenture certificates.
- Monitor redressal of investors'/shareholders'/security holders' grievances.
- Oversee the performance of the Company's Registrars and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

#### • Composition

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

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

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

#### • Meetings

No meeting of the stakeholder's relationship committee was held during the year 2013-14.

#### • Details of Complaints

Pursuant to the requirement stipulated in the Listing Agreement the following are the details of complaints received & resolved during 2013-14:

Period	Complaints Received	Complaints Resolved	Pending Complaints
2013-14	Nil	Nil	Nil

### D. SHARE TRANSFER COMMITTEE

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

#### • Composition

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

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

## BARAK VALLEY CEMENTS LIMITED

- Meetings**

No meeting of the Share Transfer Committee was held during the year ending 31st March, 2014.

### E. GENERAL PURPOSE COMMITTEE

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

- Composition**

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

- Meetings**

During the Financial year 2013-14 the General Purpose Committee met 5 (Five) times on 03rd May, 2013, 29th May, 2013, 30th May, 2013, 16th August, 2013 and 12th March, 2014 with following attendance:

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

### III. SUBSIDIARIES

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

Sl. No	Name of the Subsidiary	Address		Main Business Activity	Date of Acquisition
		Registered Office	Works		
1	Cement International Limited	Village Lumshonong, District Jaintia Hills, Meghalaya-793002	Debendra Nagar, Jhoom Basti, P.O 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 Lumshonong, District Jaintia Hills, Lumshonong, Khliehriat, Meghalaya-793002	Village Lumshonong, 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

- The Audit Committee and the Board reviews the minutes, financial statements, significant transactions, investments made by the subsidiary companies, if any, and general working of the unlisted subsidiary companies.

## BARAK VALLEY CEMENTS LIMITED

### IV. GENERAL BODY MEETINGS

- Annual General Meeting**

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

Sl. No.	Year	Date of AGM	Day & Time	Venue	Details of Special Resolution, if any
1.	2012-13	23.09.2013	Monday, 02:30 P.M.	202, Royal View, B.K.Kakoti, Ulubari, Guwahati, Assam-781007	Nil
2	2011-12	09.08.2012	Thursday, 01:00 P.M.	202, Royal View, B.K.Kakoti, Ulubari, Guwahati, Assam-781007	Nil
3	2010-11	06.08.2011	Saturday, 02:00 P.M.	202, Royal View, B.K.Kakoti, Ulubari, Guwahati, Assam-781007	Nil

- Extra-ordinary General Meeting**

No Extra-Ordinary General was held during the Financial Year 2013-14

- Postal Ballot**

No resolution on matters requiring Postal Ballot as per Section 192A of the Companies Act, 1956 was passed during the year 2013-14, therefore the information regarding Voting Pattern and the person who conducted the postal ballot exercise are Not Applicable for the company. The Special Resolution, if any, proposed to be conducted by Postal Ballot shall be in accordance with law.

### V. DISCLOSURES

- Related Party Transactions**

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

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

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

- Disclosure of Accounting Treatment**

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

- Risk Management**

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

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

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

- Management**

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

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

- Non-Compliance/Penalties/Strictures Imposed**

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



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

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

- i. Audit Qualifications-The Company has moved towards a regime of unqualified financial statements.
- ii. Remuneration Committee- The Company has commenced Nomination & Remuneration committee meeting the requirement of the Companies Act, 2013 and clause 49 of the Listing Agreement.

- **Whistle Blower Policy**- In terms of Section 177 of the Companies Act, 2013 and SEBI circular no. CIR/CFD/Policy Cell/ 2/2014 dated 17th April, 2014 (effective from 01st October, 2014), regarding amendment in clause 49, the company has established a vigil mechanism/ Whistle Blower Policy for directors and employees to report to the concerns about the unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.

- **CEO/CFO Certification**

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

- **Report Corporate Governance**

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

- **Compliance**

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

## VI. MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual Results of the company are sent to the Stock Exchanges immediately after conclusion of every Board Meeting either through Fax or E-mail and are subsequently uploaded at NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the 'Listing Centre').

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 ('The Pioneer') and Regional Newspaper ('Jansadharan').

The Financial Results & other information about the company are also available on its website [www.barakcement.com](http://www.barakcement.com). The Company's website contains a separate dedicated section 'Investor' where shareholders' information are available. The Company's Annual Report is also available in a user-friendly and downloadable form.

The Company has also designated an email-id [cs@barakcement.com](mailto:cs@barakcement.com) for investor servicing.

## VII. GENERAL SHAREHOLDER INFORMATION

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

- i **Annual General Meeting**

Date : Monday, 8th September, 2014

Time : 12.30 P.M.

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

- ii **Financial Year**

From : 1st April, 2013

To : 31st March, 2014

- iii **Book Closure Date**

From : 2nd September, 2014

To : 8th September, 2014 (Both days inclusive)

- iv **Dividend Payment Date**

No Dividend is proposed for the Financial Year 2013-14.

- v **Stock Exchanges & Code**

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



## BARAK VALLEY CEMENTS LIMITED

### vi Payment of Listing Fees

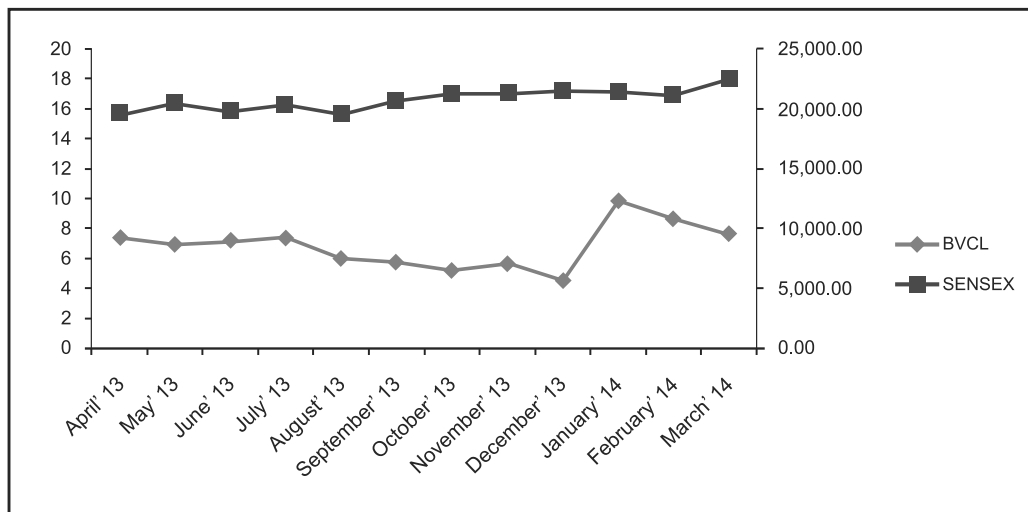
The payment of the Annual Listing Fees for the year 2013-14 and 2014-15 had been paid by the Company to BSE and NSE on time on which the securities of the company are listed.

Payment of Depository Fees: Annual Custody/Issuer fee for the year 2013-14 and 2014-15 had been paid by the Company to NSDL and CDSL on time.

### vii Market Price & Data

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April'13	7.40	6.10	7.40	6.15
May'13	6.98	6.05	7.15	5.35
June'13	7.15	6.00	6.75	6.00
July'13	7.40	5.40	7.00	5.60
Aug'13	6.00	4.78	6.60	5.30
Sept'13	5.75	4.50	5.65	5.05
Oct'13	5.20	4.50	4.90	4.55
Nov'13	5.70	4.50	5.10	4.50
Dec'13	4.56	4.02	4.95	4.40
Jan'14	9.80	4.68	8.40	4.90
Feb'14	8.70	7.15	8.65	7.00
Mar'14	7.60	5.60	7.95	5.65

### Viii Performance Comparison



### ix Registrar & Share Transfer Agents

The details of the R&T Agent 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](mailto:admin@mcsdel.com)

### x Share Transfer System

For the Transfer of shares of the company in Dematerialized form the same is done through the Depository Participants without involvement of the company. For transfer of shares in physical form, the Transfer document can be lodged with either MCS limited (the Registrar & Share Transfer Agent) or with the Company. The Physical Shares along with valid and duly executed transfer instrument as and when received are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferee complying with the rules in force. The shares are transferred after obtaining the approval from Share Transfer Committee. Duly transfer share certificates are returned within a period of 30 days from the date of receipt subject to the documents being valid and complete in all respects.

## BARAK VALLEY CEMENTS LIMITED

### xi Details of Unpaid Dividend as on 31.03.2014

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

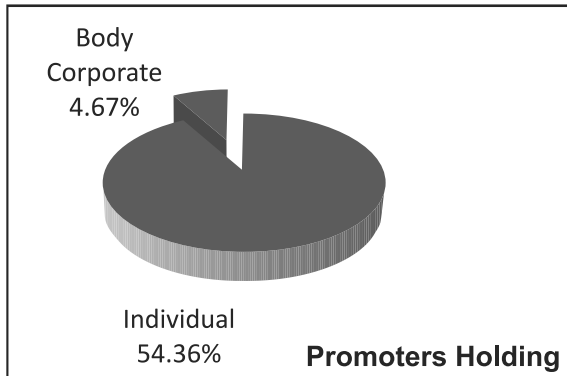
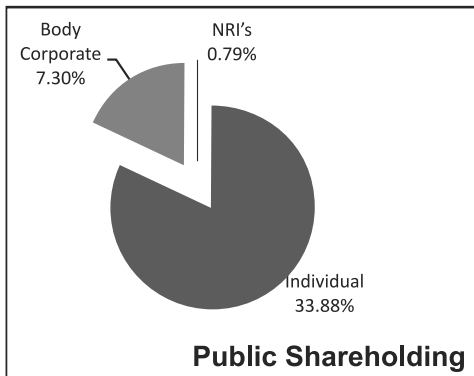
\*Actual dates may vary.

### xii Distribution of Shareholding as on 31.03.2014

Range	Shareholders			
	Number	% of Total	Amount (In ₹)	% of Total
1-500	6,191	82.77	101,33,160	4.57
501-1000	602	8.05	51,82,550	2.34
1001-2000	278	3.72	44,02,440	1.99
2001-3000	112	1.49	28,99,000	1.31
3001-4000	50	.67	17,62,400	.80
4001-5000	49	.65	23,02,000	1.04
5001-10000	77	1.03	56,29,850	2.54
10001-50000	58	.78	1,22,56,770	5.53
50001-100000	27	.36	2,11,71,460	9.55
And Above	36	.48	15,58,60,370	70.33
<b>Total</b>	<b>7,480</b>	<b>100</b>	<b>22,16,00,000</b>	<b>100</b>

### Shareholding Pattern as on 31st March, 2014

Category	No. of Shares	% of Holding
<b>Promoter</b>		
Individual	1,20,45,521	54.36
Body Corporate	10,35,000	4.67
<b>Sub Total (A):</b>	<b>1,30,80,521</b>	<b>59.03</b>
<b>Public:</b>		
Individual	72,84,542	32.88
Body Corporate	16,17,945	7.30
Financial Institutions/Bank	Nil	—
NRI's, Foreign Nationals, FII's	1,76,992	.79
Others	Nil	—
<b>Sub Total (B):</b>	<b>90,79,479</b>	<b>40.97</b>
<b>Total (A+B):</b>	<b>2,21,60,000</b>	<b>100%</b>



## BARAK VALLEY CEMENTS LIMITED

### xii Dematerialized of Shares and liquidity as on 31.03.2014

Particulars	No. of Shares	Percentage
<b>Dematerialization</b>		
NSDL	1,76,03,264	79.44
CDSL	38,84,730	17.53
<b>Sub Total</b>	<b>2,14,87,994</b>	<b>96.97</b>
<b>Physical</b>	6,72,006	3.03
<b>Total</b>	<b>2,21,60,000</b>	<b>100</b>

### 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 Calendar:

The following Financial Calendar is proposed for the year 2014-15 and is subject to change:

Quarter Ending 30th June, 2014	On or before 14th August, 2014
Quarter Ending 30th September, 2014	On or before 14th November, 2014
Quarter Ending 31st December, 2014	On or before 14th February, 2015
Quarter Ending 31st March, 2015	On or before 30th May, 2015

- xv** (a) International Securities Identification Number (ISIN): INE139I01011  
(b) Company Identification Number (CIN): L01403AS1999PLC005741

### xvi Plant Locations

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](mailto:globalghy@sify.com)
- b) Corporate Office** : 281, Deepali, Pitampura, Delhi-110034  
Ph: 011-49805200/300; Fax: 011-27033824/30  
E-mail: [delhi@barakcement.com](mailto: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](mailto:bvcl.kol64@gmail.com)
- d) Compliance Officer** : Bhavna Jangid  
(Company Secretary)  
Ph: 011-49805200/300; Fax: 011-27033824/30  
E-mail: [cs@barakcement.com](mailto: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 31.03.2014, all the board members and senior management personnel have affirmed compliance with the code of conduct of the Company.

