BARAK VALLEY CEMENTS LIMITED

Annual Report 2011-2012

Valley Strong Cement

Barak Valley Cements Limited
Annual Report 2011-2012

Composition of Board

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

Company Secretary
Ms. Nidhi Sharma

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

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

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

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

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

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

Contents

Notice

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

ORDINARY BUSINESS:

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

BY ORDER OF THE BOARD
For Barak Valley Cements Limited

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

Place : Delhi
Date : 30.05.2012

NOTES:

1. ***A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her self and the proxy need not be a member of the Company.***
2. The instrument appointing a proxy, to be effective, must be duly filled, stamped and must reach the company's registered office not later than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this notice.
3. As required by Clause 49 of the Listing Agreement, the relevant details of the Directors liable to retire by rotation and seeking re-appointment are annexed herewith.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 03rd day of August, 2012 to Thursday, the 09th day of August, 2012 (both days inclusive).
5. M/s MCS Limited is the Registrar & Share Transfer Agent (R&TA) of the Company. All investor related communications may be addressed to MCS Limited at the following address:

   M/s MCS Limited

   Unit: Barak Valley Cements Limited

   F-65, Okhla Industrial Area,

   Phase-I, New Delhi-110020

   Ph: 011-41406149; Fax: 011-41709881; E-Mail: admin@mcsdel.com
6. Members are requested to notify about any changes in address/ bank details/ECS (Electronic Clearing Service) mandate to:
   a) The Company or its R&T Agent viz. M/s MCS Limited, if shares are held in physical form; and
   b) their respective Depository Participants (DPs), if shares are held in electronic form.
7. Members/proxies are requested to kindly take note of the following:
   i. attendance Slip, as sent herewith, is required to be produced at the venue duly filled in and signed for attending the meeting,
   ii. entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips and
   iii. in all correspondence with the Company and/or the R&T Agent, Folio No./DP & Client ID no. must be quoted.

8. Members are requested to send their queries, if any, at least 10 days in advance of the meeting so that the information can be compiled in advance.

9. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

11. For any investor related queries, communication may be sent by e-mail to cs@barakcement.com.

12. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the R&T Agent.

13. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the company or its RTA in the following cases viz, transfer of shares, deletion of name, transmission of shares and transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.

14. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.

15. Members may please note that briefcase, bag, mobile phone and/or eatables shall not be allowed to be taken inside the hall for security reasons.

16. Ministry of Corporate Affairs vide their circular 17/2011 dated 21/04/2011 clarified that it would be compliance to Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode providing that Company has obtained e-mail addresses of its members for sending notice/ documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company.

    In order to cherish and support the Green Initiative taken by Government of India to secure paperless compliance for betterment of environment, members who have not provided their e-mail address are requested to contact to RTA or compliance officer of the company for the same.

17. The Annual Report of the Company for the year 2011-12, circulated to the Members of the Company, will also be made available on the Company's website viz. www.barakcement.com . The Annual Accounts of the Company's Subsidiary Companies and the related detailed information shall be made available to the shareholders seeking such information at any point of time.

BY ORDER OF THE BOARD
For Barak Valley Cements Limited

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

Place : Delhi
Date : 30.05.2012

ANNEXURE TO ITEM NO. 3 OF THE NOTICE

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

I. BRIEF RESUME

Sh. Prahlad Rai Chamaria

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

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

Sh. Ramesh Chandra Bajaj

Sh. R.C.Bajaj, aged about 62 years, is associated with the company since 2006. He is a man of amicable nature with resolute mind and farsightedness. He is presently self employed having a proprietary concern dealing in water pumps, spares and pumps. Prior to this, he worked in Trishul Engineering Corporation between 1989 and 2006 and prior to 1989 he worked as Area Manager of Anil Steel & Industries Limited.

Sh. Vishal More

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

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

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

II. OTHER DETAILS

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

Notes :

a) The aforesaid information is as at 31st March, 2012.

b) The Directorships/Committee Memberships exclude private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

c) Only two committees viz. Audit Committee and Shareholder's Grievance Committee have been considered for determining Chairmanship/Membership which is pursuant to Clause 49 of the Listing Agreement.

