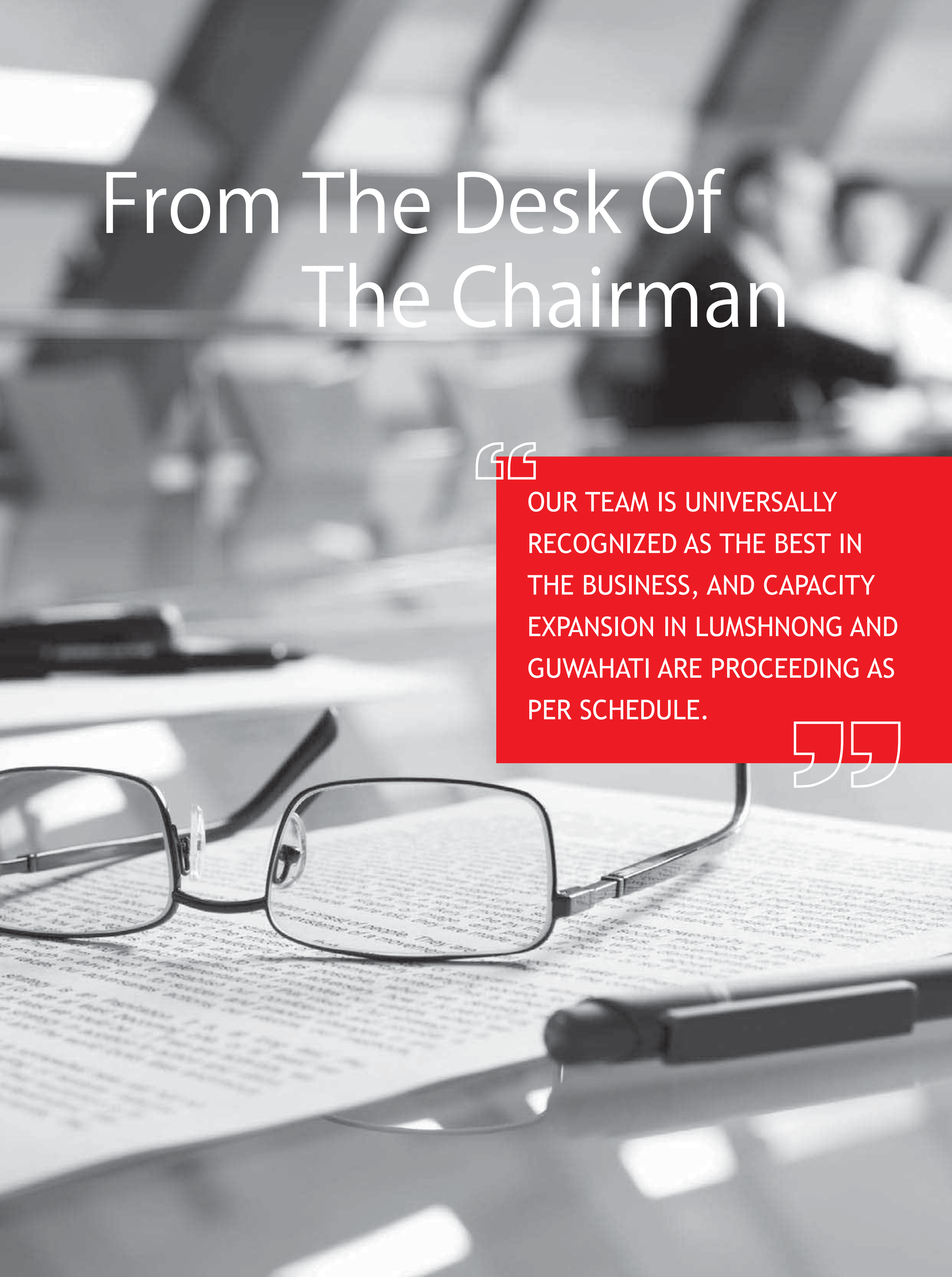
Future Solid

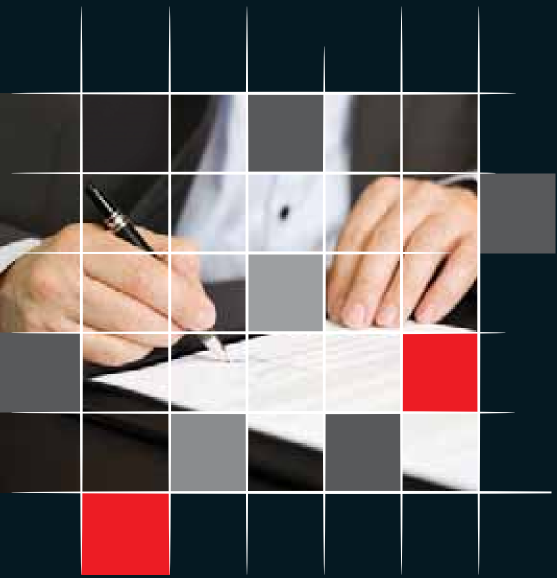
Cement Manufacturing Company Limited | Annual Report 2011-12

After eight years of
continuous growth and
achievement, your
company is now on
the threshold of
a new era

From The Desk Of The Chairman



> OUR TEAM IS UNIVERSALLY RECOGNIZED AS THE BEST IN THE BUSINESS, AND CAPACITY EXPANSION IN LUMSHNONG AND GUWAHATI ARE PROCEEDING AS PER SCHEDULE.



Dear shareholders,

The past year has seen a world in the grip of economic turmoil. Europe in the grip of the Euro crisis has been repeatedly pulled back from the brink. The recovery of the US economy has been one of the slowest in living memory. The political, economic, and social repercussions of rising petroleum prices have been felt across the world, from California to the Caucasus.

In the past few years, the Indian economy has been less affected by this turmoil than most, a fact which speaks highly of those who have managed it. However, the cumulative effects of global developments, along with a number of internal challenges, has made the situation difficult. The runaway inflation which marked the first half of the year has been controlled to a certain extent by tight monetary policy controls. Rising petroleum and import prices, coupled with rupee depreciation, have applied pressure on margins across the board. High borrowing costs have impacted profitability and internal accruals.

Despite all this, the underlying fundamentals of the Indian economy remain strong, and we believe there are rich rewards up ahead for those who stay the distance. The cement industry in India posed a solid 6% growth. A combination of lower capacity utilization and higher input costs, including a 60% hike by Coal India, has created a pressure situation, to which individual players have chosen to react in different ways. For Star Cement, defense and expansion of market share was paramount, in view of future expansion plans. Thus the year under review has seen a 7% increase in sales turnover, while there has been a drop in PBT. Higher interest and finance charges, apart from rising input costs, have contributed to the latter.

We have maintained and expanded our customer base, further strengthened an already robust distribution network, and taken further strides in improving productivity. Our team is universally recognized as the best in the business, and capacity expansion in Lumshnong and Guwahati are proceeding as per schedule.

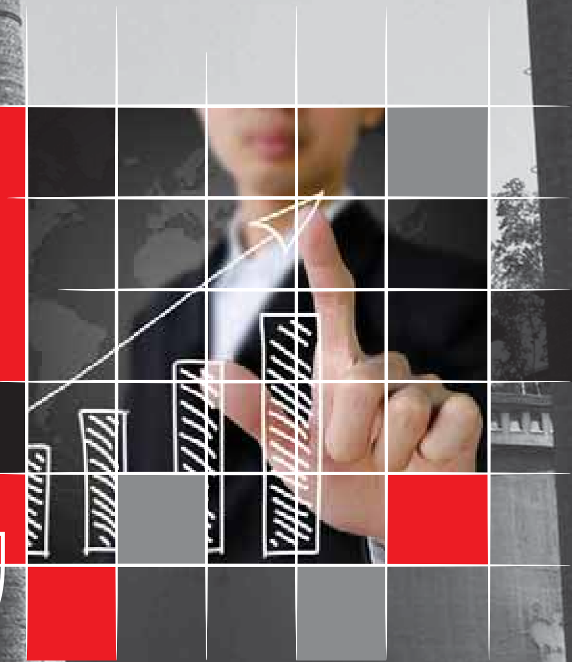
Our roots today are strong. Strong enough to weather the storms that are inevitable in any business. Strong enough to give us the confidence to expand. After eight years of continuous growth and achievement, your company is now on the threshold of a new era, one where our branches begin to reach out, slowly and inexorably, beyond our garden in the North East.

Sajjan Bhajanka

Chairman & Managing Director

The Indian Cement Industry

"SALES GROWTH INCREASES FROM 5% to 6%"



Sales growth increases from 5% to 6%. 20 MTPA of new capacity installed. Strong second-half spurt in orders. Demand growing, although input costs put pressure on margin.

Growth Drivers

- Government focus on LIG housing
- Rural Infrastructure Development Fund increased by ₹20,000 crores.
- ECBs, Credit Guarantee Trust Fund
- Like drop in home loan rates

Demand growth projected at 8%. Star is completely committed to pushing demand growth, and through this, transforming lives.

The North-East Opportunity

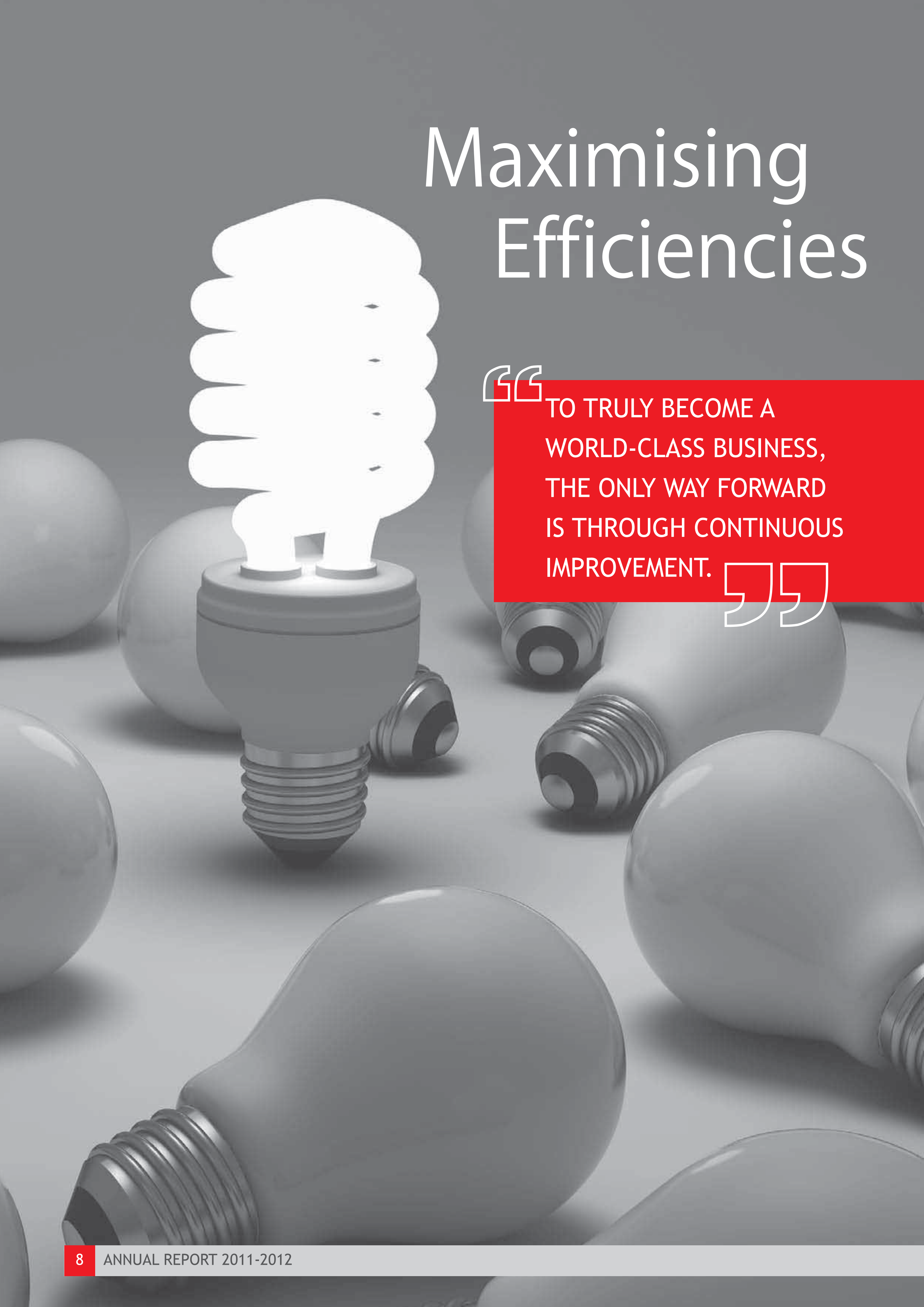
> A VIRTUOUS CYCLE OF DEVELOPMENT IS BEING ESTABLISHED, WHERE APPRECIATION OF THE BENEFITS IS LEADING TO FURTHER DEVELOPMENT.