For **BARAK VALLEY CEMENTS LIMITED**

Place : Delhi  
Date : 28.05.2014

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

## BARAK VALLEY CEMENTS LIMITED

### CEO/CFO CERTIFICATION

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

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

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

For **BARAK VALLEY CEMENTS LIMITED**

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

Sd/-  
**Kamakhya Chamaria**  
(Chief Executive Officer)

Place: Kolkata  
Date : 28.05.2014

Place : Delhi  
Date : 29.05.2014

### 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, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sd/-  
**(CA. Mahesh Goel)**  
Partner  
M No.088958

Date : 26.05.2014  
Place : Faridabad

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**Barak Valley Cements Ltd.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Barak Valley Cements Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Kumar Vijay Gupta & Co.**

Chartered Accountants,

Sd/-

**(CA. Mahesh Goel)**

Partner

M No.088958

Firm Regn. No. 007814-N

Date : 30.05.2014

Place : New Delhi

## BARAK VALLEY CEMENTS LIMITED

### ANNEXURE “A” TO THE AUDITOR’S REPORT

Re: **Barak Valley Cements Ltd.**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) of the Order are not applicable.
- (b) According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees Five Lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposits from the public to which the directions issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
- (viii) We have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income tax, service tax, excise duty/ cess and any other material statutory dues applicable to it, with the appropriate authorities. There were no arrears of statutory dues as at 31st March, 2014 except for a sum of ₹ 9,90,734/- on account of Cess on Cement for a period of more than six months from the date they became payable.

**BARAK VALLEY CEMENTS LIMITED**

- (b) According to the information and explanations given to us, details of disputed statutory dues, which have not been fully deposited with the appropriate authorities, are as under:

(Rs. in Lakhs)

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

- (x) The Company does not have accumulated losses at the end of the financial year under report. The company has not incurred cash losses during the financial year covered by our audit or 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.088958

Firm Regn. No. 007814-N

Date : 30.05.2014

Place : New Delhi



**BARAK VALLEY CEMENTS LIMITED**
**BALANCE SHEET AS AT 31ST MARCH, 2014**
*(Amount in ₹)*

Particulars	Note	31.03.2014	31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	221,600,000	221,600,000
Reserves and Surplus	4	601,952,520	608,389,913
		<b>823,552,520</b>	829,989,913
<b>Non-Current liabilities</b>			
Long Term Borrowings	5	319,015,486	347,466,666
Deferred Tax Liabilities (Net)	6	8,940,547	11,006,353
Other Long Term Liabilities	7	56,390,470	37,944,572
Long Term Provisions	8	6,164,634	5,442,819
		<b>390,511,137</b>	401,860,410
<b>Current liabilities</b>			
Short Term Borrowings	9	250,069,672	250,633,265
Trade Payables	10	174,099,202	43,018,927
Other Current Liabilities	11	215,035,168	202,763,378
Short Term Provisions	12	12,924,401	7,143,028
		<b>652,128,443</b>	503,558,598
<b>TOTAL</b>		<b>1,866,192,102</b>	1,735,408,921
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
-Tangible Assets		452,439,029	451,338,374
Non Current Investments	14	585,942,044	571,205,279
Long Term Loans and Advances	15	263,449,774	262,288,404
		<b>1,301,830,847</b>	1,284,832,057
<b>Current Assets</b>			
Inventories	16	58,525,361	73,471,779
Trade Receivables	17	172,481,045	108,377,198
Cash and Cash Equivalents	18	41,900,414	16,112,811
Short Term Loans and Advances	19	291,454,435	252,615,077
		<b>564,361,255</b>	450,576,866
<b>TOTAL</b>		<b>1,866,192,102</b>	1,735,408,921
<b>Significant accounting policies and notes on accounts</b>			
	2		

The accompanying notes 1-43 are an integral part of the financial statements

As per our report of even date

**For & on behalf of the Board**

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

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

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

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

New Delhi, 30th May' 2014

**BARAK VALLEY CEMENTS LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2014**

(Amount in ₹)			
Particulars	Notes	31.03.2014	31.03.2013
<b>INCOME</b>			
Revenue from Operations (Gross)	20	1,061,729,973	1,113,030,951
Less: Excise Duty		25,641,871	24,214,314
Revenue from Operations (Net)		1,036,088,102	1,088,816,637
Other Income	21	2,763,794	3,018,830
<b>Total Revenue (I)</b>		<b>1,038,851,896</b>	<b>1,091,835,467</b>
<b>EXPENSES</b>			
Cost of Raw Materials including packaging material consumed	22	245,248,294	270,118,497
(Increase)/Decrease in Inventories	23	(2,952,629)	(4,020,323)
Employee Benefit Expenses	24	100,087,730	91,366,127
Finance Costs	25	79,249,493	83,642,674
Depreciation and Amortization Expenses	13	49,383,906	51,943,753
Other Expenses	26	575,134,627	601,756,025
<b>Total Expenses (II)</b>		<b>1,046,151,421</b>	<b>1,094,806,753</b>
<b>Profit / (Loss) before exceptional items and tax (I) - (II)</b>		<b>(7,299,525)</b>	<b>(2,971,286)</b>
Exceptional items		1,203,674	855,764
<b>Profit / (Loss) before tax</b>		<b>(8,503,199)</b>	<b>(3,827,050)</b>
<b>Tax Expenses</b>			
- Current Tax		-	-
Less: MAT Credit entitlement		-	-
- Net Current Tax		-	-
- Earlier year tax provisions written back		-	-
- Deferred Tax Liability/ (Assets)		(2,065,806)	(1,558,704)
<b>Profit / (Loss) for the year</b>		<b>(6,437,393)</b>	<b>(2,268,346)</b>
<b>Earnings Per Equity Share (face Value of ₹ 10/- each) (refer note-35)</b>			
Basic Earning Per Share		(0.29)	(0.10)
Diluted Earning Per Share		(0.29)	(0.10)

**Significant accounting policies and notes on accounts** 2

The accompanying notes 1-43 are an integral part of the financial statements

As per our report of even date

**For & on behalf of the Board**

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

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

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

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

New Delhi, 30th May' 2014

**BARAK VALLEY CEMENTS LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

		(Amount in ₹)	
S. No.	Particulars	31.03.2014	31.03.2013
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit before Tax and exceptional items	(7,299,525)	(2,971,286)
	Adjustment for:		
	Add : Depreciation & Misc. expenditure	49,335,404	44,102,518
	Interest & finance charges	79,249,493	83,642,674
	Operating Profit before working capital changes	121,285,372	124,773,906
	<u>Adjustment for change in :</u>		
	Trade & other receivables	(100,887,716)	(2,299,029)
	Inventories	14,946,418	2,014,275
	Trade and other payables	148,569,845	(24,507,462)
	<b>Cash generated from Operations</b>	<b>183,913,919</b>	<b>99,981,690</b>
	Direct Taxes Paid	(3,216,858)	(4,745,839)
	Prior period adjustments / Exceptional Items	(1,203,674)	(855,764)
	<b>Net Cash Flow from operating activities</b>	<b>179,493,387</b>	<b>94,380,086</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Acquisition of Fixed Assets	(50,436,059)	(15,714,719)
	Purchase of Investments	(14,736,765)	(45,630,777)
		<b>(65,172,824)</b>	<b>(61,345,496)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Net proceeds from issue of Equity Shares	-	-
	Increase in Bank & Other borrowings	(9,283,466)	35,023,627
	Dividend (including CDT)	-	-
	Interest and finance charges paid	(79,249,493)	(83,642,674)
		<b>(88,532,960)</b>	<b>(48,619,047)</b>
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>25,787,603</b>	<b>(15,584,456)</b>
	Add:- Cash & Cash Equivalents at the beginning of the year	16,112,811	31,697,267
	Cash & Cash Equivalents at the Closing of the year	<b>41,900,414</b>	<b>16,112,811</b>

Note : Figures in brackets indicate cash outflow.

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

For & on behalf of the Board

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

Sd/-  
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Vice-Chairman & Managing Director

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

New Delhi, 30th May' 2014

## Notes to financial statements for the year ended 31st March, 2014

### **1. CORPORATE INFORMATION**

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

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 BASIS OF PREPARATION:**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply with all material aspects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular No. 15/2013 dated 13th September'2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. The financial statements are prepared under the historical cost convention basis on accrual basis and on the basis of going concern.

#### **2.2 ESTIMATES:**

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

#### **2.3 FIXED ASSETS:**

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

#### **2.4 DEPRECIATION:**

Depreciation on fixed assets has been provided on Written Down Value (WDV) Method at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro –rata basis from the date of put to use and in the case of a new project, the same is provided on a pro-rata basis from the date of commencement of commercial production.

Depreciation on assets sold, discarded or scrapped, is provided up to the date on which the said asset is sold, discarded or scrapped. In respect of an asset for which impairment loss is recognized, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

#### **2.5 GOVERNMENT GRANTS/ SUBSIDIES :**

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

## Notes to financial statements for the year ended 31st March, 2014

### 2.6 INVESTMENTS:

Investments, that are intended to be held for not more than one year, are classified as current investments and are stated at lower of cost and market value. All other investments are classified as long-term investments/ non –current investments and are stated at cost after deducting provisions for permanent diminution in the value, if any.

### 2.7 INVENTORIES:

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

### 2.8 REVENUE RECOGNITION:

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

### 2.9 IMPAIRMENT OF ASSETS:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

### 2.10 RETIREMENT BENEFITS:

#### (i) Defined Contribution Plan

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

#### (ii) Defined Benefit Plan

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

#### (iii) Other Long-term benefits

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

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

### 2.11 INCOME TAXES:

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

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

## **Notes to financial statements for the year ended 31st March, 2014**

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

### **2.12 RESEARCH AND DEVELOPMENT EXPENDITURE:**

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

### **2.13 BORROWING COSTS:**

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

### **2.14 INTANGIBLE ASSET:**

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

### **2.15 PROVISIONS AND CONTINGENCIES:**

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

### **2.16 CASH & CASH EQUIVALENTS:**

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

### **2.17 EARNINGS PER SHARE:**

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

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

**Notes to financial statements for the year ended 31st March, 2014**
**3. SHARE CAPITAL**
*(Amount in Rs.)*

	31.03.2014	31.03.2013
<b>Authorised Capital</b>	<b>250,000,000</b>	250,000,000
{2,50,00,000 Equity Shares (2,50,00,000 as at 31.03.2013) of ₹ 10/- each}		
<b>Issued, Subscribed, Called &amp; fully Paid -up shares</b>		
{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.13) of ₹ 10/- each, fully paid up.}	<b>221,600,000</b>	221,600,000

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	No. of Shares	No. of Shares
At the beginning of the year	<b>22,160,000</b>	22,160,000
Issued during the year	-	-
Outstanding at the end of the year	<b>22,160,000</b>	22,160,000

**(b) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 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**

Name of the Shareholders	No. of Shares/ % of holding	No. of Shares/ % of holding
Sh. Bijay Kumar Garodia	2,162,650 9.76%	2,162,500 9.76%
Sh. Prahlad Rai Chamaria	1,984,800 8.96%	1,984,800 8.96%
Sh. Santosh Kumar Bajaj	1,884,500 8.50%	1,884,500 8.50%
Sh. Mahendra Kumar Agarwal	1,762,632 7.95%	1,762,632 7.95%

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.