Directors' Report

To,
The Members,
Barak Valley Cements Limited

Dear Shareholders,

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

Financial Results

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

(Rs. In Lacs)

	Particulars	Year Ended as at 31st March, 2012	Year Ended as at 31st March, 2011
	Revenue from operations (net)	**9722.84**	8994.43
	Other Income	**19.71**	19.83
	Total Sales & Other Income	**9742.55**	9014.26
	Income before Finance Cost, depreciation and amortization and Income Tax	**544.83**	1048.76
Less:	Depreciation & amortization expenses	**496.41**	531.74
	Profit before Interest and Income Tax	**48.42**	517.02
Less:	Finance Cost	**717.74**	494.36
	Profit before Income Tax	**(669.36)**	22.66
Less:	Exceptional Items	**(17.06)**	(33.44)
Less:	Provision for Income Tax		
	Current Income Tax	**–**	–
	Deferred Tax Liability	**18. 63**	(1.60)
	Profit After Tax:	**(670.89)**	57.70
Less:	Balance brought down from last year	**4828.00**	4,770.30
	Profit available for Appropriation	**4157.11**	4,828.00
Less:	Appropriations:	**–**	**–**
	Transfer to General Reserve	**–**	–
	Proposed Dividend on Equity Shares	**–**	–
	Corporate Dividend Tax	**–**	–
	Balance Transferred to Reserve & Surplus	**4157.11**	4,828.00

OPERATIONS

Standalone

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

Consolidated

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

DIVIDEND

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

SUBSIDIARIES

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

DIRECTORS

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

AUDITORS

Statutory Auditors

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

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

Cost Auditors and Cost Audit Report

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

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

AUDIT COMMITTEE

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

AUDITORS' REPORT

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii. that reasonable and prudent accounting policies have been used in preparation of the financial statements, that they have been consistently applied and that reasonable and prudent judgments and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs and the profit of the company for the year ended 31.03.2012;

iii. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the financial statements have been prepared on a going concern basis.

INSURANCE

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

PUBLIC DEPOSITS AND BUY BACK OF SHARES

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

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

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

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

ACKNOWLEDGEMENT

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

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

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

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

For Barak Valley Cements Limited

Sd/-
(Kamakhya Chamaria)
Chairman

Place : Delhi
Date : 30.05.2012

Annexure 'A' to Directors' Report

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

a) Energy Conservation Measures Taken:

i. Cyclone fan of 72000 m^3/hr capacity with bag filter to stop pollution & recycle the collected dust to blending silo installed.

ii. Cement Mill No.1 450 KW motor changed with 350 KW/3.3 KV/990 rpm motor.

iii. Steel chord elevator to feed the clinker in cement mill no. 1 & No. 2 installed.

iv. Bigger size of dryer (1.8 m x 20 m) being installed to dry the alternative fuel like saw dust, bamboo dust, rice husk etc.

v. Raw Mill No. 3 Roller support changed with trunion bearing.

vi. Raw Mill No. 3 Gear box changed to optimize the revolution per minute.

vii. Existing crushing system relocated to crush the clinker to increase the output.

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

i. Replacement of screw conveyor into weigh feeder in main firing of coal.

ii. Weigh feeder in raw material grinding.

iii. Auxiliary drive in raw mill no. 1.

iv. To replace the girth gear of coal mill no. 2 and optimize the loading of grinding media to increase the production.

v. Close circuiting of raw mill no. 3.

vi. Replacement of existing spillage from 125 m/m to 250 m/m size.

vii. To change bad tyres and shell of kiln.

viii. To provide VFD in different fan to reduce the power consumption.

ix. To change existing impact crusher into secondary crusher and use of secondary crusher into tertiary crusher.

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

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

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

FORM – A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

Power and Fuel Consumption		**2011-2012**	2010-2011
a)	Purchase Units (KWH)	**2,31,51,900Units**	2,00,60,000Units
	Total Amount (Rs. in Lakhs)	**1,049.38**	854.03
	Rate/Unit (Rs.)	**4.53**	4.26
	Own Generation (KWH)	**12,90,616Units**	6,87,993Units
	Total Amount (Rs. in Lakhs)	**150.91**	74.02
	Rate/Unit (Rs)	**11.69**	10.76
b)	Coal Consumption	**29,460.77MT**	25,202.25MT
	Total Amount (Rs. in Lakhs)	**1,615.21**	1,179.04
	Rate/MT (Rs)	**5,482.59**	4,678.00

Consumption per unit of production (Unit/MT)	**Power (Per MT of Cement)**	Coal (Per MT of Clinker)
Standard, if any	**129.00**	0.20
Current Year	**133.51**	0.19
Previous Year	**123.60**	0.18

FORM-B

TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT

1. **Researches and Development (R&D)**

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

   (i) Use of waste heat of kiln to dry the biomass.

   (ii) Direct firing of saw dust in kiln.

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

   Cost of Clinker will reduce by 1 to 2%.

   c) **Future plan of action**

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

   d) **Expenditure on R&D**

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

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

   a) (i) Use of alternative fuel.

   (ii) Manufacturing belt conveyors without troughing rollers.

   (iii) Drier with spiral hanging chains.

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

   The production of Kiln will increase

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

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

   Foreign Exchange Earned : NIL
   Foreign Exchange Used : NIL

For Barak Valley Cements Limited

Sd/-
(Kamakhya Chamaria)
Chairman

Place : Delhi
Date : 30.05.2012