Today, the very backwardness of the North-East has become its asset. Having suffered from central neglect for decades, socio-economic indices lag behind the rest of the country. As efforts are made to rectify this, the region is seeing an inflow of funds in the area of basic infrastructure. A virtuous cycle of development is being established, where appreciation of the benefits is leading to further development.

With considerable experience in building and construction, Century Plyboards through its subsidiary Cement Manufacturing Company Limited (CMCL) spotted this opportunity early. Today, CMCL's brand, Star, enjoys a market share of approximately 19% in the region. Despite growth at the rate of 8%, there continues to be a demand-supply gap, exemplified by the fact that one-third of the cement sold during the year was imported from beyond the region. Thanks to our new units, and our strong brand equity, we will be well placed to reap the benefits.

Going Online in 2012-13

- 1.75 MTPA Clinkerisation Unit, Lumshnong
- 1.60 MTPA Clinker Grinding Unit, Guwahati

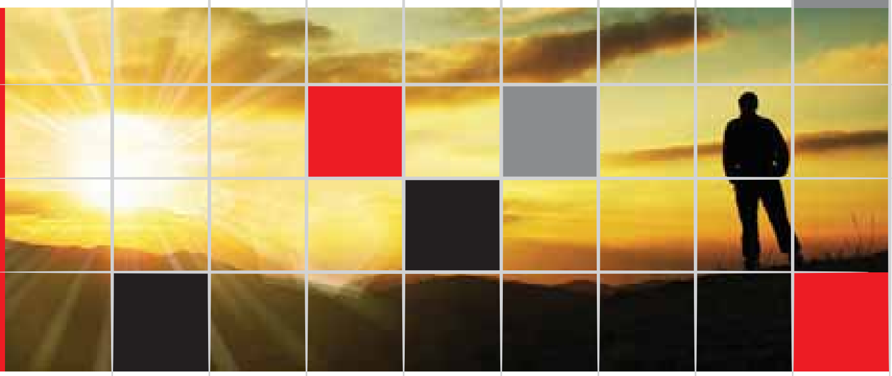


Maximising Efficiencies

"TO TRULY BECOME A WORLD-CLASS BUSINESS, THE ONLY WAY FORWARD IS THROUGH CONTINUOUS IMPROVEMENT."

To truly become a world-class business, the only way forward is through continuous improvement. In a tough business environment, marked by rising input costs and often desperate competition, only those who are ruthless in their pursuit of cost, production and operational efficiencies will flourish. Your company continues to strive for increased efficiency on every front.

Energy Efficiency



Better Generation

Helped by a marginal increase in grid supply, our own efforts at improving efficiencies at captive power units have helped reduce power costs.

Better Conservation

Installation of Variable Frequency Drives and the automation of the Plant Water Supply System have conserved energy. In the current year, further improvements in crushing, more VFDs, improved sealing procedures, and adoption of ISO 50001:2001 for energy management, will yield further savings.

Better Utilisation

All these steps have meant that, despite significant rate hikes, there has been only a marginal increase in power costs per ton.

Input Efficiency

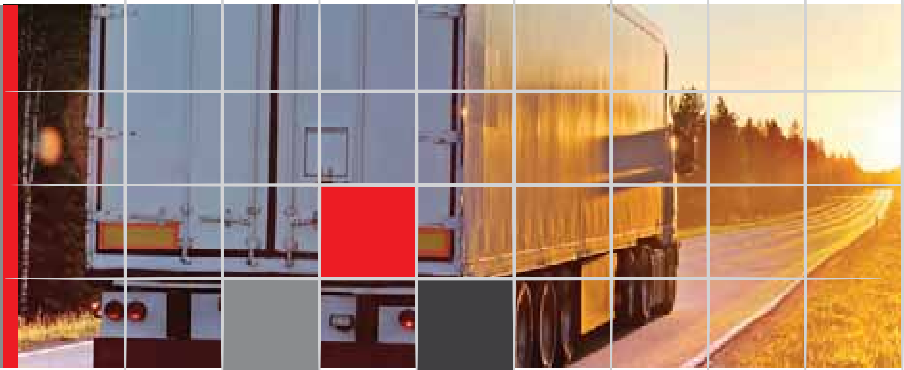
Coal

By shifting to an October- March purchase cycle, we have ensured round-the-year supply of coal with lower moisture content, and better, more consistent quality, While there has been an overall increase in coal costs per ton, better quality coal has led to lower coal consumption per ton, from 18.76% to 17%.

Fly Ash

Better sourcing has enabled regular consumption with no compromise on quality. In this, we support the national interest, by ensuring disposition of fly ash. While rising road and rail freight costs have raised overall fly ash costs, our overall product quality has also improved, and continues to do so.

Distribution Efficiency



Sales Penetration

While distribution has been a traditional strength, the drive to reach Star to every corner continues. During the year we appointed 115 new direct dealers, extending our reach to 676 new retail counters.

Logistical Innovations

Regularity of supply continues to be a Critical Success Factor, and the North-East has always posed unique challenges. Despite this, our system successfully shipped out 11.08 Lakh MT, up from 9.59 Lakh MT in the previous year. Our innovative use of waterways to transport fly ash has been a success, and will be further expanded on in the coming year.

Knowledge Efficiency

Our continuous efforts at productivity improvement have earned us recognition at national and international forums.

We also continue to improve the quality of our PPC product, setting newbenchmarks in markets where we are present.

Further innovations in grinding and crushing are in the pipeline.

As it expands in scope, our Environment Lab is now seeking NABL accreditation.

We continue our strong focus on internal and external systems, setting new standards of professionalism in the region.

Human Efficiency

People have always been the key element in our success story.

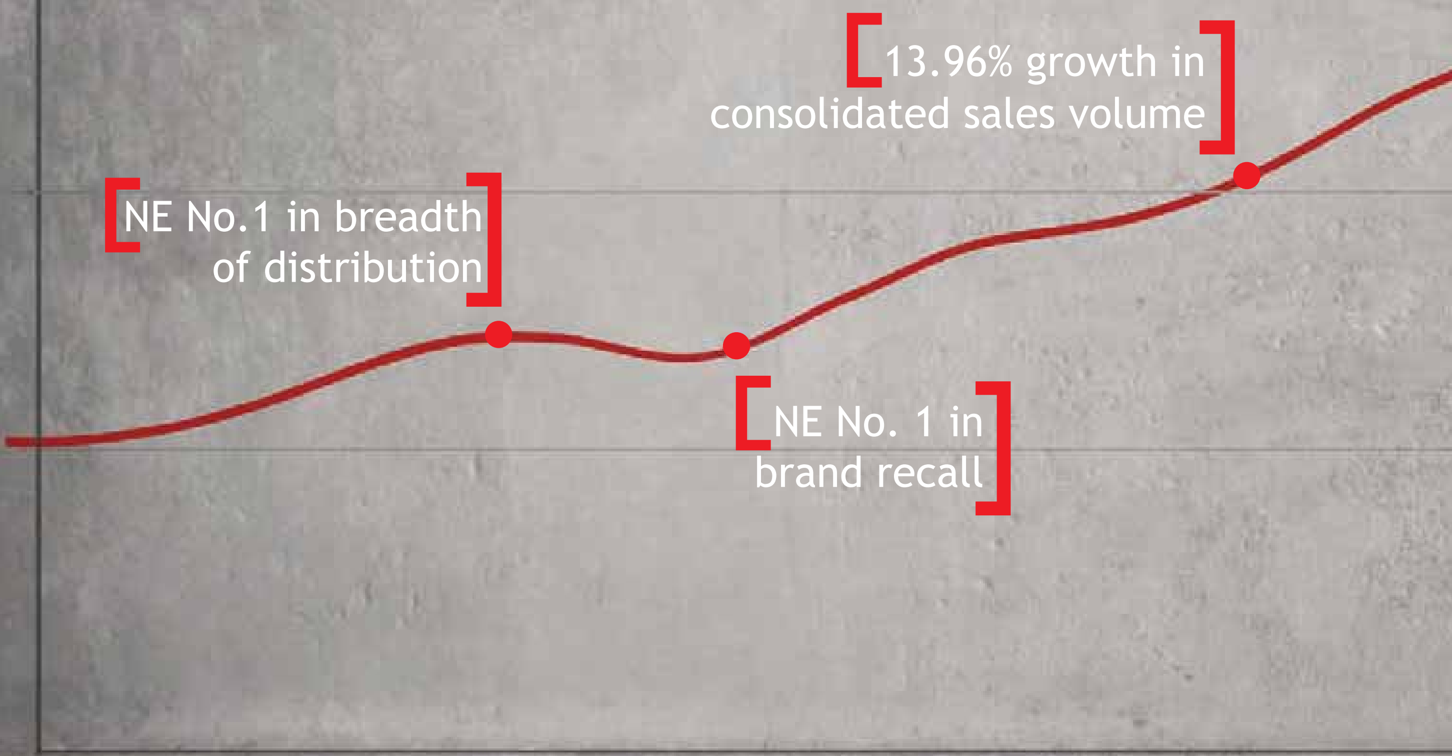
From increases in productivity to expansion in distribution, people have been at the heart of every success, big or small.

While Team Star does not reflect on the balance sheet, they are a prized asset which is valued by the company. Team skills and well-being are constantly addressed through our Health and Management System, through Awareness Programs, through EHS meetings, and through an elaborate system of reward and recognition.

We also encourage good habits and greater social engagement through our celebrations of National Safety Week and World Environment Day.