### Notes to financial statements for the year ended 31st March, 2014

#### 4. RESERVES & SURPLUS

(Amount in ₹)

	31.03.2014	31.03.2013
<b>Securities Premium Account</b>		
Balance as per last financial statements	151,439,581	151,439,581
Addition/(Deduction) during the year	-	-
	<b>151,439,581</b>	<b>151,439,581</b>
<b>General Reserve</b>		
Balance as per last financial statements	43,507,527	43,507,527
Addition/(Deduction) during the year	-	-
	<b>43,507,527</b>	<b>43,507,527</b>
<b>Surplus/ (Deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	413,442,805	415,711,151
Profit / (Loss) for the year	(6,437,393)	(2,268,346)
Amount available for appropriation	407,005,412	413,442,805
Less: Appropriations	-	-
Net Surplus in the statement of profit and loss	<b>407,005,412</b>	<b>413,442,805</b>
<b>Total Reserves and Surplus</b>	<b>601,952,520</b>	<b>608,389,913</b>

#### 5. LONG TERM BORROWINGS

(Amount in ₹)

	31.03.2014	31.03.2013
<b>Term Loans</b>		
Rupee Loans from Banks (Secured)	163,922,222	207,600,000
Rupee Loan from a Financial Institution (Secured)	193,655,961	200,000,000
<b>Loans &amp; Advances from other Body Corporates (unsecured)</b>	<b>44,625,000</b>	<b>42,400,000</b>
<b>Other Loans &amp; Advances</b>		
- Hire Purchase Finance from banks (Secured)	1,336,702	1,304,381
- Hire Purchase Finance from financial institutions (Secured)	73,680	1,989,806
	<b>403,613,565</b>	<b>453,294,187</b>
Less: Current Maturities of long term borrowings	<b>84,598,078</b>	<b>105,827,521</b>
	<b>319,015,486</b>	<b>347,466,666</b>

- (i) Rupee Term Loan of ₹ 667.00 lakhs (sanctioned amount ₹ 2,000.00 lakhs) from a bank is repayable in 59 equal monthly installments of ₹ 33.00 lakhs and 1 installment of ₹ 53.00 lakhs ending in September' 2015. The Loan is secured by first charge on all movable and immovable assets (both present and future) of the company. Further, the loan has been guaranteed by personal guarantees of some of Directors of the Company.
- (ii) Working Capital Term Loan(WCTL) of ₹ 972.22 lakhs (sanctioned amount ₹ 1,000.00 lakhs) from a bank is repayable in 36 equal monthly installments of ₹ 27.78 lakhs commencing from January' 2014. The Loan is secured by extension of charge on the current assets as well as fixed assets (both present and future) of the company. Further, the loan has been guaranteed by personal guarantees of some of Directors of the Company.
- (iii) Rupee Term Loans of ₹ 1,936.56 lakhs from financial institution is consisting of RTL of ₹ 1,790.00 Lakhs which is repayable from April' 2015 in monthly installments of ₹ 40.00 lakhs each and FITL of ₹ 146.56 Lakhs which is repayable from April' 2015 in equal monthly installments of ₹ 8.15 Lakhs. The loan is secured by first charge on fixed and immovable assets of company's assets on pari -passu basis and by second charge on fixed and immovable assets of the company. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.
- (iv) Hire Purchase Finance is secured by hypothecation of vehicles/equipments and is repayable within three to four years.
- (v) Loans from Other parties are unsecured in nature and due for repayment after 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.

**BARAK VALLEY CEMENTS LIMITED**
**Notes to financial statements for the year ended 31st March, 2014**

<b>6. DEFERRED TAX LIABILITIES (NET)</b>		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
<b>Deferred Tax liability</b>			
– Fixed assets	<b>11,374,477</b>	12,979,746	
Gross deferred tax liability	<b>11,374,477</b>	12,979,746	
<b>Deferred Tax Assets</b>			
– Leave encashment	<b>1,405,022</b>	1,144,386	
– Gratuity to staff	<b>1,028,908</b>	829,007	
Gross deferred tax asset	<b>2,433,930</b>	1,973,393	
<b>Net Deferred Tax Liability</b>	<b>8,940,547</b>	11,006,353	

<b>7. OTHER LONG TERM LIABILITIES</b>		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
<b>Others</b>			
- Security Deposits	<b>36,390,470</b>	17,944,572	
- Advance received for capital assets	<b>20,000,000</b>	20,000,000	
	<b>56,390,470</b>	37,944,572	

<b>8. LONG TERM PROVISION</b>		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
<b>Provisions for employee benefits</b>			
- Leave Encashment	<b>2,834,834</b>	2,759,950	
- Gratuity	<b>3,329,800</b>	2,682,869	
	<b>6,164,634</b>	5,442,819	

<b>9. SHORT TERM BORROWINGS</b>		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
<b>Working Capital facilities from Banks</b>			
- Cash Credit (Secured)	<b>250,069,672</b>	250,633,265	
	<b>250,069,672</b>	250,633,265	

- a. The above amount includes  
Secured borrowings **250,069,672** 250,633,265
- 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.

**BARAK VALLEY CEMENTS LIMITED**
**Notes to financial statements for the year ended 31st March, 2014**
**10. TRADE PAYABLES** (Amount in ₹)

	31.03.2014	31.03.2013
Trade Payables	174,099,202	43,018,927
	<u>174,099,202</u>	<u>43,018,927</u>

**11. OTHER CURRENT LIABILITIES** (Amount in ₹)

	31.03.2014	31.03.2013
Current Maturities of long term borrowings	84,598,078	105,827,521
Interest accrued but not due on borrowings	3,310,623	21,127
Interest accrued and due on borrowings	4,614,315	9,172,776

**Other Payables**

- Statutory Liabilities	19,487,964	22,037,227
- Creditors-Micro, Small & Medium Enterprises (refer Note 32)	-	-
- Advances from customer	70,883,521	36,380,586
- Salary and Bonus to employees	3,347,291	2,469,956
- Other Liabilities	28,793,375	26,854,184
	<u>215,035,168</u>	<u>202,763,378</u>

**12. SHORT TERM PROVISIONS** (Amount in ₹)

	31.03.2014	31.03.2013
<b>Provisions for Employee Benefits</b>		
- Leave Encashment	1,712,162	943,563
Provisions for selling and other expenses	11,212,239	6,199,465
	<u>12,924,401</u>	<u>7,143,028</u>

## Notes to financial statements for the year ended 31.03.2014

## 13. SCHEDULE OF FIXED ASSETS AS PER WDV METHOD OF THE COMPANIES ACT, 1956.

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2013	Additions	Disposals/ Adjustments	Total as on 31.03.2014	As on 01.04.2013	For the year	Deduction/ Adjustment	Total as on 31.03.2014	As on 31.03.2014
<b>A. TANGIBLE ASSETS</b>									
Land & Site Development	109,257,331	8,531,650	-	117,788,981	-	-	-	-	117,788,981
Factory Building	115,823,473	2,908,262	-	118,731,735	62,348,386	5,347,868	-	67,696,254	51,035,481
Non Factory Building	17,237,993	78,132	-	17,316,125	1,172,333	803,294	-	1,975,627	15,340,498
Plant, Machinery & Equipments	713,480,244	35,394,410	-	748,874,655	449,533,660	40,620,757	-	490,154,417	258,720,238
Furniture & Fixtures	6,546,928	423,074	-	6,970,002	4,978,429	319,591	-	5,298,020	1,671,982
Vehicles	13,945,977	2,386,811	95,518	16,237,270	9,601,488	1,654,143	48,502	11,207,129	5,030,141
Office Equipments	6,522,259	508,511	-	7,030,770	4,344,112	357,514	-	4,701,626	2,329,144
Computers	6,439,346	300,727	-	6,740,073	5,936,769	280,739	-	6,217,508	522,565
<b>Total of Tangible Assets (A)</b>	<b>989,253,551</b>	<b>50,531,577</b>	<b>95,518</b>	<b>1,039,689,610</b>	<b>537,915,177</b>	<b>49,383,906</b>	<b>48,502</b>	<b>587,250,581</b>	<b>452,439,029</b>
<b>B. INTANGIBLE ASSETS</b>									
Computer Software	2,909,012	-	-	2,909,012	2,909,012	-	-	2,909,012	-
<b>Total Fixed Assets - (A + B)</b>	<b>992,162,563</b>	<b>50,531,577</b>	<b>95,518</b>	<b>1,042,598,622</b>	<b>540,824,189</b>	<b>49,383,906</b>	<b>48,502</b>	<b>590,159,593</b>	<b>452,439,029</b>
Previous Year's figures	976,447,844	33,814,891	18,100,172	992,162,563	496,721,671	51,943,753	7,841,235	540,824,189	451,338,374

# BARAK VALLEY CEMENTS LIMITED

## Notes to financial statements for the year ended 31st March, 2014

### 14. NON CURRENT INVESTMENTS

(Amount in ₹)

	31.03.2014	31.03.2013
<b>Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Unquoted Equity Instruments in Subsidiaries :</b>		
Badarpur Energy Private Limited 49,63,340 (49,63,340 as at 31.03.13) Equity Shares of ₹ 10/- each fully paid up.	317,767,000	317,767,000
Cement International Limited 9,92,700 (9,92,700 as at 31.03.13) Equity Shares of ₹ 10/- each fully paid up.	45,607,000	45,607,000
Meghalaya Minerals & Mines Limited 14,90,000 (14,90,000 as at 31.03.13) Equity Share of ₹ 10/- each fully paid up.	40,592,000	40,592,000
Goombira Tea Company Ltd. 27,82,000 (23,27,000 as at 31.03.13) Equity Share of ₹ 1/- each fully paid up.	104,793,684	94,426,079
Chargola Tea Company Pvt. Ltd. 7,42,000 (7,42,000 as at 31.03.13) Equity Share of ₹ 1/- each fully paid up.	16,141,010	14,479,000
Singlacherra Tea Company Pvt. Ltd. 7,40,900 (7,40,900 as at 31.03.13) Equity Share of ₹ 1/- each fully paid up.	26,291,350	23,584,200
Valley Strong Cements (Assam) Ltd. 3,86,250 (3,86,250 as at 31.03.13) Equity Share of ₹ 10/- each fully paid up.	31,750,000	31,750,000
<b>Investment in Associates :</b>		
North East Power & Infra Limited 3,00,000 (3,00,000 as at 31.03.13) Equity Share of ₹ 10/- each fully paid up.	3,000,000	3,000,000
	<b>585,942,044</b>	<b>571,205,279</b>
Aggregate amount of Quoted investment	-	-
Aggregate amount of Unquoted investments	<b>585,942,044</b>	<b>571,205,279</b>

### 15. LONG TERM LOANS AND ADVANCES

(Amount in ₹)

	31.03.2014	31.03.2013
<b>Capital Advances</b>		
Unsecured, Considered Good	1,007,020	7,413,785
<b>Security Deposits (unsecured considered good)</b>	<b>22,442,754</b>	<b>14,874,619</b>
<b>Loans and advances to related parties</b>		
Unsecured considered Good (Long term loan to Badarpur Energy Pvt. Ltd., a wholly owned subsidiary company)	240,000,000	240,000,000
	<b>263,449,774</b>	<b>262,288,404</b>

### 16. INVENTORIES (REFER NOTE - 30)

(Amount in ₹)

	31.03.2014	31.03.2013
Raw Materials and components	5,437,572	12,393,259
Work - In - Process	4,455,881	3,332,203
Finished Goods	7,007,038	5,178,087
Packing Material	2,405,464	1,890,566
Stores & Spares parts	39,219,406	50,677,664
	<b>58,525,361</b>	<b>73,471,779</b>

