

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

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Barak Valley

Cements Limited



| annual report 2008-2009 |

COMPOSITION OF BOARD

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

COMPANY SECRETARY

Ms. Dimpy Choudhary

AUDITOR

M/s. Kumar Vijay Gupta & Co.,

Chartered Accountants,
408, New Delhi House,
27, Barakhamba Road,
Connaught Place, New Delhi-110001

BANKERS AND FIs

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

OFFICES

Regd. Office:

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

Corp. Office:

281, Deepali, Pitam Pura,
Delhi-110034

Works:

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

Branches:

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

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Directors' Profile

Mr. Bijay Kumar Garodia, Chairman

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

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

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

Mr. Kamakhya Chamaria, Vice Chairman & Managing Director

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

Mr. Mahendra Kumar Agarwal, Vice Chairman

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

Mr. Santosh Kumar Bajaj, Whole Time Director

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

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

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

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

Mr. Brahm Prakash Bakshi, Non Executive and Independent Director

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

Dr. Dhanpat Ram Agarwal, Non Executive and Independent Director

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

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

Mr. Dinesh Chandra Agarwal, Non Executive and Independent Director

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

Mr. Ramesh Chandra Bajaj, Non Executive and Independent Director

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

Mr. Vishal More, Non Executive and Independent Director

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

Mr. Edwin E. Fernandes, Nominee Director

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

Notice

NOTICE is hereby given that the Tenth Annual General Meeting of the members of **BARAK VALLEY CEMENTS LIMITED** will be held on Wednesday, the 30th day of September, 2009, at the Registered Office of the Company at 202, Royal View, B.K. Kakoti Road, Ulubari, Guwahati, Assam -781007 at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet of the Company as at 31st March, 2009 and Profit and Loss A/c for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended on 31st March, 2009.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS:

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

BY ORDER OF THE BOARD

Place : Delhi
Date : 31.07.2009

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

NOTE:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her self and the proxy need not be a member of the Company.**
2. The instrument appointing a proxy, to be effective, must be duly filled, stamped and must reach the Company's Registered Office not later than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this notice.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the meeting (Item Nos. 5 to 7) is annexed hereto.
4. As required by Clause 49 of the Listing Agreement, the relevant details of the directors liable to retire by rotation and seeking re-appointment are annexed herewith.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 25th day of September, 2009 to Wednesday, the 30th day of September, 2009 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if any, declared at the meeting.
6. Dividend on Equity Shares, if declared at the meeting, shall be paid on or after 30th September, 2009 to the shareholders whose names appear on the Register of Members of the Company on 30th September, 2009. In case of shares held in dematerialized form, the dividend thereon shall be paid to the beneficial owners, as per the list provided by the Depositories for the said purpose.
7. Link Intime (India) Private Limited is the Registrar & Share Transfer Agent (R&TA) of the Company. All investor related communications may be addressed to Link Intime at the following address:

Link Intime (India) Private Limited
Unit: Barak Valley Cements Limited
A-40, 2nd Floor, Naraina Industrial Area,
Phase II, Near Batra Banquet Hall, Naraina, New Delhi -110028
8. Shareholders, who have not encashed/received dividend for the financial year ended on 31st March, 2008 may please approach the Company and/or R&T Agent for payment of such unpaid dividend.
9. Members are requested to notify about any changes in address/ bank details/ECS (Electronic Clearing Service) mandate to:
 - (a) the R&T Agent of the Company, viz. Link Intime, if shares are held in physical form; and
 - (b) their respective Depository Participants (DPs), if shares are held in electronic form.
10. Members/proxies are requested to kindly take note of the following:
 - (i) attendance Slip, as sent herewith, is required to be produced at the venue duly filled in and signed for attending the meeting,
 - (ii) entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips, and
 - (iii) in all correspondence with the Company and/or the R&T Agent, Folio No./DP & Client ID no. must be quoted.
11. Members are requested to send their queries, if any, at least 10 days in advance of the meeting so that the information can be compiled in advance.
12. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
14. For any investor related queries, communication may be sent by e-mail to ipo@barakcement.com.
15. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R&T Agent.
16. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
17. **Members may please note that briefcase, bag, mobile phone and/or eatables shall not be allowed to be taken inside the hall for security reasons.**

BY ORDER OF THE BOARD

Place : Delhi
Date : 31.07.2009

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5**

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

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

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

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

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

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

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

ITEM NO. 6

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

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

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

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

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

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

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

ITEM NO. 7

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

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

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

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

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

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

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

BY ORDER OF THE BOARD

Place : Delhi
Date : 31.07.2009

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

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

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

NOTE:

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

Directors' Report

**To
The Members,**

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

Financial Results

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

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

OPERATIONS

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

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

DIVIDEND

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

MARKETING

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

DIRECTORS**Appointment**

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

Cessation

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

Retirement by Rotation

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

AUDITORS

The Statutory Auditors, M/s Kumar Vijay Gupta & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting of the Company and are eligible for re-appointment. They have sought re-appointment and have confirmed that their appointment, if made, shall be within the limits laid down under Section 224(1B) of the Companies Act, 1956. The Board of Directors recommends the re-appointment of M/s Kumar Vijay Gupta & Co. as the Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting of the Company till the conclusion of Annual General Meeting to be held next thereafter and to fix their remuneration.

AUDIT COMMITTEE

Your Company has an Audit Committee to meet the requirements of the Companies Act, 1956 as well as Listing Agreement with the Stock Exchanges. The detail of the Audit Committee is given under the Corporate Governance Report.

AUDITOR'S REPORT

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

PARTICULARS OF EMPLOYEES

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

SUBSIDIARY COMPANIES

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

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

PERSONNEL

The relations during the period under review remained cordial at all levels. Your Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work and commitment. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.