The Fruits Of Efficiency

"THE RELENTLESS PURSUIT OF EFFICIENCY IS THE ONLY TRUE WAY FORWARD."




Sustaining 19% Market Share in a rapidly growing market
14.53% growth in production

Sowing The Seeds Of Love

"We Continue To Support Many Charitable Institutions, Particularly In The Area Of Education."

We are both a product of, and devoted to, society.

We believe that the only worthwhile form of progress is collective.

We continue to support many charitable institutions, particularly in the area of education. Beneficiaries include the CMCL Vidya Bharati School and the Guwahati Blind School.

We support rural development through the Lumshong Village Local Area Welfare Trust.

We help improve sanitation through the construction of public toilets across our home state of Meghalaya.

We regularly support vaccination, general health and eye camps.

We believe business is just a means to an end, and that end is a better society.

DirectorsReport 2011-12

COMPANY HAS FURTHER CONSOLIDATED IT'S PRESENCE IN THE BOOMING NORTH EASTERN REGION.

Dear Members,

INDIA-FASTEST ECONOMIC GROWTH AMID ALL CHALLENGES

Global Financial Turmoil and Indian Economy

Globally Fiscal 2011-12 has been a year of financial turmoil for most of the nations and more particularly for European countries. The American subprime crisis that began with the bursting of the US housing bubble, the Euro zone crisis was next big cause of concern for global economies. The US subprime mortgage crisis saw rise in sub-prime mortgage defaults and foreclosures. The Euro Zone crisis has impacted economies of even nations with a robust economic growth. India which has been witnessing a steady growth in GDP in recent years also got impacted on accounts of these developments and fiscal 2011-12 remained full of challenges for the country. Throughout the fiscal inflation continued to pose challenges before us largely contributed by sharp depreciation in rupee coupled with increase in price of crude petroleum and other imported components. With timely intervention of the Apex Bank the one way direction of inflationary trend was arrested to some extent through credit control mechanism and by implementing very tight monetary policy.

Country witnessed decline in growth rate of the investment in the economy significantly, largely because of sharp increase in borrowing costs. High Borrowing Costs and increase in other costs have significantly impacted profitability and internal accruals of trade and industry. Slowdown in Indian economy was largely due to global factors as mentioned above and also because of domestic factors. However, inspite of all challenges Services Sector has grown by 9.4% and the Farm Sector growth rate was 2.5% during the fiscal. India continued to remain among the fastest growing economy of the world.

With these mixed cues, the country delivered economic growth rate of 6.9% for the fiscal year 2011-12 as against 8.6% for the fiscal 2010-11. However, this slowdown is being seen as a short-term phenomenon. In the near-term there may be slowdown in growth rate but with continued implementation of reform agenda on the back of sustainable economic growth, country would be in a position to attain high growth ultimately benefitting the whole trade and commerce. Fiscal Policy initiatives by Government and monetary policy measures undertaken by Apex Bank, the Indian economy is expected to grow at 7.5% in Financial Year 2012-13.

Indian Cement Industry

Inspite of all challenges faced by Indian economy in general and Cement Industry in particular, Indian Cement Industry registered a growth of 6% in Fiscal 2011-12. Cement Sales registered a growth of 7% and production registered a growth of 6%. The growth rate in fiscal 2011-12 largely remained same as in the fiscal 2010-11. However, fiscal 2011-12 began with a positive outlook for cement industry but the same could not materialize due to slowdown in infrastructure and housing sector coupled with global recessionary trends.

There has been slow down in supply side as well largely attributed to lower capacity addition during the fiscal coupled with lower than expected growth in demand which resulted into lower capacity utilization by various Cement producing companies.

Costs and margins remained under pressure for the entire year. Prices of Coal being one of the major costs for cement industry increased significantly. Steep hike of 70% in the prices of Coal supplied by Coal India Limited, cost of imported coal becoming dearer every day on account of depreciation in value of rupee with increase in other input and cost of logistics and distribution affected performance of Cement Industry during the fiscal 2011-12. Hike in prices of coal by Coal India affected prices of Local Coal too.

KEY HIGHLIGHTS 2011 -12

- Consolidated cement production increased to 11,03,800 MT during the year from 9,63,715 MT in FY 2010-11. The cement production and sales volumes increased by 14.53 % and 13.96 % respectively.
- Consolidated net sales grew from ₹49,032.56 Lacs to ₹56,495.95 Lacs, recording an increase of 15.22% during the year 2011-12.
- Consolidated EBIDTA was 3.95% lower at ₹14,548.29 Lacs.
- Consolidated profit before tax declined during the year 2011-12 to ₹9,097.31 Lacs as against ₹11,730.58 Lacs in the year 2010-11.
- Consolidated profit after tax was lower at ₹8,982.47 Lacs in FY 2011-12 as against ₹12062.04 Lacs in FY 2010-11.
- Average net sales realization has gone down by 3.76% over previous year.

FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	CONSOLIDATED		STANDALONE	
	2011-2012	2010-2011	2011-2012	2010-2011
Net Sales / Income	**56,729.00**	**49,263.37**	**33,789.15**	**32,759.71**
Profit before Interest, Depreciation, Tax and extra ordinary items	14,548.29	15,147.22	7,272.73	10,131.23
Extraordinary Items	(741.73)	168.17	(350.13)	69.07
Profit before Interest, Depreciation and Tax	13,806.56	15,315.39	6,922.60	10,200.30
Interest & Finance Charges	(1,898.38)	(1018.14)	(1,182.83)	(410.69)
Depreciation	(2,810.87)	(2,566.67)	(1,723.58)	(1,312.15)
Profit before Tax	**9,097.31**	**11,730.58**	**4,016.19**	**8,477.46**
Provision for taxation:				
– Current Tax	(1,900.04)	(2,423.61)	(830.40)	(1,692.73)
– Less: MAT credit entitlement	1,879.56	2,423.61	830.40	1,692.73
– Net Current Tax	(20.49)	–	–	–
– MAT Credit entitlement of earlier years	(195.88)	909.65	–	–
– Short provision of Income Tax	(83.21)	–	–	–
– Deferred Tax	46.42	(118.28)	31.37	(131.62)
Net Profit after Tax (after minority)	**8,982.47**	**12,062.04**	**4047.56**	**8,345.83**

Operational Performance

Your Company continued to focus upon its core marketing area of North East Region (NER) during financial year 2011—12. The Company has broken its own record by clocking highest ever cement production on consolidated basis at 11,03,800 MT during the current year as against 9,63,715 MT of cement during the last financial year. Your Company has recorded highest ever sale of cement during the FY 2011—12 on combined basis. As compared to 9,70,913 MT during the last financial year, your company has sold 11,06,422 MT of Cement during the FY 2011—12. Company has registered growth of 14.53% in Cement Production and 13.96% in sale of cement over last financial year. Your Company has achieved highest ever growth in Cement Dispatch during the FY 2011—12. The Cement dispatches on combined basis were higher by 15.55% compared to previous financial year.

Dividend

Keeping in view the operational requirement of funds and ongoing projects of the company and its subsidiary, your directors do not recommend any dividend for the year under review.

Market Developments

Company has further consolidated its presence in the market of North Eastern Region (NER). On consolidated basis your Company has sold 11,06,422 MT of Cement during the financial year 2011—12. The consolidated sale volume has grown by 13.96% as compared to last year. The company's market share has also grown from 17.6% during the FY 2010—11 to 18.7% during FY 2011—12. Growth in market share with growth in demand reflects company' s strong foothold in the market of North Eastern Region (NER) and **"STAR CEMENT"** as a brand continued to remain at the top of mind recall amongst the retail as well as institutional consumer segment.

Growth Rate of demand of cement in NER has now moderated almost on line of national growth rate in Cement Demand. During the FY 2011—12 Cement Demand in NER has grown by close to 8% as against close to 7% growth nationally.

During FY 2011—12 your company has further widened its dealer and retail network in the market of NER. Company has added 115 new direct dealers and 676 retail counters. With this total number of direct dealers have gone up to 619 during FY 2011—12 as compared to 504 during the previous financial year. Similarly, number of retail counters has increased to 3180 during FY 2011—12 compared to 2504 during FY 2010—11. The additional foot—print in the market will further improve the position of brand in NER.

Production and Costs Developments

Keeping all the challenges aside, your company has been able to achieve growth in cement production on sustained basis during the year under review. However, the some cost parameters have undergone major changes during the financial year 2011—12. Input cost and also cost of fuel has increased manifold. Increase in cost of working capital has further added to the woes.

Coal

During the year under review Company's selective approach in procurement of Coal resulted into availability of better quality of Coal. Due to seasonal variation in quality and prices because of moisture and availability, company has adopted the policy of making bulk purchase of coal during season from October to March which resulted into availability of coal with low moisture content and better and consistent in quality. Although average landed cost ₹Per Ton has gone up from ₹3,528/— during the FY 2010—11 to ₹4,081/— PMT during FY 2011—12 but better quality of coal coupled with energy conservation measures undertaken has resulted into lower consumption of coal per Ton of Clinker produced. During the FY 2011—12 factor of Raw Coal consumed to clinker manufactured is 17% as compared to 18.76% during the FY 2010—11. Specific heat consumption has also gone down marginally to 785 K Cal/Kg of clinker during the financial year 2011—12 as compared to 799 K Cal/Kg of clinker during the financial year 2010—11. Reduction in Specific Heat Consumption indicates operational improvement resulting into stabilization of overall coal cost for the company.

Fly Ash

During the financial year 2011—12 company has been able to bring improvement in sourcing of Fly Ash. Improved sourcing arrangement has, although, resulted into slightly higher landed cost but at the same time availability has been ensured. Availability of railway rakes, however, continued to remain a concern for NER. With improved sourcing arrangements from more locations company has been able to partially offset the uncertainty of availability of railway rakes for NER and continued usage of fly ash almost at the same level as during the last financial year without compromising on quality and strength of the final product in its effort to remain environment friendly, fly ash being major national concern from environment point of view.

On the cost side, landed cost of fly ash has gone up almost by 16.5% during the FY 2011–12 compared to FY 2010–11. The increase in cost has been mainly on account of increase in Road and Rail Freight.

Power Cost

During the financial year 2011–12 there has been only marginal improvement in availability of grid power. Quality of supply of grid power again continued to remain a concern. During the FY 2011–12 also MECL could supply only 38% of total power required on consolidated basis. The scenario of grid power supply has not changed significantly keeping in view the spurt in requirement of power on account of increase in industrial activity in Meghalaya and more particularly in the district of Jaintia Hills.

However, your company has been able to maintain the level of operation on sustained basis by having captive power generation source in form of arrangement with its' subsidiaries for supply of power and by keeping the DG Sets in standby.

On the cost side, cost per Kwh of grid power supply continued to remain largely at last year's level excepting last two months of the year when MECL increased the tariff of grid power from existing ₹3.61 per Kwh to ₹4.10 per Kwh effective from 1st February, 2012 and its full impact will be felt in the financial year 2012–13.However, due to increased efficiency in the cost of generation of power by subsidiaries coupled with lower usage of DG Set power and with marginal increase in supply of low cost grid power, overall power cost has reduced by 136 paisa in terms of unit rate per Kwh on standalone basis and 50 paisa on combined basis.