**BARAK VALLEY CEMENTS LIMITED**
**Notes to financial statements for the year ended 31st March, 2014**

<b>17. TRADE RECEIVABLES</b>		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
<b><u>Secured Considered Good</u></b>			
Over Six months	54,025	-	
Other debts	6,976,876	4,690,488	
	<b>7,030,901</b>	<b>4,690,488</b>	
<b><u>Unsecured Considered Good</u></b>			
Over Six Months	19,413,123	20,558,645	
Other Debts	146,037,021	83,128,065	
	<b>165,450,144</b>	<b>103,686,710</b>	
<b>Total Trade Receivables</b>	<b>172,481,045</b>	<b>108,377,198</b>	
<b>18. CASH &amp; CASH EQUIVALENTS</b>			
		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
Cash in Hand	5,127,455	3,984,955	
<b><u>Balance with Banks</u></b>			
— In current accounts	8,445,296	8,042,693	
— Balance with banks held as margin money / security deposits	3,915,671	4,085,163	
— Cheques in Hand	24,411,992	-	
	<b>41,900,414</b>	<b>16,112,811</b>	
<b>19. SHORT TERM LOANS AND ADVANCES</b>			
		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
<b><u>Loans and advances to related parties</u></b>			
(Unsecured, Considered Good)	37,256,139	8,150,636	
	<b>37,256,139</b>	<b>8,150,636</b>	
<b><u>Other Loans &amp; Advances</u></b>			
(Unsecured, Considered Good)			
- Advances Receivable in cash or kind	25,030,183	252,722	
- Advances to suppliers	16,521,808	39,844,053	
- Advances to employees	928,632	1,029,871	
- Balances with/ Receivables from Government authorities	92,338,062	87,628,196	
- Subsidies Receivable from Central/State Governments	114,772,925	110,269,389	
- Advances for Services & Expenses	1,389,827	694,371	
- Advance Income Tax (net of provision for tax including MAT)	3,216,858	4,745,839	
	<b>254,198,295</b>	<b>244,464,441</b>	
<b>Total Short term loans and advances</b>	<b>291,454,435</b>	<b>252,615,077</b>	

**BARAK VALLEY CEMENTS LIMITED**
**Notes to financial statements for the year ended 31st March, 2014**

<b>20. REVENUE FROM OPERATIONS [REFER NOTE - 30(A)]</b>	<b>(Amount in ₹)</b>	
	<b>2013-14</b>	<b>2012-13</b>
<u>Sale of Products</u>	<b>1,057,975,873</b>	1,108,106,526
<u>Other operating revenue</u>		
Trade Mark Fee received	<b>3,754,100</b>	4,924,425
<b>Revenue from operation (gross)</b>	<b>1,061,729,973</b>	1,113,030,951
<b>21. OTHER INCOME</b>	<b>(Amount in ₹)</b>	
	<b>2013-14</b>	<b>2012-13</b>
Interest Income	<b>1,350,355</b>	2,095,714
Dividend Income	-	90
Other Non Operating Income	<b>1,413,439</b>	923,026
	<b>2,763,794</b>	3,018,830
<b>22. COST OF RAW MATERIALS (INCLUDING PACKAGING MATERIAL) CONSUMED [(REFER NOTE- 30 (C ))]</b>	<b>(Amount in ₹)</b>	
	<b>2013-14</b>	<b>2012-13</b>
Inventory at the beginning of the year	<b>14,283,825</b>	23,309,235
Add: Purchases	<b>238,807,505</b>	261,093,087
	<b>253,091,330</b>	284,402,322
Less : Inventory at the end of the year	<b>7,843,036</b>	14,283,825
<b>Cost of Raw Materials (including packaging material) Consumed</b>	<b>245,248,294</b>	270,118,497
<b>23. (INCREASE) /DECREASE IN INVENTORIES [(REFER NOTE- 30(B))]</b>	<b>(Amount in ₹)</b>	
	<b>2013-14</b>	<b>2012-13</b>
<u>Inventories at the end of the year</u>		
Work-in-Progress	<b>4,455,881</b>	3,332,203
Finished Goods	<b>7,007,038</b>	5,178,087
	<b>11,462,919</b>	8,510,290
<u>Inventories at the beginning of the year</u>		
Work -in -Progress	<b>3,332,203</b>	2,647,456
Finished Goods	<b>5,178,087</b>	1,842,511
	<b>8,510,290</b>	4,489,967
<b>(Increase) /Decrease in inventories</b>	<b>(2,952,629)</b>	(4,020,323)



**BARAK VALLEY CEMENTS LIMITED**
**Notes to financial statements for the year ended 31st March, 2014**
**24. EMPLOYEE BENEFIT EXPENSES**
*(Amount in ₹)*

	2013-14	2012-13
Salaries, Wages & other manpower expenses	93,330,764	85,163,979
Contribution to Provident and other funds	1,757,578	1,622,657
Gratuity Expenses	797,530	749,860
Staff welfare expenses	4,201,858	3,829,631
	<b>100,087,730</b>	<b>91,366,127</b>

**25. FINANCE COSTS**
*(Amount in ₹)*

	2013-14	2012-13
Interest expenses	79,130,389	82,762,394
Other borrowing costs	119,104	880,280
	<b>79,249,493</b>	<b>83,642,674</b>

**26. OTHER EXPENSES**
*(Amount in ₹)*

	2013-14	2012-13
Consumption of Stores & Spare parts	30,123,839	25,782,187
Power & Fuel	270,334,641	328,071,796
Rent	3,058,702	2,892,740
<u>Repairs &amp; Maintenance</u>		
— Building	1,201,301	991,893
— Plant & Machinery	5,887,109	6,451,329
— Others	1,089,409	943,734
Vehicle running, maintenance & hire charges	4,166,067	3,635,434
Printing, Stationery & Computer expenses	1,787,026	2,128,442
Material Handling & Freight Charges	6,276,747	8,388,956
Travelling and Conveyance	4,198,742	3,732,680
Insurance (Net)	855,041	342,155
Rates & Taxes	235,895	302,449
Research & Development Expenses	61,908	1,202,205
Auditor's Remuneration	150,000	150,000
Bad debts / Advances written off	(110,821)	612,613
Director's Remuneration	1,080,000	1,080,000
Charity & Donation	138,253	1,675,690
Miscellaneous Expenses	14,271,286	12,108,435
Outward transportation cost	208,677,859	185,482,795
Advertisement, Publicity & Sales Promotion Expenses	20,126,955	13,811,808
Telephone expenses	1,524,667	1,968,683
	<b>575,134,627</b>	<b>601,756,025</b>

**BARAK VALLEY CEMENTS LIMITED**
**Notes to financial statements for the year ended 31st March, 2014**
**(27) Capital Commitments**

The estimated amount of Contracts remaining to be executed on Capital Account and other capital commitment not provided for amounts to ₹ 62.77 Lakhs (Previous year: ₹ 170.24 Lakhs)

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

- (a) Corporate Guarantee's given to Financial Institutions/ Banks on behalf of wholly owned subsidiaries: ₹ 3,529.25 Lakhs (Previous year – ₹ 2,948.72 Lakhs)
- (b) Claims against the company not acknowledged as debts: Disputed demands of Income-Tax / Entry-Tax matters pending before the Appellate Authorities: ₹ 409.19 lakhs (Previous year – ₹ 1,028.76 lakhs)

**(29) Fixed Deposit Receipts pledged with the banks / Others : ₹ 37.73 Lakhs (Previous Year : ₹ 35.25 Lakhs)**

**(30) (a) Sales of finished products :**
**(Amount in ₹)**

Particulars	2013 - 2014	2012 - 2013
(1) Cement	99,79,89,839	1,02,61,98,662
(2) Clinker	5,99,86,034	8,19,07,864
<b>Total</b>	<b>1,05,79,75,873</b>	<b>1,10,81,06,526</b>

**(b) Details of Inventory :**
**(Amount in ₹)**

Particulars	2013 - 2014	2012 - 2013
<b>Work - in -progress :</b>		
(1) Clinker	42,33,419	32,95,537
(2) Others	2,22,462	36,666
	<b>44,55,881</b>	<b>33,32,203</b>
<b>Finished Goods :</b>		
(1) Cement	70,07,038	51,78,087

**(c) Details of Raw Material (including packaging material) consumed**
**(Amount in ₹)**

Particulars	2013 - 2014	2012 - 2013
Lime Stone	12,35,49,342	14,95,40,256
Gypsum	9,13,241	15,54,936
Fly Ash	2,89,98,692	6,29,59,009
Packaging Bags	3,22,21,615	2,94,88,819
Others	5,95,65,404	2,65,75,477
	<b>24,52,48,294</b>	<b>27,01,18,497</b>

**(d) Details of Inventory of Raw Material (including packaging material)**
**(Amount in ₹)**

Particulars	2013 - 2014	2012 - 2013
Lime Stone	37,04,813	68,28,178
Gypsum	64,517	2,43,738
Fly Ash	1,65,656	20,21,399
Packaging Bags	24,05,464	18,90,566
Others	15,02,586	32,99,944
	<b>78,43,036</b>	<b>1,42,83,825</b>

### Notes to financial statements for the year ended 31st March, 2014

(e) Value of Imported and Indigenous Raw Materials, Spare parts and components consumed and percentage thereof:

	2013 – 2014		2012 – 2013	
	Value (₹)	%	Value (₹)	%
<b>(1) Raw Materials including packaging material :</b>				
Imported	Nil	Nil	Nil	Nil
Indigenous	24,52,48,294	100%	27,01,18,497	100%
<b>(2) Stores &amp; Spare parts :</b>				
Imported	Nil	Nil	Nil	Nil
Indigenous	3,01,23,839	100%	2,57,82,187	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: -

Particulars	2013 - 2014	2012 - 2013
a. Statutory audit fees	₹ 95,000	₹ 95,000
b. Tax Audit fees	₹ 35,000	₹ 35,000
c. Company Law and other matters	₹ 20,000	₹ 20,000
<b>Total</b>	<b>₹ 1,50,000</b>	<b>₹ 1,50,000</b>

(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 ₹ 17,57,578/- (Previous year ₹ 16,22,657/-) towards the defined contribution plans.

(b) Defined Benefit Plans – As per Actuarial Valuation as at 31st March' 2014

Particulars	2013 – 2014		2012 – 2013	
	Gratuity others	Leave Encashment	Gratuity others	Leave Encashment
<b>I. Expenses recognised in the statement of Profit and Loss Account for the year ended 31st March' 2014</b>				
1. Current Service Cost	522,311	1,169,268	476,335	1,045,612
2. Interest Cost	102,411	125,412	97,885	102,546
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	172,808	245,810	175,640	235,314
8. Losses/ (gains) on plan assets				-
9. Total Expenses	797,530	1,540,490	749,860	1,383,472

### Notes to financial statements for the year ended 31st March, 2014

Particulars	2013 – 2014		2012 – 2013	
	Gratuity others	Leave Encashment	Gratuity others	Leave Encashment
<b>II. Net Asset / (Liability) recognised in the Balance Sheet as on 31st March' 2014</b>				
1. Present Value of Defined Benefit Obligations	<b>3,329,800</b>	<b>4,546,996</b>	2,682,869	3,703,513
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/(Deficit)]	<b>(3,329,800)</b>	<b>(4,546,996)</b>	(2,682,869)	(3,703,513)
4. Net Asset/(Liability) as on 31.03.2014	<b>(3,329,800)</b>	<b>(4,546,996)</b>	(2,682,869)	(3,703,513)
<b>III. Change in Obligation during the year ended 31st March' 2014</b>				
1. Present Value of Defined Benefit obligation at the beginning of the year	<b>2,682,869</b>	<b>3,703,513</b>	2,457,707	3,888,031
2. Current Service Cost	<b>522,311</b>	<b>1,169,268</b>	476,335	1,045,612
3. Interest Cost	<b>102,411</b>	<b>125,412</b>	97,885	102,546
4. Curtailment cost / (credit)	-	-	-	-
5. Settlement Cost/ (credit)	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Plan amendments	-	-	-	-
8. Acquisitions	-	-	-	-
9. Actual (gains) / Losses	<b>172,808</b>	<b>245,810</b>	175,640	235,314
10. Benefits paid	<b>(150,599)</b>	<b>(697,007)</b>	(524,698)	(1,567,990)
11. Present value at the end of the year	<b>3,329,800</b>	<b>4,546,996</b>	2,682,869	3,703,513
<b>IV. Change in Fair Value of Assets during the year ended 31st March' 2014</b>				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Expected Return on plan Assets	-	-	-	-
3. Actual Company Contributions	<b>150,599</b>	<b>697,007</b>	524,698	1,567,990
4. Employee Contributions	-	-	-	-
5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
6. Benefits paid	<b>(150,599)</b>	<b>(697,007)</b>	(524,698)	(1,567,990)
7. Plan Assets at the Closing of the year	-	-	-	-

#### (34) Disclosure in respect of Related Parties:

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

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

**BARAK VALLEY CEMENTS LIMITED**
**Notes to financial statements for the year ended 31st March, 2014**

Details of transactions between the company and related parties for the year ended on 31.03.2014 are given as under:

(Amount in ₹)

S. No.	Type of Transaction	Subsidiary Companies		Associates		Key Management Personnel/ Relatives	
		31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
<b>1</b>	<b>Sale of Finished / Semi finished goods</b>						
	Cement International Ltd.	629.85	860.03	—	—		
	North East Power & Infra Ltd.	—	—	4.95	17.17		
<b>2</b>	<b>Sale of Stores, spares and other services.</b>						
	Cement International Ltd.	37.54	49.24	—	—		
	Goombira Tea Co. Ltd.	1.29	—	—	—		
	Chargola Tea Co. Pvt. Ltd.	0.42	—	—	—		
<b>3</b>	<b>Purchase of Raw Material &amp; goods.</b>						
	Meghalaya Minerals & Mines Ltd.	470.11	911.84	—	—		
	Meghalaya Cements Ltd.	—	—	121.57	—		
<b>4</b>	<b>Purchase of Store, spares and other services</b>						
	Badarpur Energy Pvt. Ltd.	320.60	—	—	—		
<b>5.</b>	<b>Hire/Other Charges paid: Meghalaya</b>						
	Meghalaya Minerals & Mines Ltd.	—	58.74	—	—		
<b>6</b>	<b>Investment in shares</b>						
	Valley Strong Cements (Assam) Ltd.	—	95.00	—	—		
	Goombira Tea Co. Ltd.	97.85	320.00	—	—		
	Singlacherra Tea Co. Pvt. Ltd.	—	41.35	—	—		
<b>7</b>	<b>Loan &amp; Advances Given :</b>						
	Badarpur Energy Pvt. Ltd.	109.77	100.00	—	—		
	Valley Strong Cements (Assam) Ltd.	8.22	—	—	—		
	Goombira Tea Co. Ltd.	0.42	—	—	—		
	Singlacherra Tea Co. Pvt. Ltd.	0.59	—	—	—		
	Chargola Tea Co. Pvt. Ltd.	0.42	—	—	—		
	North East Power & Infra Ltd.	—	—	165.28	—		
	Valley Strong Cements Ltd.	—	—	6.35	—		
<b>8</b>	<b>Advances taken :</b>						
	Cement International Ltd.	391.31	—	—	—		
<b>9</b>	<b>Remuneration paid</b>	—	—	—	—	10.80	10.80

**(35) Earnings per share:**

Earnings Per Share (EPS) for the year ended 31st March 2014 is calculated as under:

Particulars	2013 - 2014	2012 - 2013
(a) Profit / (Loss) attributable to Equity Shareholders	(64,37,393)	(22,68,346)
(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. (₹)	10.00	10.00
(d) Earnings Per Share - Basic & Diluted (₹)	(0.29)	(0.10)

**Notes to financial statements for the year ended 31st March, 2014**

- (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:**

Particulars	2013 - 2014	2012 - 2013
(a) Provision for Expenses written –back :	—	(14,00,000)
(b) Prior period Expenses / (Income) : Recognized during the year (Net)	<b>11,93,658</b>	12,10,235
(c) (Profit) / Loss on sale of assets :	<b>10,016</b>	10,45,529
<b>Total</b>	<b>12,03,674</b>	8,55,764

- (40) During the year company has claimed differential excise duty refund of ₹ 39,57,402/- for the year 2013 -14 and recognized the same as revenue in the books of accounts. Presently matter regarding company's claim for refund of differential Excise Duty is pending before the Hon'ble Supreme Court of India. In this matter revenue is recognized on the basis of Interim Order dated 13th January' 2012 passed by the Hon'ble Supreme Court of India in case of "VVF Ltd. and Others" and similar relief granted to other companies located in NE region.
- (41) Out of the Subsidy Receivables amounting to ₹ 1,147.72 Lakhs, ₹ 660.48 Lakhs is related to Transport Subsidy and Central Capital Investment Subsidy claims of the company which is outstanding as receivable for more than five years. However, management of the company is treated the same as good and is of the opinion that the same will be realized in due course of time.
- (42) An amount of ₹ 38.11Lakhs has been deposited by the company with the revenue authorities against the disputed Entry Tax demand of earlier years. The same has been deposited 'under protest' and is shown under 'Other Loans and Advances' forming part of current assets.
- (43) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's classification.

In terms of our report of even date

**For & on behalf of the Board**
**For Kumar Vijay Gupta & Co.,**  
Firm Registration No. 007814-N  
Chartered Accountants

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

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

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

New Delhi, 30th May' 2014

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

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

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Barak Valley Cements Limited** ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 read with the General Circular No. 15/2013 dated 13th September' 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of the other auditor on the financial statement of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Loss of the company for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**Other Matters**

We did not audit the financial statement of a subsidiary [Valley Strong Cements (Assam) Limited] as considered in the consolidated financial statements, whose financial statement reflect total assets (net) of ₹ 361.95 Lakhs, total revenue of ₹ Nil and net cash outflows amounting to ₹ 0.17 Lakhs for the year ended 31st March 2014. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us and our opinion is based solely on the report of the other auditor.

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

Sd/-  
**(CA. Mahesh Goel)**  
Partner  
M No.088958

Date : 30.05.2014  
Place : New Delhi



**BARAK VALLEY CEMENTS LIMITED**
**CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH, 2014**
*(Amount in ₹)*

Particulars	Note	31.03.2014	31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	221,600,000	221,600,000
Reserves and Surplus	4	628,040,971	710,170,455
		<b>849,640,971</b>	931,770,455
<b>Non-Current liabilities</b>			
Long Term Borrowings	5	532,786,870	543,301,591
Deferred Tax Liabilities (Net)	6	9,300,265	10,907,967
Other Long Term Liabilities	7	40,321,672	21,465,312
Long Term Provisions	8	7,232,661	6,307,240
		<b>589,641,468</b>	581,982,110
<b>Current liabilities</b>			
Short Term Borrowings	9	382,459,758	370,049,663
Trade Payables	10	163,325,958	80,698,051
Other Current Liabilities	11	243,568,130	277,508,425
Short Term Provisions	12	19,246,946	12,002,205
		<b>808,600,792</b>	740,258,344
<b>TOTAL</b>		<b>2,247,883,231</b>	2,254,010,910
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
- Tangible Assets		1,276,428,961	1,286,941,737
- Intangible Assets		11,667	121,939
- Capital Work in Progress		923,474	838,735
		<b>1,277,364,102</b>	1,287,902,411
Non Current Investments	14	3,000,000	3,000,000
Long Term Loans and Advances	15	65,563,567	64,775,494
		<b>1,345,927,669</b>	1,355,677,905
<b>Current Assets</b>			
Inventories	16	97,015,598	126,232,510
Trade Receivables	17	165,694,813	133,977,118
Cash and Cash Equivalents	18	49,617,839	26,016,998
Short Term Loans and Advances	19	589,577,312	612,056,379
Other Current Assets	20	50,000	50,000
		<b>901,955,562</b>	898,333,005
<b>TOTAL</b>		<b>2,247,883,231</b>	2,254,010,910
<b>Significant accounting policies and notes on accounts</b>			
	1&2		

The accompanying notes 1-44 are an integral part of the financial statements.

As per our report of even date

For &amp; on behalf of the Board

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

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

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

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

New Delhi, 30th May' 2014

**BARAK VALLEY CEMENTS LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2014**

		<i>(Amount in ₹)</i>	
Particulars	Notes	31.03.2014	31.03.2013
<b>INCOME</b>			
Revenue from Operations (Gross)	21	1,276,240,220	1,346,923,530
Less: Excise Duty		37,053,847	39,030,814
Revenue from Operations (Net)		1,239,186,373	1,307,892,716
Other Income	22	3,016,429	3,265,053
<b>Total Revenue (I)</b>		<b>1,242,202,802</b>	<b>1,311,157,769</b>
<b>EXPENSES</b>			
Cost of Raw Materials including packaging material consumed	23	290,222,256	263,191,892
(Increase)/Decrease in Inventories	24	(3,996,731)	(4,167,154)
Employee Benefit Expenses	25	130,036,951	110,920,074
Depreciation and amortization expenses	13	81,933,392	84,166,636
Finance Costs	26	115,326,086	116,495,693
Other Expenses	27	702,874,203	782,311,059
<b>Total Expenses (II)</b>		<b>1,316,396,157</b>	<b>1,352,918,200</b>
<b>Profits before Exceptional Items (I)-(II)</b>		<b>(74,193,355)</b>	<b>(41,760,431)</b>
Exceptional items		3,809,908	4,310,632
<b>Profit /(Loss) before Taxes</b>		<b>(78,003,259)</b>	<b>(46,071,064)</b>
<b>Tax Expenses</b>			
— Current Tax		-	33,876
Less : MAT Credit entitlement		-	(33,876)
— Net Current Tax		-	-
— Earlier year tax provisions written back		66,618	577,916
— Deferred Tax Liabilities / (Assets)		(1,674,321)	(1,850,457)
<b>Profit / (Loss) for the year</b>		<b>(76,395,556)</b>	<b>(44,798,523)</b>
<b>Earnings Per Equity Share (face Value of ₹ 10/-each)</b>			
Basic Earning Per Share	36	(3.45)	(2.02)
Diluted Earning Per Share		(3.45)	(2.02)

**Significant accounting policies and notes on accounts** 1&2

The accompanying notes 1-44 are an integral part of the financial statements.