Logistics & Freight

Logistical Challenges of North East India are unique in nature. This year has been testing time for Logistics operations under the difficult conditions of North East region. We braved all such challenges and ensured dispatch of 11.08 Lacs MT cement Ex-Plant as against 9.59 Lacs MT last year. Company has added new godowns nearer to market places to ensure lesser lead time and timely supply of cement to customers and end users.

During the FY 2011–12 your company started transporting of fly ash through waterways on trial basis to understand the cost and operational efficiencies and has successfully transported 2350 MT of fly ash through this alternate logistics arrangement. During the next financial year your company has plans to optimize the cost and operational parameters of this alternate mode of transport and once the same are achieved, a major chunk of its fly ash requirement is planned to be transported through water ways.

At the fag end of the financial year Government of India announced hike in railway freight of commodities like cement, clinker, coal and other raw materials. The hike which has been made effective from 6th March, 2012, just before the Railway and Union Budget, is as severe as 24% on cement and clinker and between 18% to 24% on coal and other raw materials. Even before this hike, the average freight cost has seen a rise of 14% during the year under review as compared to last financial year largely on account of hike in the prices of Crude Petroleum in the international market and continued load restriction on National Highway. The hike in railway freight will make the situation further worse in terms of freight cost and its full impact will be felt in the next financial year. Freight cost is one of the major cost components in total cost of cement.

Indian Cement Industry — Retrospect and Outlook

During the FY 2011–12 Indian Cement Industry has started showing signs of recovery. Compared to dismal sales growth of less than 5% during the FY 2010–11, the industry has put up a better performance during the year under review. The financial year started with a sluggish demand mainly on account of global slowdown but demand revived in the second half of the FY.

During the FY 2011–12 the Indian Cement Industry added 20 MTPA of new capacity and total installed capacity as at the end of FY 2011–12 has gone up to 330 MTPA. On the Sales side industry sold more than 223 million tons during the FY 2011—12 as against 210 million tons during the last financial year achieving a growth of more than 6% over previous year. The major part of growth was seen during the second half of the FY with strong revival in demand. During the first half of the FY the industry managed to grow by merely 3.23%.

The outlook for Indian Cement Industry looks promising with increased focus of Government on Infrastructure and Housing Sector. Interest rate on housing loan and inflation is likely to soften during the FY 2012—13. GDP Growth is likely to be in the range of 7.5% to 8% during the financial year 2012—13 on the back of expected increase in industrial production and other economic activities. Spending of Government on infrastructure and low cost housing is likely to increase manifold in coming years. The proposed allocation for Rural Infrastructure Development Fund has been increased to ₹20,000 Crore for creating warehousing facilities in the recently presented Union Budget for the FY 2012—13. Government has presented various proposals to address the shortage of housing for low income groups in major cities and towns including allowing ECBs for low cost housing projects and setting up of a credit guarantee trust fund. Keeping in view all these developments industry expects Cement Demand to grow by 8% during the FY 2012—13.

However, on the cost front, the industry continues to face challenges. The input cost has increased manifold. Landed cost of coal, being one of the major cost drivers in the total manufacturing cost of cement has been a major concern for the cement industry and recent steep hike of more than 60% in the prices of Coal by Coal India has further added to the woes of industry as a whole. Freight cost being one of another major cost has also gone up substantially. Both Railway freight and Road freight have increased substantially during the FY 2011—12 as compared to last financial year. All these developments have put substantial pressure on the margins of industry as a whole.

Cement Scenerio In Northeast — Retrospect, Outlook and Opportunity

India's North Eastern region is a "rainbow country …extraordinarily diverse and colorful, mysterious when seen through parted clouds". It stretches from the foothills of the Himalayas in the eastern range and is surrounded by Bangladesh, Bhutan, China, Nepal and Myanmar. The region is rich in natural resources, covered with dense forests, has the highest rainfall in the country, with large and small river systems nesting the land.

However, NER so rich with natural resources has not been able to catch up with the pace of development which has taken place in rest of India. Important parameters like Per Capita Gross State Domestic Product (GSDP), Per Capita Electricity Consumption, Per Capita income of NER as compared to rest of India also suggests that a lot of efforts are still required to be put for the socio—economic development of the region. Keeping this wide gap into consideration, the Central Government, in the recent past, has been focusing on the development of NER and budgetary allocation for development of the region has seen increasing trend year after year.

Recognizing the wide opportunity presented by NER, your company was pioneer in setting up an integrated Cement Manufacturing facility in one of industrially backward district of Jaintia Hills in the State of Meghalaya way back in the year 2002 and thereafter has never looked back and has been able to successfully position its brand **"STAR CEMENT"** as market leader and **"STAR CEMENT"** as a brand has consolidated its position in the market of NER in last eight years. The FY 2011—12 has been one of most successful year for the brand and your company has been able to achieve market share of 19% on consolidated basis.

The demand supply gap of cement in NER continues as no major capacity has build up in NER during the FY 2011—12. Cement demand in NER has grown by 8% in FY 2011—12 and still one—third of its total demand is being catered by import of cement from other States like Chhattisgarh, Madhya Pradesh and West Bengal. Recognizing this wide gap your company started setting up 1.75 MTPA Clinkerisation unit through its subsidiary Star Cement Meghalaya Limited at Lumshnong and a clinker grinding Unit at Sonapur, Guwahati. Both these projects are under advanced stage of implementation and are likely to commence commercial production during the FY 2012—13.

Subsidiaries Companies

Megha Technical & Engineers Private Limited (MTEPL) having cement grinding unit at Lumshnong, Meghalaya in which your Company owns 99.96% shareholding and Star Cement Meghalaya Limited (SCML), wherein your Company is having 100% shareholding continues to be the subsidiaries of your Company during the year under review.

Meghalaya Power Limited, which is setting up 51 MW power plants at Lumshnong and NE Hills Hydro Limited (NEHHL) also continued to remain subsidiaries of your company.

The statement pursuant to Section 212 of the Companies Act,1956 relating to subsidiaries is annexed to this report. The Board of Directors has given its consent for not attaching the financial statements of the subsidiaries referred to in the aforesaid annexed statement, pursuant to general circular no. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs, Government of India. However, the annual account of Subsidiary Companies and the related detailed information shall be made available to the shareholders of the company and that of subsidiaries seeking such information at any point of time. The annual accounts of subsidiaries are also available for inspection by any share holder at the corporate office of the company and that of its' subsidiary.

Consolidated Financial Statements

Your Company has also prepared the Consolidated Financial Statement in accordance with Accounting Standards 21 issued by Institute of Chartered Accountant of India, which comprises of the financial statement of the Company and the subsidiaries MTEPL,SCML,MPL, and NEHHL.

The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The consolidated net profit of the Company and its subsidiaries amounted to ₹8,982.47 Lacs for the financial year ended on 31st March, 2012 as compared to ₹4,047.56 Lacs for the Company on a standalone basis.

New Projects

The upcoming project of cement grinding unit at Sonapur, Guwahati in Assam is progressing at satisfactory pace and this unit is likely to commence its commercial production during the FY 2012—13.

The project progress of upcoming 1.75 MTPA Clinkerisation unit of its subsidiary Star Cement Meghalaya Limited has also been satisfactory during the FY 2011—12 and project is now under advanced stage of completion. This unit is also expected to commence its commercial production during the FY 2012—13.

Holding Company

Century Plyboards (India) Ltd (CPIL) remains the Holding Company of your Company, with a stake of 70.48 % in your Company.

Internal Control Systems

Your Company has in place adequate level of internal control system commensurate with size and nature of its business. Internal Audits are conducted on regular basis by an external firm of Chartered Accountants in different areas of operations depending on its size, criticality to business and risk potential.

Internal Control Systems have been designed and put to use in such a manner that all operational and related activities are performed efficiently and effectively. Significant financial information that is relevant is accurate and reliable and is provided in a time bound manner. The system in place ensures that resources are acquired economically, used efficiently and safeguarded adequately. It also ensures that employees' actions are in accordance with policy framework of the company and in conformity of statutory provisions applicable from time to time. Opportunities identified during audits and reviews of control systems are discussed and if found effective are implemented.

The internal control systems are periodically reviewed by audit committee and suggestions on its adequacy and effectiveness for further improvements are adopted.

Particulars of Employees

The Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956 are not given as none of the employees were in receipt of remuneration exceeding the limits specified therein.

Human Resource and Industrial Relations

Your Company has been strong believer of the fact that Human Asset is the biggest asset for any organization to grow successfully and recognizes people as the primary source of its competitiveness, and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations.

The company has been growing year after year in terms of volume and profit margins on the strength of its strong human assets. The human resources team has been continually focusing on the means to achieve the company's goals of meeting such growth targets through external recruitment & right skilling and by improving the capabilities of existing people through people development initiatives.

During the FY 2011—12 the company continued to maintain industrial harmony and peace and industrial relations remained normal.

Occupational Health and Safety

In the changing environment it has become essential that an effective Health and Management System is in place around the work place which ensures improvement of performance through less accident rates and by improving employees' morale. Health and safety is one of the most important aspects of an organization's smooth and effective functioning. Good health and safety performance ensures an accident free industrial environment.

Keeping the above objective into mind your company has been taking various initiatives to ensure that an effective Health and Management System is always in place around the work place which is more focused towards employees and workmen. It has been widely accepted that a large number of accidents and near—misses take place out of human error, negligence and ignoring the Standard Operating Procedures. This kind of complacency normally develops in absence of regular discussion, analysis and awareness programme amongst the employees and workmen. Keeping in view these facts into mind, your company has been regularly conducting awareness programmes in various forms. During the FY 2011—12 too, a number of such programmes were conducted. An EHS gate meeting is conducted every month to enhance general awareness on various aspects of occupational health and safety management system. Prizes are distributed for "Best Suggestion" and "Best Safety Conscious Workmen of the month". Similarly, an EHS Committee Meeting is conducted every month in which participation of all the departments is ensured and all safety related matters are discussed and measures implemented are reviewed.

Operational area and Project Sites have been subjected to safety audits periodically and any deficiency observed are discussed and complied. Regular Safety Visits are carried out and employees and workmen are made aware of benefits of using protective equipments.

Your company has conducted training programmes amongst employees and workmen in form of Pep Talk, 5S, and Disaster Management Plan.

To create awareness from time to time your company has been celebrating various events. Apart of various other celebrations, National Safety Week was celebrated from 4th March to 10th March.

World Environment Day was celebrated on 4th June, 2011 to mark the importance of diverse life forms for the well being of humanity. During the FY 2011—12 a "Green Belt" has been developed in and around the plant and colony. Company also received ICC Environment Award—2011 in Silver Category of Large Business Organization from Indian Chamber of Commerce, Kolkata.

The Company continued to comply with systems and processes of OHSAS – 18001.

Directors

Mr. Brij Bhushan Agarwal, Mr. Sanjay Agarwal and Mr. Rajendra Chamaria, retire by rotation at the forthcoming Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association and being eligible, offer themselves for reappointment.

The Board recommends to the members the reappointment of retiring Directors.

During the year under review Mr. Sajan Kumar Bansal and Mr. S.B.Roongta have resigned from the Board. Board acknowledges their contribution to successful operation of the Company during their tenure.