As per our report of even date

For &amp; on behalf of the Board

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

Firm Registration No. 007814-N

Chartered Accountants

Sd/-

**(CA. Mahesh Goel)**

Partner

M.No. 88958

Sd/-

**(Bijay Kumar Garodia)**

Chairman &amp; Whole Time Director

Sd/-

**(Kamakhya Chamaria)**

Vice-Chairman &amp; Managing Director

Sd/-

**(Sushil Kumar Kothari)**

Chief Financial Officer

Sd/-

**(Santosh Kumar Bajaj)**

Whole Time Director

Sd/-

**(Bhavna Jangid)**

Company Secretary

New Delhi, 30th May' 2014

**BARAK VALLEY CEMENTS LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

		(Amount in ₹)	
S. No.	Particulars	31.03.2014	31.03.2013
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit before Tax and exceptional items	(74,193,351)	(41,760,431)
	Adjustment for:		
	Add : Depreciation & Misc. expenditure	81,151,224	83,039,223
	Add : Transfer to Reserve	(4,951,760)	
	Interest & finance charges	115,326,086	116,495,693
	Operating Profit before working capital charges	117,332,199	157,774,485
	<u>Adjustment for change in:</u>		
	Trade & other receivables	(6,779,305)	(14,076,025)
	Inventories	29,216,912	(9,429,735)
	Trade and other payables	68,342,448	(119,919,679)
	<b>Cash generated from Operations</b>	<b>208,112,253</b>	<b>14,349,047</b>
	Direct Taxes Paid	(3,247,395)	4,984,866
	Prior period adjustments / Exceptional Items	(2,202,205)	(3,038,091)
	<b>Net Cash Flow from operating activities</b>	<b>202,662,653</b>	<b>16,295,822</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Acquisition of Fixed Assets	(71,395,083)	(96,810,657)
	Sale/(Purchase) of Investments	-	4,423
		<b>(71,395,083)</b>	<b>(96,806,234)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Net proceeds from issue of Equity Shares	-	-
	Increase in Bank & Other borrowings	7,659,357	168,984,079
	Dividend (including CDT)	-	-
	Interest and finance charges paid	(115,326,086)	(116,495,693)
		<b>(107,666,729)</b>	<b>52,488,386</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>23,600,841</b>	<b>(28,022,026)</b>
	Add:- Cash & Cash Equivalents at the beginning of the year	<b>26,016,998</b>	<b>54,039,024</b>
	Cash & Cash Equivalents at the Closing of 31.03.2014	<b>49,617,839</b>	<b>26,016,998</b>

Note : Figures in brackets indicate cash outflow.

As per our report of even date

For &amp; on behalf of the Board

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

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

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

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

New Delhi, 30th May' 2014

## Notes to Consolidated Financial Statements for the year ended 31st March, 2014

### 1. Principles of Consolidation

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

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

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

S. No.	Name of the Subsidiary (All incorporated in India)	Proportion of Ownership/ Voting power as on 31.03.2014
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%

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

### 2. Significant Accounting Policies :

#### 2.1 Basis of Preparation :

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply with all material aspects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular No. 15/2013 dated 13th September'2013, issued by the Ministry of corporate affairs, in respect of Section 133 of the Companies Act, 2013. The financial statements are prepared under the historical cost convention basis on accrual basis and on the basis of going concern.

#### 2.2 Use of Estimates :

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

#### 2.3 Fixed Assets:

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

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

## **Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

### **2.4 Expenditure during construction period:**

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

### **2.5 Borrowing Costs:**

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

### **2.6 Depreciation and Amortisation:**

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

### **2.7 Investments :**

Investments, that are intended to be held for not more than one year, are classified as current investments and are stated at lower of cost and market value. All other investments are classified as long-term investments/ non-current investments and are stated at cost after deducting provisions for permanent diminution in the value, if any.

### **2.8 Inventories:**

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

### **2.9 Government grants / Subsidies :**

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

### **2.10 Revenue Recognition:**

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

### **2.11 Retirement Benefits:**

#### **(i) Defined Contribution Plan**

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

#### **(ii) Defined Benefit Plan**

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

#### **(iii) Other Long-term benefits**

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

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

## **Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

### **2.12 Impairment of Assets:**

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

### **2.13 Income Taxes:**

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

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

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

### **2.14 Research and Development Expenditure:**

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

### **2.15 Intangible Assets:**

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

### **2.16 Provisions and Contingencies:**

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

### **2.17 Cash and Cash Equivalents:**

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

### **2.18 Earnings Per Share:**

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

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

### **2.19 Segment Reporting:**

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



**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

<b>3. SHARE CAPITAL</b>		<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	
<b>Authorised Capital</b>	<b>250,000,000</b>	250,000,000	
{2,50,00,000 Eq. Shares (2,50,00,000 as at 31.03.13) of ₹ 10/- each}			
<b>Issued, Subscribed, Called &amp; fully Paid-up shares</b>			
{2,21,60,000 Equity Shares (2,21,60,000 as at 31.03.13) of ₹ 10/- each, fully paid up.}	<b>221,600,000</b>	221,600,000	
<b>4. RESERVES &amp; SURPLUS</b>			
	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>(Amount in ₹)</b>
<b><u>Securities Premium Account</u></b>			
Balance as per last financial statements	<b>151,439,581</b>	151,439,581	
Addition/(Deduction) during the period	-	-	
	<b>151,439,581</b>	151,439,581	
<b><u>General Reserve</u></b>			
Balance as per last financial statements	<b>47,080,126</b>	47,080,126	
Addition/(Deduction) during the period	-	-	
	<b>47,080,126</b>	47,080,126	
<b><u>Consolidate Reserve/ (Goodwill) on Consolidation</u></b>			
Balance as per last financial statements	<b>(22,144,177)</b>	(22,144,177)	
Addition/(Deduction) during the period	<b>(4,951,760)</b>	-	
	<b>(27,095,937)</b>	(22,144,177)	
<b><u>Fixed Assets Revaluation Reserve</u></b>			
Balance as per last financial statements	<b>268,168,278</b>	269,295,691	
Addition/(Deduction) during the period	<b>(782,168)</b>	(1,127,413)	
	<b>267,386,110</b>	268,168,278	
<b><u>Investment Allowance Reserve</u></b>			
Balance as per last financial statements	<b>152,512</b>	152,512	
Addition/(Deduction) during the period	-	-	
	<b>152,512</b>	152,512	
<b><u>Surplus/ (Deficit) in the Statement of Profit and Loss</u></b>			
Balance as per last financial statements	<b>265,474,135</b>	310,272,657	
Profit / (Loss) for the period	<b>(76,395,556)</b>	(44,798,522)	
Amount available for appropriation	<b>189,078,579</b>	265,474,135	
Less : Appropriations	-	-	
Net Surplus in the statement of profit and loss	<b>189,078,579</b>	265,474,135	
<b>Total Reserves and Surplus</b>	<b>628,040,971</b>	710,170,455	



**BARAK VALLEY CEMENTS LIMITED**
**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**
**5. LONG TERM BORROWINGS**
*(Amount in ₹)*

	31.03.2014	31.03.2013
<b>Term Loans</b>		
Rupee Loans from Banks (Secured)	366,533,954	375,408,728
Rupee Loan from a Financial Institution (Secured)	202,519,668	208,863,706
<b>Loans &amp; Advances from other Body Corporates (unsecured)</b>	<b>96,476,944</b>	<b>113,362,481</b>
<b>Other Loans &amp; Advances</b>		
- Hire Purchase Finance from banks (Secured)	1,400,618	2,634,500
- Hire Purchase Finance from financial institutions (Secured)	73,680	2,106,487
	<b>667,004,864</b>	<b>702,375,902</b>
Less: Current Maturities of long term borrowings	<b>134,217,994</b>	<b>159,074,311</b>
	<b>532,786,870</b>	<b>543,301,591</b>

- (i) Rupee Term Loan of ₹ 667.00 lakhs (sanctioned amount ₹ 2,000.00 lakhs) from a bank is repayable in 59 equal monthly installments of ₹ 33.00 lakhs and 1 instalment of ₹ 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 ₹ 2,172.22 lakhs (sanctioned amount ₹ 2,200.00 lakhs) consists of WCTL and is repayable upto March' 2017 under varying terms of repayment. 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 ₹ 826.12 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 : ₹ 3,058.00 Lakhs) will be repaid after a moratorium period of 3-5 years and will concluded upto March' 21 having varying quarterly instalments for tea, rubber and bio - mass plantation.
- (iv) Rupee Term Loans of ₹ 1,936.56 lakhs from financial institution is consisting of RTL of ₹ 1,790.00 Lakhs which is repayable from April' 2015 in monthly installments of ₹ 40.00 lakhs each and FITL of ₹ 146.56 Lakhs which is repayable from April' 2015 in equal monthly installments of ₹ 8.15 Lakhs. The loan is secured by first charge on fixed and immovable assets of company's assets on pari-passu basis and by second charge on fixed and immovable assets of the company. The loans has also been guaranteed by personal guarantees of some of the Directors of the Company.
- Rupee term loan of ₹ 88.63 lakhs from SPTF, Tea Board (Sanctioned amount ₹ 88.63 lakhs) is secured by equitable mortgage second charge on the fixed assets including immovable properties of the company.
- (v) Hire Purchase Finance is secured by hypothecation of vehicles / equipments and is repayable within one to two years having varrying date of payment.
- (vi) Loans from Other parties are unsecured in nature and due for repayment after 12 months as on the reporting date. The company does not have any existing default as at the date of balance sheet.

**6. DEFERRED TAX LIABILITIES (NET)**
*(Amount in ₹)*

	31.03.2014	31.03.2013
<b>Deferred Tax liability</b>		
- Fixed assets	11,837,024	13,058,948
Gross deferred tax liability	<b>11,837,024</b>	<b>13,058,948</b>
<b>Deferred Tax Assets</b>		
- Leave encashment	1,472,659	1,273,810
- Gratuity to staff	1,064,100	877,171
Gross deferred tax asset	<b>2,536,759</b>	<b>2,150,981</b>
<b>Net Deffered Tax Liability</b>	<b>9,300,265</b>	<b>10,907,967</b>

**BARAK VALLEY CEMENTS LIMITED**
**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

<b>7. OTHER LONG TERM LIABILITIES</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Others</b>		
- Security Deposits	40,321,672	21,465,312
	<b>40,321,672</b>	<b>21,465,312</b>
<b>8. LONG TERM PROVISION</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Provisions for employee benefits</b>		
- Leave Encashment	3,625,275	3,370,659
- Gratuity	3,607,386	2,936,581
	<b>7,232,661</b>	<b>6,307,240</b>
<b>9. SHORT TERM BORROWINGS</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Working Capital facilities from Banks</b>		
- Cash Credit (Secured)	382,459,758	370,049,663
	<b>382,459,758</b>	<b>370,049,663</b>
a. The above amount includes Secured borrowings	382,459,758	370,049,663
<b>10. TRADE PAYABLES</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Trade Payables	163,325,958	80,698,051
	<b>163,325,958</b>	<b>80,698,051</b>
<b>11. OTHER CURRENT LIABILITIES</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Current Maturities of long term borrowings	134,217,994	159,074,311
Interest accrued but not due on borrowings	7,928,878	1,398,597
Interest accrued and due on borrowings	10,804,533	16,820,028
Other Payables		
— Statutory Liabilities	43,189,158	40,800,317
— Creditors for Capital goods	246,623	246,623
— Creditors-Micro, Small & Medium Enterprises (refer Note 31)	-	-
— Advances from customer	7,911,276	32,205,257
— Salary and Bonus to employees	6,464,457	5,259,088
— Other Liabilities	32,805,212	21,704,204
	<b>243,568,130</b>	<b>277,508,425</b>
<b>12. SHORT TERM PROVISIONS</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Provisions for Employee Benefits</b>		
- Leave Encashment	2,038,012	1,168,205
Provision for Selling & Other expenses	17,208,934	10,834,000
<b>Total Short term Provisions</b>	<b>19,246,946</b>	<b>12,002,205</b>

Notes to Consolidated Financial Statements for the year ended 31st March, 2014

13. CONSOLIDATED FIXED ASSETS AND DEPRECIATION THEREON FOR THE YEAR ENDED 31ST MARCH'2014 (Amount in ₹)

Particulars of Assets	GROSS BLOCK					DEPRECIATION					NET BLOCK			
	As On 01.04.2013 (At revalued figures)	As On 01.04.2013 (At Cost)	Additions during the year	Deduction during the year	As on 31.03.2014	As on 01.04.2013	Depreciation for the year	Deduction/ Adjustment	Depreciation for the year Charged from Revaluation Reserve	Total As on 31.03.2014	As on 31.03.2014 (At revalued figures)	As on 31.03.14 (At Cost)	AS ON 31.03.2013 (At revalued figures)	AS ON 31.03.2013 (At Cost)
Land/Tea Estate & site development	558,532,958	300,240,556	31,122,336	-	589,655,294	-	-	-	-	-	589,655,294	325,436,261	558,532,958	294,313,925
Factory Building & Structure	261,755,495	223,733,196	3,417,462	89,345	265,083,612	111,894,455	11,758,767	-	470,487	124,123,709	140,959,903	132,150,823	149,861,040	140,581,473
Office Building	29,667,382	29,667,382	78,132	12,198	29,733,316	2,748,546	1,453,223	-	228,735	4,430,504	25,302,812	25,531,547	26,918,836	26,918,836
Furniture & fixture	7,975,409	7,975,409	478,247	-	8,453,656	5,947,172	406,186	-	-	6,353,358	2,100,298	2,095,636	2,028,237	2,023,575
Computer	7,224,928	7,224,928	300,727	-	7,525,655	6,577,828	359,296	-	-	6,937,124	588,531	588,531	647,100	647,100
Motor Car & Vehicles	18,722,464	18,722,464	2,386,811	95,518	21,013,757	11,821,464	2,089,282	48,502	-	13,862,244	7,151,513	5,100,417	6,901,000	4,898,406
Office Equipments	8,095,725	8,095,725	508,511	-	8,604,236	4,870,589	454,132	-	-	5,324,721	3,279,515	3,279,515	3,225,136	3,225,136
Plant, Machinery & Installations	1,127,854,589	1,123,562,771	42,377,141	7,462,357	1,162,769,373	591,062,610	66,268,173	-	82,946	657,413,729	505,355,644	491,546,884	536,791,979	522,900,273
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
<b>Total- (A)</b>	<b>2,022,816,570</b>	<b>1,722,210,051</b>	<b>80,669,367</b>	<b>7,659,418</b>	<b>2,095,826,517</b>	<b>735,874,833</b>	<b>82,789,059</b>	<b>48,502</b>	<b>782,168</b>	<b>819,397,558</b>	<b>1,276,428,961</b>	<b>987,765,065</b>	<b>1,286,941,737</b>	<b>997,544,175</b>
<b>(B) Intangible Assets :</b>														
Computer Software	3,292,682	2,372,601	17,500	-	3,310,182	3,170,744	127,771	-	-	3,298,515	11,667	11,667	121,938	121,938
<b>Total - (B)</b>	<b>3,292,682</b>	<b>2,372,601</b>	<b>17,500</b>	<b>-</b>	<b>3,310,182</b>	<b>3,170,744</b>	<b>127,771</b>	<b>-</b>	<b>-</b>	<b>3,298,515</b>	<b>11,667</b>	<b>11,667</b>	<b>121,938</b>	<b>121,938</b>
<b>Total (A+B)</b>	<b>2,026,109,252</b>	<b>1,724,582,652</b>	<b>80,686,867</b>	<b>7,659,418</b>	<b>2,099,136,699</b>	<b>739,045,577</b>	<b>82,916,830</b>	<b>48,502</b>	<b>782,168</b>	<b>822,696,073</b>	<b>1,276,440,627</b>	<b>987,776,733</b>	<b>1,287,063,675</b>	<b>997,666,113</b>
Previous Year	1,911,916,154	1,610,389,554	136,262,241	22,069,143	2,026,109,252	660,735,091	85,571,430	8,388,357	1,127,413	739,045,577	1,287,063,675	997,666,113		
Capital Work-in-Progress	-	838,735.00	84,739	-	923,474	-	-	-	-	-	923,474	923,474		

# BARAK VALLEY CEMENTS LIMITED

## Notes to Consolidated Financial Statements for the year ended 31st March, 2014

### 14. NON CURRENT INVESTMENTS

(Amount in ₹)

	31.03.2014	31.03.2013
<b>Investment in Associates</b>		
North East Power & Infra Limited	3,000,000	3,000,000
3,00,000 (3,00,000 as at 31.03.13)		
Equity Share of ₹ 10 each fully paid up.		
	<b>3,000,000</b>	<b>3,000,000</b>
Aggregate amount of Quoted investment	-	-
Aggregate amount of Unquoted investments	<b>3,000,000</b>	<b>3,000,000</b>

### 15. LONG TERM LOANS AND ADVANCES

(Amount in ₹)

	31.03.2014	31.03.2013
<b>Capital Advances</b>		
Unsecured, Considered Good		
- to others	39,197,453	46,741,413
Security Deposit	26,366,114	18,034,079
	<b>65,563,567</b>	<b>64,775,492</b>

### 16. INVENTORIES

(Amount in ₹)

	31.03.2014	31.03.2013
Raw Materials and components	6,211,421	29,749,434
Work - In - Process	4,455,881	3,332,203
Finished Goods	11,198,292	8,325,239
Good in transit	680,096	-
Packing Material	5,583,506	4,314,103
Stores & Spares parts	68,886,403	80,511,531
	<b>97,015,598</b>	<b>126,232,510</b>

### 17. TRADE RECEIVABLES

(Amount in ₹)

	31.03.2014	31.03.2013
<b>Secured Considered Good</b>		
Over Six months	223,829	390,510
Other debts	7,362,932	4,938,599
	<b>7,586,761</b>	<b>5,329,109</b>
<b>Unsecured Considered Good</b>		
Over Six Months	38,538,292	28,632,053
Other Debts	119,569,760	100,015,956
	<b>158,108,052</b>	<b>128,648,009</b>
<b>Total Trade Receivables</b>	<b>165,694,813</b>	<b>133,977,118</b>

**BARAK VALLEY CEMENTS LIMITED**
**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**
**18. CASH & CASH EQUIVALENTS**
*(Amount in ₹)*

	31.03.2014	31.03.2013
Cash in Hand	9,220,305	11,015,613
Balance with Banks		
- In current accounts	11,740,202	10,611,285
- Balance with banks held as margin money / security deposits	28,657,332	4,390,100
	<b>49,617,839</b>	<b>26,016,998</b>

**19. SHORT TERM LOANS AND ADVANCES**
*(Amount in ₹)*

	31.03.2014	31.03.2013
<b>Loans and advances to related parties</b>		
(Unsecured, Considered Good)	17,751,205	587,997.00
	<b>17,751,205</b>	<b>587,997.00</b>
<b>Advances Receivable in cash or kind</b>		
(Unsecured, Considered Good)	25,030,183	252,722
<b>Other Loans &amp; Advances</b>		
(Unsecured, Considered Good)		
- Advances to suppliers	53,136,059	106,083,611
- Advances to employees	1,370,701	1,791,450
- Balances with/ Receivables from Government authorities	133,417,583	121,733,421
- Subsidies Receivable from Central/State Governments	352,216,314	374,009,059
- Advances for Services & Expenses	3,407,870	2,613,253
- Advance Income Tax (net of provision for tax including MAT)	3,247,395	4,984,866
	<b>546,795,922</b>	<b>611,215,660</b>
Total Short term loans and advances	<b>589,577,312</b>	<b>612,056,379</b>

**20. OTHER CURRENT ASSETS**
*(Amount in ₹)*

	31.03.2014	31.03.2013
Unamortised Expenditure	50,000	50,000
	<b>50,000</b>	<b>50,000</b>

**BARAK VALLEY CEMENTS LIMITED**
**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

<b>21. REVENUE FROM OPERATIONS</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Sale of Products	<b>1,275,596,672</b>	1,346,450,995
Other operating revenue	<b>643,548</b>	472,535
Revenue from operation (gross)	<b>1,276,240,220</b>	1,346,923,530

<b>22. OTHER INCOME</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>Interest Income</b>		
- On Bank deposits	<b>1,575,510</b>	2,312,707
Dividend Income	-	90
Other Non Operating Income	<b>1,440,919</b>	952,256
	<b>3,016,429</b>	3,265,053

<b>23. COST OF RAW MATERIALS (INCLUDING PACKAGING MATERIAL) CONSUMED</b>	<b>(Amount in ₹)</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
Inventory at the beginning of the year	<b>33,893,878</b>	32,349,627
Add: Purchases	<b>268,123,306</b>	264,736,130
	<b>302,017,183</b>	297,085,757
Less :Inventory at the end of the year	<b>11,794,927</b>	33,893,865
Cost of Raw Materials (including packaging material) Consumed	<b>290,222,256</b>	263,191,892

**BARAK VALLEY CEMENTS LIMITED**
**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**
**24. (INCREASE) /DECREASE IN INVENTORIES**
*(Amount in ₹)*

	31.03.2014	31.03.2013
<b><u>Inventories at the end of the year</u></b>		
Work -in -Progress	4,455,881	3,332,203
Finished Goods	11,198,292	8,325,239
	<b>15,654,173</b>	<b>11,657,442</b>
<b><u>Inventories at the beginning of the year</u></b>		
Work -in -Progress	3,332,203	2,647,456
Finished Goods	8,325,239	4,842,832
	<b>11,657,442</b>	<b>7,490,288</b>
<b>(Increase) /Decrease in inventories</b>	<b>(3,996,731)</b>	<b>(4,167,154)</b>

**25. EMPLOYEE BENEFIT EXPENSES**
*(Amount in ₹)*

	31.03.2014	31.03.2013
Salaries, Wages & other manpower expenses	121,213,511	102,783,376
Contribution to Provident and other funds	2,647,068	2,188,700
Gratuity Expenses	941,536	869,620
Staff welfare expenses	5,234,836	5,078,378
	<b>130,036,951</b>	<b>110,920,074</b>

**26. FINANCE COSTS**
*(Amount in ₹)*

	31.03.2014	31.03.2013
<b><u>Salaries</u></b>		
Interest expenses	114,804,798	115,282,978
Other borrowing costs	521,288	1,212,715
	<b>115,326,086</b>	<b>116,495,693</b>



**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**
**27. OTHER EXPENSES**
*(Amount in ₹)*

	31.03.2014	31.03.2013
Consumption of Stores & Spare parts	37,692,277	29,287,187
Power & Fuel	289,175,561	353,930,987
Rent	3,877,196	3,524,878
Repairs & Maintenance		
— Building	2,394,929	1,491,483
— Plant & Machinery	11,368,411	11,681,738
— Others	1,489,010	1,138,494
Royalty and other Govt. Levies	11,181,269	10,484,923
Consultancy, operational & maintenance expenses	2,530,518	-
Vehicle running, maintenance & hire charges	5,429,763	4,089,634
Printing, Stationery & Computer expenses	2,295,033	2,598,006
Books & Periodicals	5,765	-
Material Handling & Freight Charges	8,695,999	10,412,715
Other Production Overhead	1,137,996	-
Travelling and Conveyance	5,752,692	4,423,694
Insurance(Net)	1,265,009	826,307
Rates & Taxes	698,901	628,259
Research & Development Expenses	193,011	1,404,759
Auditor's Remuneration	401,124	402,360
Bad debts / Advances written off	(110,821)	669,213
Director's Remuneration	1,080,000	1,080,000
Charity & Donation	463,415	1,851,134
Equipment Running Maintenance and Hire Charges	1,482,216	688,630
Security Services Expenses	2,151,283	1,729,296
Professional Fees & Consultancy Expenses	289,563	99,764
Fees & Subscription	288,651	43,312
Outward transportation cost	264,487,340	304,753,233
Advertisement, Publicity & Sales Promotion Expenses	26,498,569	13,661,248
Electricity Expenses	499,363	-
Telephone expenses	1,730,153	2,153,628
Miscellaneous Expenses	18,430,007	19,256,177
	<b>702,874,203</b>	<b>782,311,059</b>

**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

(28) The estimated amount of Contracts remaining to be executed on Capital Account and not provided for amounts to ₹ 76.74 Lakhs (Previous Year : ₹ 200.68 Lakhs)

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

- (a) Claims against the company not acknowledged as debts: Disputed demands of Income –Tax / Entry Tax matters pending before the Appellate Authorities: ₹ 465.11 lakhs (Previous year - ₹ 1,195.64 lakhs)
- (b) Fixed Deposit Receipts pledged with the banks / others : ₹ 37.73 Lakhs (Previous year : ₹ 35.25 Lakhs)
- (c) Bank Guarantees issued by banks ₹ 2.00 Lakhs (Previous Year : ₹ 2.00 Lakhs)
- (d) Corporate Guarantee's given on behalf of subsidiaries: ₹ 3,529.25 Lakhs (Previous Year: ₹ 2,948.72 lakhs)

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

Particulars	Current Year	Previous Year
a. Statutory Audit Fee	₹ 3,47,748	Rs. 3,36,624
b. Tax Audit Fee	₹ 45,618	Rs. 45,618
c. Company Law and other Matters	₹ 24,495	Rs. 24,495
d. Reimbursement of other exp.	₹ 1,123	Rs. 1,123
<b>Total</b>	<b>₹ 4,18,984</b>	<b>Rs. 4,07,860</b>

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

**(32) Disclosure in respect of Related Parties:**

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

Associates	Nefa Udyog, Meghalaya Cements Limited, Balaji Udyog Limited, North East Power & Infra Ltd., Valley Strong Cements Ltd.
Key Management Personnel and their relatives	Kamakhya Chamaria (Vice Chairman & Managing Director), Santosh Kumar Bajaj (Whole Time Director), Bijay Kumar Garodia (Chairman & Whole Time Director), Sushil Kumar Kothari (Chief Financial Officer), Mahendra Kumar Agarwal (Vice Chairman) Jagdish Prasad Shah, Nathmal Todi.