Director's Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 as amended, the Board of Directors hereby confirms:

1. That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departures.

2. That the Director's have selected appropriate accounting policies and have applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit & Loss Account and Cash Flow of the Company for year ended 31stMarch'2012.
3. That the Directors have taken proper and sufficient care for the 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.
4. That the Directors have prepared the annual accounts on going concern basis.

Corporate Citizenship

The Company has retained a collective focus on various areas of corporate sustainability that impact people, the environment and society at large. The company has been firm believer of the philosophy that society is not just another stakeholder, but the prime purpose of its business, the Company, across its various operations, is committed to making a positive contribution in a number of ways. The Company believes passionately that good corporate citizenship and good business performance go hand in hand and nurture each other through good times and bad.

During the year under review company has actively contributed in various ways towards benefit of local people and society at large. For upliftment of education in the local area company has been contributing to various local charitable institutions, School and Colleges in form of donation to Village Welfare Fund of the local Village as well as villages in surrounding viz. Tongseng, Nongsder, Barapani, Byndihati, Police Public School, Jowai, Government Boys' Secondary School, Jowai, Dorbar of Elaka Narpuh and so on.

Similarly, to promote sports amongst youth of local village and Narpuh Elaka, company has contributed through various local sports body and youth organizations viz. Elaka Narpuh Sports Association, Lumshnong Social Sports Club, Durbar Shnong, Umkiang, Federation of Khasi, Jaintia and Garo people and so on.

In addition to above, company through its charitable trust namely Lumshnong Village Local Area Welfare Trust (LVLAWT) has started imparting charitable activity and one of the most important project which the trust has undertaken is construction of new school building of CMCL Vidya Bharti School for the benefit of students of local village and Elaka at large, in addition to children of employees of the Company. The school building is under advanced stage of completion and is likely to shift in the new building during the FY 2012—13. CMCL Vidya Bharti Schools presently has facility up to standard Eighth and during the Financial Year 2012—13 IXth and Xth Standard are proposed to be added. The school has already initiated the process of affiliation with Central Board of Secondary Education (CBSE).

During the FY 2011—12 your company has made contribution for providing primary education to tribal children. Guwahati Blind School continued to get financial support during the year under review too.

Company has not restricted its activity only to local village or Elaka but has also extended its helping hand to society at large in other parts of the NER. For the benefit of tribal society company has constructed public toilets in different parts of the State of Meghalaya during the FY 2011—12. Company has been organizing medical camps, vaccination and health camps in and around the local village and in other areas too. During the financial year 2011—12 also company organized such camps and also a health camp in Ambubachi Mela at Kamakhya Temple in Guwahati. Company also organized a free eye operation camp at Guwahati Nethralaya for 25 persons.

For economic upliftment of local people your company has created business opportunities in various forms. Coal, Lime Stone, River Sand etc are procured from local people. Company has provided infrastructures in form of small shops wherein local people can earn their livelihood by vending various daily need articles. Company supplies cement to the people of local village at subsidized rates as a helping hand in their dream of constructing a house in life time true.

Audit Committee

Your Company has an audit committee at the Board level, which acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process. The Committee comprise of Mr. Sajjan Bhajanka, Mr. Brij Bhushan Agarwal and Mr. Prem Kumar Bhajanka with Mr. Sajjan Bhajanka as its Chairman. The Constitution of the Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956. Four meetings of the Committee were held during the year i.e. on 27th April 2011, 31st August 2011, 20th October, 2011 and 21st January'2012.

The Audit Committee, inter–alia, reviews:

- Quarterly, half– yearly and yearly Financial Statements before submission to the Board for approvals.
- Significant related party transactions.
- Audit Reports including Internal Audit Reports and report of internal audit team of the Company.
- The Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation to the Board, the appointment, re–appointment of auditor, and, fixation of audit fees.
- Changes, if any, in accounting policies and practices and reason for the same.

The Audit Committee so constituted advises the management on the areas where internal audit can be improved. The minutes of the meetings of the audit committee are placed before the Board.

Auditors' Report

The observations made in the auditor's note are self–explanatory and therefore do not call for any further comments under section 217 (3) of the Companies Act, 1956.

Appointment of Cost Auditors

Your Company has appointed M/s. B. Chowdhury & Company, Cost Accountants to audit the Cost Record of the Company for the financial year ended on 31st March 2012 in terms of Section 233B of the Companies Act, 1956. The Report shall be placed before the Audit Committee as and when submitted.

Auditors

M/s. Kailash B Goel & Co., Chartered Accountant, Auditors of the Company, will retire at the forthcoming Annual General Meeting and are eligible for re–appointment. The Directors recommend their re–appointment for the year 2012–13. The members are requested to appoint the Auditors and authorize the Board of Directors to fix their remuneration.

Forward Looking Statements

In the Management Discussion and Analysis and Directors' Report statements given while describing Company's Long Term Plans, objectives, prospects and opportunities may be forward looking. Such Statements have been made on the basis of experience so far and are contingent upon various factors like legislative and regulatory developments, macro economic and political trends, domestic demand and supply conditions affecting selling prices, new capacity additions which are material to the business operation of the Company and actual performance may differ materially from those expressed in the said statements.

Appreciation

Your directors take this opportunity to express deep sense of gratitude to the banks, Central and State Governments and their departments, the local authorities and business associates for their continued guidance and support. Your Directors would like to place on record the valuable contribution of Mr. Sajan Kumar Bansal and Mr. S.B.Roongta who have resigned from the Board during the FY 2011–12. We would also like to place on record our sincere appreciation for the total commitment, dedication and hard work put in by every member of the CMCL family. To them goes the credit for the company's achievements. Your Company also wishes to convey its sincere thanks and appreciation to the villagers of Lumshnong village and other villages in Narpuh Elaka for their continuous and ever strengthening support. And to you our shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board

Sajjan Bhajanka
Chairman and Managing Director

Place : Kolkata,
Date: 21st day of April'2012

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2012.

A. Conservation of Energy

During the FY 2011–12 the Energy Conservation Cell has taken a lot of initiatives in different areas of operation towards Conservation of Energy. The major reduction has been achieved in Clinkerisation section wherein the specific energy consumption has reduced from 72.72 Kwh/Ton of Clinker during the FY 2010–11 to 71.75 Kwh/Ton of Clinker during 2011–12. OPC production increased by more than 6% but over all power consumption has increased by less than a unit per ton of cement manufactured.

a. Energy Conservation Measures taken:

During the FY 2011–12 following energy conservation, modification and efficiency improvement measures were undertaken:

1. Installation of Variable Frequency Drives (VFDs) for Bag Filter Fans, Removal Dampers and Water Pumps.
2. Automation of Plant Water Supply System.
3. Installation of Medium Voltage Drives for Pre–Heater Fan and RABH.
4. Suitable Interlocks have been provided for Belt Conveyors, Bag Filter Fans and Cooling Fans to avoid idling.
5. Reduction in False Air entry through continuous monitoring and measurement and arresting the leakages in Pre–Heater Cyclones, Cement Mill, Raw Mill and Coal Mill.
6. Optimization of Input Feed Size to increase productivity of Kiln and Mills.
7. Usage of Grinding Aid in Cement Mill to increase productivity of Cement Mill.

b. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

The Company has planned to implement the following measures:

i) Close circuiting of tertiary crusher and further size reduction.

ii) Installation of Jaw Crusher with secondary Crusher in place of existing additive crusher.

iii) Installation of VFDs for Raw Mill Separator Fan & Raw Mill Fan.

iv) Replacement of Kiln outlet seal with high efficiency double lamela seal.

v) Installation of Variable Frequency Drives for Kiln compressors and Coal Mill Booster Fan.

vi) Implementation of International Standard ISO 50001:2001 for Energy Management System.

c. Impact of measures at (a) and (b) above for reduction of Energy Consumption and consequent impact on the cost of production of goods:

Measures referred in (a) are expected to result in energy saving of ₹35.57 Lacs. Measures referred in (b) are expected to result in energy savings of ₹211.86 Lacs per annum.

Form for Disclosure of particulars with respect to conservation of energy:

Particulars	2011–12	2010–11
A Power and Fuel Consumption		
1 Electricity		
A Purchased		
Units (Lacs Kwh)	719.17	674.50
Total Amount (₹In Lacs)	3,686.00	4,377.31
Rate/Unit (₹)	5.13	6.49
B Own Generation		
Through Diesel Generator		
Units (Lacs Kwh)	NIL	NIL
Units / Ltr. of HSD	NIL	NIL
Total Amount (₹ In Lacs)	NIL	NIL
HSD const / Unit Generated (₹/unit)	NIL	NIL
2 Coal (C&D Grade used as fuel in Kiln)		
Quantity (MT)	121,538	134,035
Total Cost (₹In Lacs)	4,277.35	4,512.81
Average Rate (₹/MT)	3,519.35	3,366.89
3 High Speed Oil for Kiln		
Quantity (K. Ltr)	35,933	13,466
Total Cost (₹ In Lacs)	12.72	4.58
Average Rate (₹/K.Ltr)	35,389.00	33,992.00
B Consumption per unit of Production		
Electricity (Kwh/T of Cement)	91.47	90.64
HSD (Ltr/T of Clinker)	0.02	0.02
Coal (K.Cal/Kg of Clinker)	785	799
Coal % per MT of Clinker	17.00	18.76

B. TECHNOLOGICAL ABSORPTION

Research & Development (R&D)

The Company has developed a Research & Development cell for carrying out R&D Projects in the plant with a specified objective of development of advanced systems for the mills, Kiln optimization, alternate fuel for kiln and cement quality improvement.

Specific area in which R&D was carried out by the Company:

1. Usage of different types of Grinding Aid and Performance improvers in Cement Mill.
2. Study to understand the life cycle of refractory.
3. Sourcing of Fly Ash from different sources and examining their Cementing properties.
4. Use of Petroleum waste along with coal in kiln.
5. Laboratory trial on Slag Cement.
6. Development of different Raw

Mix and examining its suitability in lab scale.

7. Development of alternate Material viz. , Red Soil, Overburden, Ferruginous Clay as replacement to costly Mill scale.
8. Setting–Up of Environment Laboratory.
9. Designing & optimization of Raw Mix with respect to quality, burn ability & grind ability.

Benefit derived as a result of R&D

1. Usage of different types of grinding aid resulted into higher output of Cement Mill.
2. Study to understand the life cycle of refractory resulted into enhanced life of refractory.
3. Sourcing of Fly Ash from different sources has resulted into optimization of PPC cost and has also helped in selecting the right quality of fly ash.
4. Use of Petroleum Waste along with Coal has helped in identifying usage of hazardous waste and can be used as alternative source of fuel.
5. Laboratory Trial on Slag Cement has helped in developing new product and in understanding its economics.
6. Development of different Raw Mix and alternate material to Mill scale has helped in optimization of quality and Raw Material Cost.
7. Setting up of Environment Laboratory will ensure continuous improvement in Environment related initiatives in line with ISO 14001 and will also lead to Legal compliance.

Future Plan of Action

1. Setting up of Separate Laboratory for study on Raw Material Mix, Fuel Mix, Alternative Fuel, Refractory Application and Bag Size Optimization.
2. NABL Accreditation of Laboratory.
3. Feasibility study to be carried out for installation of pre grinder in cement mills.
4. Close Circuiting of Limestone tertiary crusher.
5. Implementation of Social Accountability System SA–8001.