Details of transactions between the company and related parties for the year ended on 31.03.2014 are given as under:

(₹ in Lakhs)

Sl. No.	Type of transaction	Associates	Key Management Personnel / relatives
1.	Sale of finished / semi finished goods/ services	4.95 (17.17)	— —
2.	Purchase of Raw Material/ semi/ finished goods	121.57 (—)	— —
3.	Loan & Advances given	171.63 (—)	— —
4.	Remuneration paid to directors	— —	10.80 (10.80)

**Note :** Figures in bracket represent transactions of previous year.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

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

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

(35) Borrowing Cost capitalized during the year amounts to ₹ 86,69,044/- (Previous Year : ₹ 1,01,10,479/-)

**(36) Earnings per share:**

Earnings per Share for the year ended 31st March 2014 is calculated as under:

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
(a) Profit/(Loss) attributable to Equity Shareholders	(7,63,95,556)	(4,47,98,522)
(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 (₹)	10	10
(d) Earnings Per Share Basic & Diluted (₹)	(3.45)	(2.02)

**(37) Employee Defined Benefits:**

**(a) Defined Contribution Plans**

The Company has recognized an expense of ₹ 26,47,068/- (Previous year ₹ 21,88,700/-) towards the defined contribution plans.

**(b) Defined Benefit Plans – As per Actuarial Valuation as at 31st March' 2014**

**(Amount in ₹)**

Particulars	2013 – 2014		2012 – 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>I. Expenses recognised in the statement of Profit &amp; Loss Account for the year ended 31st March' 2014</b>				
1. Current Service Cost	6,42,021	15,27,519	6,00,447	14,87,887
2. Interest Cost	1,12,991	1,34,868	1,04,790	1,58,008
3. Expected Return on plan Assets	-	-	-	-
4. Curtailment cost (credit)	-	(4,560)	-	(2,60,440)
5. Settlement cost (credit)	-	-	-	-
6. Past Service Cost	-	-	-	-
7. Actuarial Losses/(gains) on defined benefit obligation	1,86,524	2,92,184	1,64,383	2,74,448
8. Losses/ (gains) on plan assets	-	-	-	-
9. Total Expenses	9,41,536	19,50,011	8,69,620	16,59,903
<b>II. Net Asset/(Liability) recognised in the Balance Sheet as on 31st March' 2014</b>				
1. Present Value of Defined Benefit Obligations	36,07,386	56,63,287	29,36,581	45,38,864
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/ (Deficit) ]	(36,07,386)	(56,63,287)	(29,36,581)	(45,38,864)
4. Net Asset/ (Liability) as on 31.03.2014	(36,07,386)	(56,63,287)	(29,36,581)	(45,38,864)
<b>III. Change in Obligation during the year ended 31st March' 2014</b>				
1. Present Value of Defined Benefit obligation at the beginning of the year	29,36,581	45,38,864	28,22,118	48,08,081
2. Current Service Cost	6,42,021	15,27,519	6,00,447	14,87,887

**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

Particulars	2013 – 2014		2012 – 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
3. Interest Cost	1,12,991	1,34,868	1,04,790	1,58,008
4. Curtailment cost / (credit)	-	(4,560)	-	(2,60,440)
5. Settlement Cost/ (credit)	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Plan amendments	-	-	-	-
8. Acquisitions	-	-	-	-
9. Actual (gains) / Losses	1,86,524	2,92,184	1,64,383	2,74,448
10. Benefits paid	(2,70,731)	(8,25,588)	(7,55,157)	(19,29,120)
11. Present value at the end of the year	36,07,386	56,63,287	29,36,581	45,38,864
<b>IV. Change in Fair Value of Assets during the year ended 31st March' 2014</b>				
1. Plan Assets at the beginning of the year	-	-	-	-
2. Expected Return on plan Assets	-	-	-	-
3. Actual Company Contributions	2,70,731	8,25,588	7,55,157	19,29,120
4. Employee Contributions	-	-	-	-
5. Actuarial Gain/ (Loss) on plan assets	-	-	-	-
6. Benefits paid	(2,70,731)	(8,25,588)	(7,55,157)	(19,29,120)
7. Plan Assets at the Closing of the year	-	-	-	-

**(38) Segment Reporting as per AS – 17 is as under:**
**(₹ in Lakhs)**

S.No.	Particulars	2013 - 14				2012 - 13			
		Cement	Power	Others	Total	Cement	Power	Others	Total
<b>A</b>	<b>Revenue (Gross)</b>								
	External Sales	12,522.05	-	240.35	12,762.40	13,347.50	-	121.74	13,469.24
	Inter Segment Sales	-	-	-	-	-	-	-	-
	<b>Total Revenue (Gross)</b>	12,522.05	-	240.35	12,762.40	13,347.50	-	121.74	13,469.24
<b>B</b>	<b>Results</b>								
	Segment Result	808.89	(283.14)	(91.53)	434.22	1,013.75	(223.96)	(66.91)	722.88
	Unallocated Expenses/ (Incomes) Net	-	-	-	22.89	-	-	-	(24.48)
	Interest & Finance Charges	993.02	26.98	133.26	1,153.26	1,048.95	26.27	89.74	1,164.96
	<b>Operating Profit</b>				(741.93)				(417.60)
	Exceptional Items	1.40	0.99	35.71	38.10	1.29	36.98	4.83	43.10
	Provision for Taxation (Net of MAT Credit entitlement)	-	-	-	-	-	-	-	-
	Income Tax for earlier years	-	-	-	0.66	-	-	-	5.78
	Deferred Tax (net)	-	-	-	(16.74)	-	-	-	(18.50)
	<b>Profit After Tax</b>	-	-	-	(763.95)	-	-	-	(447.98)

**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

S.No.	Particulars	2013 - 14				2012 - 13			
		Cement	Power	Others	Total	Cement	Power	Others	Total
<b>C</b>	<b>Other Information</b>								
(i)	Segment Assets	12,863.33	3,484.77	6,330.72	22,678.82	12,300.51	3,629.47	6,610.12	22,540.10
	Unallocated/Other Assets	-	-	-	-	-	-	-	-
	<b>Total Assets</b>	<b>12,863.33</b>	<b>3,484.77</b>	<b>6,330.72</b>	<b>22,678.82</b>	<b>12,300.51</b>	<b>3,629.47</b>	<b>6,610.12</b>	<b>22,540.10</b>
(ii)	Segment Liabilities	10,692.36	650.60	2,746.45	14,089.41	10,424.56	513.37	2,175.40	13,113.33
	Unallocated/Other Liabilities	-	-	-	-	-	-	-	-
	<b>Total Liabilities</b>	<b>10,692.36</b>	<b>650.60</b>	<b>2,746.45</b>	<b>14,089.41</b>	<b>10,424.56</b>	<b>513.37</b>	<b>2,175.40</b>	<b>13,113.33</b>
(iii)	Capital Expenditure	504.40	0.06	226.65	731.11	221.89	(12.43)	700.09	909.55
(iv)	Depreciation	554.67	167.55	106.94	829.16	590.47	168.01	83.20	841.68

- (39) In pursuance of AS -28 "Impairment of Assets" issued by ICAI, the company reviewed its carrying cost of assets with value in use on the basis of future earnings and based on such, management is of the view that in the current financial year impairment of assets is not considered necessary. In the case of Badarpur Energy Pvt. Ltd., in which company has assessed indicators for impairment, but on the basis of technical review report and value in use method, no impairment of assets is considered necessary as on the Balance Sheet date.
- (40) During the year company and its subsidiary 'Cement International Ltd.' has claimed differential excise duty refund of ₹ 83,03,295/- for the year 2013 -14 and recognized the same as revenue in the books of accounts. Presently matter regarding company's claim for refund of differential Excise Duty is pending before the Hon'ble Supreme Court of India. In this matter revenue is recognized on the basis of Interim Order dated 13th January' 2012 passed by the Hon'ble Supreme Court of India in case of "VVF Ltd. and Others" and similar relief granted to other companies located in NE region.
- (41) Exceptional item includes prior period expenses ₹ 37,99,892/- and Loss on sale of Assets ₹ 10,016/- (Previous Year : ₹ 43,10,632/-)
- (42) Out of the consolidated subsidy receivables amounting to Rs. 3,522.16 Lakhs, Rs. 660.48 Lakhs is related to Transport Subsidy and Central Capital Investment Subsidy claims of the company which is outstanding as receivable for more than five years. However, management of the company is treated the same as good and is of the opinion that the same will be realized in due course of time.
- (43) An amount of Rs. 63.17 Lakhs has been deposited by the company with the revenue authorities against the disputed Entry Tax demand of earlier years. The same has been deposited 'under protest' and is shown under 'Other Loans and Advances' forming part of current assets.
- (44) Previous year's figures have been regrouped and/ or re-arranged wherever necessary, to confirm to current year's classification.

In terms of our report of even date

For &amp; on behalf of the Board

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

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

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

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

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

New Delhi, 30th May' 2014

**Information with regard to Subsidiary Companies for the Financial Year Ended on 31st March' 2014**

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.
	<b>Financial Year ended on</b>	<b>31.03.2014</b>	<b>31.03.2014</b>	<b>31.03.2014</b>	<b>31.03.2014</b>	<b>31.03.2014</b>	<b>31.03.2014</b>	<b>31.03.2014</b>
(a)	Share Capital	9,927,000	14,900,000	49,633,400	3,862,500	2,782,000	742,000	740,900
(b)	Reserves & Surplus	138,334,775	35,668,959	(13,196,372)	27,887,500	190,718,090	72,882,910	73,935,871
(c)	Total Assets (Fixed Assets+ Investments + Current/ Deferred Assets)	338,182,920	156,363,547	356,526,978	36,195,251	322,708,979	83,250,516	103,865,292
(d)	Total Liabilities (Debts + Current / Deferred Liabilities)	189,921,145	105,794,588	320,089,950	4,445,251	129,208,889	9,625,606	29,188,521
(e)	Investments (excluding investment in subsidiary companies)	-	-	-	-	-	-	-
(f)	Turnover (gross)	234,804,602	46,974,274	35,118,160	-	24,019,759	1,379,283	2,731,867
(g)	Profit/ (Loss) before Taxation	(10,049,655)	(8,187,978)	(31,111,209)	-	(16,135,968)	(1,493,514)	(231,947)
(h)	Provision for Taxation/ Deferred Tax	391,485	66,618	-	-	-	-	-
(i)	Profit/ (Loss) after Taxation	(10,441,140)	(8,254,596)	(31,111,209)	-	(16,135,968)	(1,493,514)	(231,947)
(j)	Proposed Dividend	-	-	-	-	-	-	-

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

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

**For & on behalf of the Board**

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

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

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

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

Sd/-  
**(Bhavna Jangid)**  
Company Secretary

New Delhi, 30th May' 2014





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