Expenditure on Research & Development

(₹ in Lacs)

Particulars	2011–12	2010–11
Capital Expenditure	–	2.77
Revenue Expenditure	23.38	12.61
Total	**23.38**	**15.38**

Industrial Relation

The Industrial relation situation in the company remains harmonious and healthy at all levels.

Foreign Exchange Earnings & Outgo

(₹ in Lacs)

Particulars	2011–12	2010–11
Foreign Exchange Earning	–	–
Foreign Exchange Outgo	9,808.16	1394.79

Auditors' Report

To The Members of Cement Manufacturing Company Limited

1. We have audited the attached Balance Sheet of CEMENT MANUFACTURING COMPANY LIMITED as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of sub—section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred in paragraph 3 above, 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 purposes 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, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards as referred to in sub—section (3C) of section 211 of the Companies Act, 1956;

   e) On the basis of written representations received from the Directors as at 31st March 2012, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub—section (1) of Section 274 of the Companies Act, 1956;and

   f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with significant accounting policies and notes on accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i. in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2012;

ii. In the case of the Profit and Loss account, of the profit of the Company for the year ended on that date ; and

iii. in the case of Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For **KAILASH B. GOEL & CO.**
Firm Registration No. 322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
M. No. 57329

Place : Kolkata
Date : 21st April, 2012

Annexure to the Auditor's Report

Annexure Referred To in Paragraph (3) of Our Report of Even Date

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

   b) The fixed assets of the company are physically verified by management according to a phased programme on a rotational basis which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

   c) During the year, the Company has not disposed off any substantial part of its Fixed Assets and therefore do not affect the going concern assumption.

2. a) The inventory, except goods—in—transit and materials lying with third parties, which have been substantially confirmed by them, has 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 inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.

   c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of Inventory as compared to book records.

3. a) The Company has granted unsecured loan to one companies covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹2,000 Lacs and the year end balance of loan given to such Company was ₹NIL. The Company has taken unsecured loan from two Company covered under the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹5,098 Lacs and the year end balance of loan taken from such Company was ₹2,748 Lacs.

   b) In our opinion and according to information and explanations given to us, the rate of interest and other terms and condition on which loan has been given or taken are not, prima facie, prejudicial to the interest of the Company.

   c) In respect of the aforesaid loans, the company is regular in receiving and paying the principal amounts as stipulated and has been regular in the receipt and payment of interest.

   d) There is no overdue amount

of loans given or received to/from companies, firms, or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.

4. In our opinion and according to the 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 and 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 these areas.

5. 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 such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and other relevant provisions of the Act and the Rules framed there under apply.

7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

8. 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 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine that they are accurate.

9. a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education & Protection Fund, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Customs duty, Excise Duty, Cess and any other statutory dues applicable to it. There were no undisputed arrears as at 31st March 2012, for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of disputed taxes and duties as at March 31, 2012 which have not been deposited, are as under :

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which amount relates	Forum Where dispute is pending
The Central Excise Act ,1944	Excise Duty	19.97	Jan'05 to Oct'06	CESTAT
The Central Excise Act ,1944	Excise Duty	0.25	2008–09	Commissioner (Appeals)
The Central Excise Act ,1944	Excise Duty	72.92	2005–06,2006–07	CESTAT
The Central Excise Act ,1944	Service Tax	0.05	2011–12	To be filed
The Income Tax Act, 1961	Income Tax	858.65	2005–06	CIT (Appeals)
The Income Tax Act, 1961	Income Tax	742.59	2006–07	CIT (Appeals)
Indian Stamp (Meghalaya Amendment)	Stamp Duty	37.63	2010–11	To be filed
Act,1993 and Registration Act,1908				
	TOTAL	**1732.06**		

10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

11. According to the information and explanation given to us and on the basis of the records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks as at the balance sheet date.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. 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 (as amended) are not applicable to the Company.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. The Company has invested surplus funds in marketable securities. According to the information and explanations given to us proper records have been maintained of the transactions and contracts and timely entries have been made therein. The marketable securities have been held by the Company, in its own name.

15. In our opinion and on the basis of information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken from banks by its two subsidiaries and a body corporate, are not prima—facie prejudicial to the interests of the Company.

16. In our opinion and on the basis of information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short—term basis have been used for long—term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.

19. According to the information and explanation given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.

20. The Company has not raised any money through public issues during the year.

21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **KAILASH B. GOEL & CO.**
Firm Registration No. 322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
M. No. 57329

Place : Kolkata
Date : 21st April, 2012

Significant Accounting Policies

Cement Manufacturing Compnay Limited

Corporate Information

Cement Manufacturing Company Limited (the company) is a public limited company domiciled in India and incorporated on 2nd November, 2001 under the provisions of Companies Act, 1956. The company is engaged in the manufacturing and selling of Cement Clinker & Cement. The manufacturing unit is located in Lumshnong, Meghalaya and it is selling its product across all north eastern states and part of eastern states.

1. Significant Accounting Policies

1.1 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 in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Presentation and disclosure of financial statements

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

1.3 Use of Estimates

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

1.4 Fixed Assets

Fixed Assets are stated at cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) 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 asset to its working condition for its intended use.

1.5 Capital Work In Progress

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

1.6 Expenditure during construction period

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

1.7 Depreciation

Depreciation on Fixed Assets is provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Continuous process plants are identified based on a technical assessment and depreciated at the specified rate as per 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, demolished or scrapped, is provided up to the date on which the said asset is sold, discarded, demolished 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.

1.8 Investments

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

1.9 Inventories

Inventories are valued at lower of cost and net realizable value. The cost is computed on weighted average basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.10 Retirement Benefits:

i) Defined Contribution Plan

Employees benefits in the form of provident fund, ESIC 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.

1.11 Borrowing Costs:

Borrowing costs that are 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 recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

1.12 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 / 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.

1.13 Foreign Currency Transactions and Balances

Foreign currency transactions are recorded at the rate prevailing on the dates of the transactions and exchange differences are dealt within the Profit & Loss Account. Monetary foreign currency assets and liabilities are translated at the year end exchange rates. All exchange differences are dealt within the profit and loss account, except to the extent that they are regarded as an adjustment to the interest cost and the resultant balance to the new projects, till the date of the capitalization, are carried to pre—operative expenses. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

1.14 Taxes on Income

Tax expense comprises current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.

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. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act 1961.Deferred tax assets / liabilities are reviewed at each Balance Sheet date based on developments during the year to reassess realization / liabilities.

Minimum Alternate Tax (MAT) paid in the year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available 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 reporting date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

1.15 Intangible Asset

An Intangible Asset is recognized when it is probable that the future economic benefits that are attributable to the asset 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 software and IT related expenditure are written off over a period of three years.

1.16 Research and Development Expenditure

Revenue expenditure is charged to the Statement of Profit & Loss and capital expenditure is added to the cost of fixed assets in the year in which they are incurred.

1.17 Provisions and Contingencies

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. Liabilities which are material 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.

1.18 Cash & Cash Equivalents

Cash and cash equivalent comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.19 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.

1.20 Revenue Recognition

Items of Income and expenditure are recognized on accrual basis except stated otherwise. Sales are recorded on dispatch of goods to the customer. Sales include Excise Duty, Sales Tax/ VAT (including remission as per the incentive scheme of the respective State Governments wherever applicable) and are net of trade discounts, rebates, and returns. Interest income is recognized on time proportion basis.

1.21 Government Grants and Subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognized in the Profit and Loss Account 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.

BALANCE SHEET AS AT 31st MARCH, 2012

(₹ in Lacs)

	Note	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	4,192.14	4,192.14
Reserves and Surplus	2.2	40,675.88	36,628.32
		44,868.02	**40,820.46**
Non—current liabilities			
Long Term Borrowings	2.3	13,421.41	4,063.13
Deferred Tax Liabilities (Net)	2.4	23.15	54.52
Other Long Term Liabilities	2.5	1,633.46	1,131.61
Long Term Provisions	2.6	59.02	39.41
		15,137.04	**5,288.67**
Current liabilities			
Short Term Borrowings	2.7	6,676.35	6,286.81
Trade Payables		957.89	754.89
Other Current Liabilities	2.8	3,782.64	4,365.34
Short Term Provisions	2.9	11.20	979.71
		11,428.08	**12,386.75**
Total		**71,433.15**	**58,495.88**
ASSETS			
Non—current Assets			
Fixed Assets			
Tangible Assets	2.10	14,181.17	14,726.26
Intangible Assets	2.10	3.65	1.48
Capital Work in Progress		16,473.06	3,121.05
		30,657.87	**17,848.80**
Non Current Investments	2.11	21,132.44	12,565.88
Long Term Loans and Advances	2.12	3,200.92	3,294.11
		54,991.23	**33,708.78**
Current Assets			
Inventories	2.13	5,077.93	4,869.68
Trade Receivables	2.14	1,386.43	4,132.50
Cash and Cash equivalents	2.15	504.92	418.57
Short Term Loans and Advances	2.16	9,472.64	15,246.35
Other current assets	2.17	—	120.00
		16,441.92	**24,787.10**
Total		**71,433.15**	**58,495.88**
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

For and on behalf of the Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice—Chairman & Managing Director

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(₹ in Lacs)

	Note	2011–12	2010–11
Income			
Revenue from Operations (Gross)	2.18	34,820.24	33,558.78
Less: Excise Duty		(1,073.54)	(1,002.57)
Revenue from Operations (Net)		33,746.69	32,556.21
Other Income	2.19	42.46	203.51
Total Revenue		**33,789.15**	**32,759.71**
Expenses			
Cost of Materials consumed	2.20	3,846.27	3,014.36
(Increase)/Decrease in Inventories	2.21	529.48	(445.81)
Employee Benefit Expenses	2.22	2,172.48	1,783.78
Finance Costs	2.23	1,182.83	410.69
Depreciation and Ammortization Expenses		1,723.58	1,312.15
Other Expenses	2.24	19,968.19	18,276.16
Total Expenses		**29,422.83**	**24,351.33**
Profit before exceptional and extraordinary items and tax		**4,366.32**	**8,408.39**
Exceptional items		(350.13)	69.07
Profit before tax		4,016.19	8,477.46
Tax Expenses			
Current Tax		830.40	1,692.73
Less: MAT Credit entitlement		(830.40)	(1,692.73)
Net Current Tax		–	–
Deferred Tax		31.37	(131.62)
Profit for the period		**4,047.56**	**8,345.83**
Earnings Per Equity Share (face Value of ₹10/–each) (refer note–2.32)			
Basic Earning Per Share		9.66	19.91
Diluted Earning Per Share		9.66	19.91
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

For and on behalf of the Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice–Chairman & Managing Director

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

(₹ in Lacs)

	31.03.2012	31.03.2011
2.1 — Share Capital		
Authorised Capital	6000.00	6000.00
6,00,00,000 (6,00,00,000 as at 31.03.11) Equity Shares of ₹10/— each fully paid		
Issued, Subscribed & fully Paid —up shares		
4,19,21,392 (4,19,21,392 as at 31.03.11) Equity Shares of ₹10/— each fully paid	4192.14	4192.14
a) **Terms/Rights attached to equity shares**		
The company has only one class of equity shares having par value of ₹10 per share. Each holder of Equity shares is entitlled to one vote per share. The Company declares and pays dividend in Indian rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
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.		
b) **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	41921392	41921392
Issued during the year	—	—
Outstanding at the end of the year	41921392	41921392
c) **Shares held by Holding Company**		
Century Plyboards (India) Limited	29547500	29547500
d) **Details of Shareholders holding more than 5% of Equity Share capital**		
Name of the Shareholders	**No of Shares** **% of holding**	**No of Shares** **% of holding**
Century Plyboards (India) Limited	29547500	29547500
	70.48%	70.48%
Sajjan Bhajanka	3562500	3162500
	8.50%	7.50%
Rajendra Chamaria	3163742	3163742
	7.50%	7.50%

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.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.2 — Reserves & Surplus		
Capital Reserve		
Balance as per last Account	870.99	870.99
Addition/(Deduction) during the year	–	–
	870.99	870.99
General Reserve		
Balance as per last Account	3,700.00	2,800.00
Addition/(Deduction) during the year	–	900.00
	3,700.00	3,700.00
Surplus as per Profit & Loss Account		
Balance as per last Account	32,057.33	26566.86
Profit for the year	4,047.56	8345.83
Amount available for appropriation	36,104.89	34912.69
Less: Appropriations		
Transfer to General Reserve	–	(900.00)
Interim Dividend Paid	–	(838.43)
Proposed Dividend	–	(838.43)
Corporate Dividend Tax	–	(278.50)
Total Appropriations	–	(2855.36)
Net Surplus in the statement of profit and loss	36104.89	32057.33
Total Reserves and Surplus	**40675.88**	**36628.32**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.3 — Long Term Borrowings		
Term Loans		
Rupee Loans from Banks (Secured)	9,580.80	5,819.20
Loans and Advances from a Related Party	2,748.00	–
(Unsecured) (refer Note 2.28)		
Other Loans & Advances		
Buyers Credit from banks on capital account (Secured)	2,401.30	–
Hire Purchase Finance from banks (Secured)	128.18	35.86
	14,858.28	5,855.06
Less: Current Maturities of long term borrowings	(1436.87)	(1791.93)
	13,421.41	**4,063.13**

1. Rupee Term Loan of ₹1,777.50 Lacs from a bank is repayable in 9 equal quarterly installments of ₹197.50 Lacs each ending on June 2014.The Loan is secured by first charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya (except specifically charged assets). Further,the loan has been guaranteed by personal gurantees of some of Directors of the Company.
2. Rupee Term Loans of ₹7803.30 Lacs from banks (sanctioned limit ₹17500.00 Lacs) are repayable in 28 equal quarterly installments of ₹625 Lacs each commencing from March 2013. The loans are secured by first charge on fixed assets of company's cement plant at Guwahati ,Assam (under implementation) on pari pasu basis. The loans have also been guaranteed by personal guarantees of some of the Directors of the Company.
3. Buyers credit of ₹33.92 Lacs from a bank has been availed against Letter of Credit issued by a bank which is secured by first charge on specific fixed asset of the Company's Cement plant at Lumshnong, Meghalaya.
4. Buyers credit of ₹2367.38 Lacs from banks have been availed against Letters of Credit (sub—limit to Term Loans) issued by banks which are secured by first charge on fixed assets of the Company's Cement plant at Guwahati, Assam (under implementation).
5. Hire Purchase Finance is secured by hypothecation of vehicles and is repayable within three to four years having varrying date of payment.
6. The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.4 — Deferred Tax Liabilities (Net)		
Deferred Tax liability		
Fixed assets	83.95	73.05
Gross deferred tax liability	83.95	73.05
Deferred Tax Assets		
Leave encashment	15.45	13.76
Trade receivable	42.82	4.76
Others	2.53	—
Gross deferred tax asset	60.80	18.53
Net Deferred Tax Liability	**23.15**	**54.52**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.5 — Other Long Term Liabilities		
Security Deposit	1,369.79	1,084.58
Retention Money	263.67	47.03
	1,633.46	**1,131.61**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.6 — Long Term Provisions		
Provisions for employee benefits		
Leave Encashment	41.21	39.41
Gratuity	17.82	–
	59.02	**39.41**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.7 — Short Term Borrowings		
Working Capital facilities from Banks		
Cash Credit (Secured)	1,618.52	3,786.81
Foreign Currency Demand Loan (Secured)	2,557.83	–
	4,176.35	**3,786.81**
Short Term Loan		
From a Bank (Unsecured)	2,500.00	2,500.00
	6,676.35	**6,286.81**
a) The above amount includes		
Secured borrowings	4,176.35	3,786.81
Unsecured borrowings	2,500.00	2,500.00
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's cement plant at Lumshnong, Meghalaya on pari passu basis.The Working capital facilities from banks have also been guaranteed by some of the Directors of the Company.		
c) Short term loan from bank is due for repayment on August,2012		

(₹ in Lacs)

	31.03.2012	31.03.2011
2.8 — Other Current Liabilities		
Current Maturities of long term borrowings	1,436.87	1791.93
Interest accrued but not due on borrowings	0.21	0.22
Other Payables		
Statutory Liabilities (including excise duty on finished goods ₹10.10 Lacs,	637.97	851.78
₹117.03 Lacs as at 31.03.11)		
Creditors for Capital goods	402.48	312.94
Creditors—Micro, Small & Medium Enterprises (refer Note 2.26)	—	—
Advances from customer	78.02	162.16
Salary and Bonus to employees	53.14	42.92
Other Liabilities	1,173.94	1203.39
	3,782.64	**4,365.34**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.9 — Short Term Provisions		
Provisions for Employee Benefits		
Leave Encashment	11.20	2.03
	11.20	**2.03**
Others		
Proposed Dividend	—	838.43
Corporate Dividend Tax	—	139.25
	—	**977.68**
	11.20	**979.71**

2.10 — Fixed Assets

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.11	Additions	Deduction/ Adjustment	Total as on 31.03.12	Up to 31.03.11	For the Year	Deduction/ Adjustment	Total as on 31.03.12	As on 31.03.12	As on 31.03.11
TANGIBLE ASSETS										
A. Cement Plant at Lumshnong, Meghalaya										
Land & Site Development	1,732.45	81.51	–	1,813.95	–	–	–	–	1,813.95	1,732.45
Factory Building	3,677.09	–	–	3,677.09	1,414.34	226.27	–	1,640.62	2,036.47	2,262.75
Non Factory Building	2,031.90	–	–	2,031.90	273.04	87.94	–	360.98	1,670.91	1,758.86
Plant, Machinery & Equipments	11,252.03	169.90	1.00	11,420.94	4,720.89	997.96	1.00	5,717.85	5,703.08	6,531.14
Pollution Control Equipments	289.97	–	–	289.97	171.08	16.54	–	187.62	102.36	118.90
Laboratory Equipments	64.59	–	1.46	63.13	25.16	6.54	1.46	30.23	32.90	39.44
Electrical & Water Installation	1,301.96	10.80	–	1,312.75	745.38	78.50	–	823.89	488.87	556.57
Furniture & Fixtures	277.50	11.98	20.78	268.70	153.61	36.35	20.73	169.22	99.48	123.89
Office Equipments	255.25	2.67	1.53	256.39	78.43	27.22	1.53	104.13	152.27	176.82
Computers	222.76	28.69	3.20	248.25	173.66	27.42	2.93	198.15	50.11	49.10
Vehicles	461.34	511.90	4.93	968.31	191.89	186.81	2.11	376.59	591.72	269.45
Tools & Tackles	243.10	4.83	18.84	229.09	106.65	29.32	18.84	117.12	111.97	136.45
Total — A	**21,809.93**	**822.28**	**51.73**	**22,580.49**	**8,054.12**	**1,720.88**	**48.60**	**9,726.40**	**12,854.08**	**13,755.81**
B. Cement Grinding Unit at Guwahati, Assam										
Land & Site Development	480.79	28.80	–	509.59	–	–	–	–	509.59	480.79
Plant, Machinery & Equipments	49.48	229.36	–	278.84	0.07	20.46	–	20.53	258.32	49.41
Electrical & Water Installation	14.79	0.95	–	15.74	0.97	2.14	–	3.10	12.64	13.82
Furniture & Fixtures	71.49	17.14	–	88.63	17.08	14.44	–	31.52	57.12	54.42
Office Equipments	13.73	13.03	–	26.76	1.61	3.29	–	4.90	21.86	12.12
Computers	20.29	16.98	–	37.28	7.86	9.29	–	17.16	20.12	12.43
Vehicles	444.74	90.50	–	535.24	110.95	124.36	–	235.31	299.93	333.79
Tools & Tackles	8.24	126.22	–	134.46	0.37	14.60	–	14.98	119.48	7.87
Total — B	**1,103.57**	**522.98**	**–**	**1,626.55**	**138.92**	**188.57**	**–**	**327.49**	**1,299.06**	**964.65**
C. Cement Grinding Unit at Kahalgaon, Bihar										
Office Equipments	2.04	8.90	–	10.94	0.21	1.79	–	2.01	8.93	1.83
Furniture & Fixtures	1.33	7.43	–	8.76	0.19	2.59	–	2.78	5.98	1.14
Computers	2.52	5.93	–	8.46	0.14	2.66	–	2.81	5.65	2.38
Vehicles	0.51	9.48	–	9.99	0.05	2.48	–	2.53	7.46	0.46
Total — C	**6.40**	**31.75**	**–**	**38.15**	**0.60**	**9.53**	**–**	**10.12**	**28.02**	**5.80**
Total of Tangible Assets (A+B+C)	**22,919.90**	**1,377.01**	**51.73**	**24,245.18**	**8,193.64**	**1,918.98**	**48.60**	**10,064.01**	**14,181.17**	**14,726.26**
D. Intangible Assets										
Computer Software	58.87	5.11	–	63.98	57.39	2.94	–	60.33	3.65	1.48
Total Fixed Assets — (A + B+C+D)	**22,978.77**	**1,382.12**	**51.73**	**24,309.17**	**8,251.03**	**1,921.92**	**48.60**	**10,124.35**	**14,184.82**	**14,727.74**
Previous Year's figures	18,599.69	4,513.52	134.44	22,978.77	6,864.32	1,426.86	40.15	8,251.03	14,727.74	11,735.37

a. Deprecation for the year includes ₹198.34 Lacs (Previous Year ₹114.71 Lacs), debited to Pre–operative expenditure.

b. During the year Company has discarded fixed assets amounting to ₹51.73 Lacs, Previous Year ₹114.71 Lacs.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.11 — Non Current Investments		
Trade Investments (valued at cost unless stated otherwise)		
Investment in Unquoted Equity Instruments		
Investment in Subsidiaries		
Megha Technical & Engineers Private Limited	2,733.64	2,733.64
2,73,36,400 (2,73,36,400 as at 31.03.11) Equity Shares of ₹10/— each fully paid up		
Star Cement Meghalaya Limited	14,669.67	7,873.75
2,26,57,400 (1,41,62,500 as at 31.03.11) Equity Shares of ₹10 each fully paid up		
Meghalaya Power Limited	3568.31	1,926.95
87,36,620 (54,53,900 as at 31.03.11) Equity Share of ₹10 each fully paid up		
NE Hills Hydro Limited	7.00	7.00
70,000 (70,000 as at 31.03.11) Equity Share of ₹10 each fully paid up		
Investment in Associates		
Adonis Vyapaar Private Limited	32.32	—
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10 each fully paid up		
Apanapan Viniyog Private Limited	32.32	—
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10 each fully paid up		
Ara Suppliers Private Limited	32.32	—
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10 each fully paid up		
Arham Sales Private Limited		
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10 each fully paid up	32.32	—
Non Trade Investments (valued at cost unless stated otherwise)		
Investment in Quoted Equity Instruments		
Reliance Power Limited	24.54	24.54
8,743 (8,743 as at 31.03.11) Equity Shares of ₹10/— each fully paid up		
	21,132.44	**12,565.88**
Aggregate amount of Quoted investment (market Value ₹9.90 Lacs as on 31.03.12)	24.54	24.54
Aggregate amount of Unquoted investments	21,107.90	12,541.34

(₹ in Lacs)

	31.03.2012	31.03.2011
2.12 — Long Term Loans and Advances		
Capital Advances		
Secured, Considered Good	547.27	384.17
Unsecured, Considered Good	2,468.74	2,803.82
Doubtful Advances	71.78	–
Less: Provision for Bad & Doubtful	(7.80)	–
	3,079.99	**3,187.98**
Security Deposits		
Unsecured, Considered Good	120.92	106.13
	120.92	**106.13**
	3,200.92	**3,294.11**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.13 — Inventories [(refer Note — 2.34 (d) &(e)]		
Raw Materials	288.35	269.58
Work-In-Process	21.86	11.75
Finished Goods [including in transit – ₹66.55 Lacs, As at 31.03.11 ₹46.26 Lacs]	255.93	795.52
Fuels, packing materials, etc.	2,903.89	1,990.80
Stores & Spares parts	1,607.90	1,802.04
	5,077.93	**4,869.68**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.14 — Trade Receivables		
Secured Considered Good		
Over Six months	0.68	0.50
Other debts	808.32	383.50
	809.00	**384.01**
Unsecured		
Over Six Months		
I Considered Good	1.57	220.12
Considered Doubtful	131.97	14.34
Less: Provision for Doubtful Debts	(131.97)	(14.34)
	1.57	220.12

(₹ in Lacs)

	31.03.2012	31.03.2011
2.14 — Trade Receivables (Contd.)		
II Claims due from Central Government — Considered Good	157.55	2,129.17
Other Debts		
I Considered Good	418.32	1,399.20
	1,386.43	**4,132.50**

Provision for doubtful debts

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customers's ability to settle. The Company normaly provides for debtor dues oustanding for six months or longer from the invoice date, at the Balance Sheet date. The Company pursues the recovery of the dues, in part or full.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.15 — Cash & Cash Equivalents		
Cash in Hand	20.13	35.66
Cheques In Hand	169.62	198.05
Balance with Banks		
In current accounts	268.56	140.13
Balance with banks held as margin money deposits against Letter of credits	46.61	44.73
	504.92	**418.57**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.16 — Short Term Loans and Advances		
Loans and advances to related parties		
Unsecured,Considered Good	35.00	5,764.38
	35.00	**5,764.38**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.16 — Short Term Loans and Advances (Contd.)		
Others		
Unsecured, Considered Good		
Advances to suppliers	366.74	830.17
Security Deposit	2.78	0.70
Loan and advances to employees	29.36	52.83
Balances with/ Receivables from Government authorities	745.69	1,221.43
Subsidies Receivable from Central/State Governments	386.10	200.47
Advances for Services & Expenses	1,466.10	1,565.35
Advance Income Tax (net of provision for taxation including MAT)	6,353.67	5,192.21
Prepaid expenses	87.20	63.25
Intercorporate Deposits	–	355.54
	9,437.64	**9,481.97**
	9,472.64	**15,246.35**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.17 — Other Current Assets		
Share Application Money	–	120.00
	–	120.00

(₹ in Lacs)

	2011 – 12	2010 – 11
2.18 — Revenue from Operations [(Refer Note — 2.34 (b)]		
Sale of Products	34728.96	33461.03
Other operating revenue		
Shortage Recovery of Cement & Clinker	31.16	18.05
Royalty Income	12.17	11.04
Bad Debts Recovered	–	0.99
Sale of Scrap	47.94	67.67
Revenue from operation (gross)	**34820.24**	**33,558.78**

(₹ in Lacs)

	2011 – 12	2010 – 11
2.19 — Other Income		
Interest Income on		
Bank deposits	3.35	2.30
Loans	12.42	144.54
others	0.29	0.26
Other Non Operating Income	26.40	56.41
	42.46	**203.51**

(₹ in Lacs)

	2011 – 12	2010 – 11
2.20 — Cost of Materials Consumed [(Refer Note—2.34 (c) & (d)]		
Inventory at the beginning of the year	269.58	431.35
Add: Purchases	3865.04	2852.58
	4134.62	3283.93
Less :Inventory at the end of the year	288.35	269.58
Cost of Materials Consumed	**3,846.27**	**3014.36**

(₹ in Lacs)

	2011 – 12	2010 – 11
2.21 — (Increase)/Decrease in Inventories [(Refer Note—2.34 (e)]		
Work in Process		
Opening Stock	11.75	17.83
Closing Stock	21.86	11.75
	(10.11)	**6.08**
Finished Goods		
Opening Stock	795.52	343.63
Closing Stock	255.93	795.52
	539.59	(451.89)
(Increase)/Decrease	**529.48**	**(445.81)**

(₹ in Lacs)

	2011 – 12	2010 – 11
2.22 — Employee Benefit Expenses		
Salaries, Wages & other Manpower Expenses	1,975.26	1,633.38
Contribution to Provident Fund and other funds	60.83	48.36
Welfare Expenses	136.39	102.04
	2,172.48	**1,783.78**

(₹ in Lacs)

	2011 – 12	2010 – 11
2.23 — Finance Costs		
On Fixed Loans	348.59	238.96
On Other Loans	590.77	101.11
Exchange Fluctuation (Gain)/loss to the extent considered as an adjustment to borrowing costs	229.42	20.31
Other finance Costs	14.06	50.30
	1,182.83	**410.69**

(₹ in Lacs)

	2011 – 12	2010 – 11
2.24 — Other Expenses		
Consumption of Stores & Spares	409.74	281.06
Packing Materials	754.13	559.43
Royalty	1,109.45	1,119.62
Power & Fuel	7,979.47	8,901.31
Repairs & Maintenance		
Building	124.62	142.50
Plant & Machinery	828.47	308.61
Others	83.56	58.28

(₹ in Lacs)

	2011 – 12	2010 – 11
2.24 — Other Expenses (Contd.)		
Heavy Vehicle / Equipment Running Expenses	303.10	247.42
Excise duty variation on opening/closing stock	(91.57)	75.86
Travelling and Conveyance	158.50	152.41
Insurance(Net)	28.00	24.90
Rent, Rates & Taxes	278.00	173.57
Research & Development Expenses	23.38	12.61
Director's Remuneration	158.90	246.96
Charity & Donation	106.23	486.65
Miscellaneous Expenses	715.69	500.99
Advertisement & Publicity	252.18	454.14
Outward Freight Charges (Net)	5,701.15	3,653.58
Sales Promotion Expenses	307.03	243.00
Commission, Discount & Incentives on Sale	738.14	633.25
	19968.19	**18,276.16**

2.25 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 Balance Sheet.

2.26 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 disclosures 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.

2.27 The Company deals in only one Segment i.e. Cement and only in India. There is no separate reportable segment as required by Accounting Standard 17 – 'Segment Reporting'. The Company caters to the needs of the domestic market. As such there are no reportable geographical segments.

2.28 — Related Party Disclosures

a) Names of the transacting related parties and related party relationship

Holding Company	Century Plyboards (India) Limited (CPIL)
Subsidiary Companies	Megha Technical & Engineers Private Limited (MTEPL)
	Star Cement Meghalaya Limited (SCML)
	Meghalaya Power Limited (MPL)
	NE Hills Hydro Limited (NEHL)
Associates	Adonis Vyapaar Private Limited (ADVPL)
	Apanapan Viniyog Private Limited (AVPL)
	Ara Suppliers Private Limited (ASPL)
	Arham Sales Private Limited (ARSPL)
	Star India Cement Limited (SICL)
Key Management Personnel	Mr. Sajjan Bhajanka (Chairman & Managing Director)
	Mr. Rajendra Chamaria (Vice Chairman & Managing Director)
	Mr. S.B.Roongta (Managing Director) upto 30th September, 2011
	Mr. Sanjay Agarwal (Joint Managing Director)
	Mr. Pankaj Kejriwal (Director)
	Mr. Sanjay Kr. Gupta (Chief Financial Officer)

b) Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March’2012

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2011–12	2010–11	2011–12	2010–11	2011–12	2010–11	2011–12	2010–11
1	**Purchase Transactions**								
	CPIL	496.84	42.62	–	–	–	–	–	–
	MTEPL	–	–	172.58	677.30	–	–	–	–
	MPL	–	–	2,140.68	3,028.91	–	–	–	–
2	**Sale Transactions**					–	–	–	–
	MTEPL	–	–	10,101.45	12,564.90	–	–	–	–
	SCML	–	–	649.44	827.88	–	–	–	–
	MPL	–	–	76.23	152.52	–	–	–	–
	CPIL	25.31	0.19	–	–	–	–	–	–

b) Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March'2012 (Contd.)

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2011–12	2010–11	2011–12	2010–11	2011–12	2010–11	2011–12	2010–11
3	**Purchase of Capital Goods**								
	CPIL	2.02	–	–	–	–	–	–	–
	MTEPL	–	–	3.85	–	–	–	–	–
	MPL	–	–	–	3.20	–	–	–	–
	SCML	–	–	30.32	–	–	–	–	–
4	**Services Rendered**								
	MTEPL	–	–	16.43	11.04	–	–	–	–
	MPL	–	–	9.93	–	–	–	–	–
	SCML	–	–	13.97	–	–	–	–	–
5	**Services Received**								
	SCML	–	–	3.88	10.55	–	–	–	–
6	**Loan & advances Taken**								
	CPIL	2,300.00	1,400.00	–	–	–	–	–	–
	MTEPL	–	–	5,598.00	–	–	–	–	–
7	**Loans & advances Given**								
	CPIL	1920.00	3,430.00	–	–	–	–	–	–
	MTEPL	–	–	–	400.00	–	–	–	–
	MPL	–	–	–	3,565.00	–	–	–	–
8	**Reimbursement of Expenses/ Cost of Materials sold or given**								
	CPIL	18.68	21.54	–	–	–	–	–	–
	MTEPL	–	–	250.19	561.29	–	–	–	–
	SCML	–	–	430.59	1465.46	–	–	–	–
	MPL	–	–	74.19	59.59	–	–	–	–
	NEHL	–	–	0.05	0.75	–	–	–	–
	SICL	–	–	–	–	0.14	40.54	–	–
9	**Reimbursement of Expenses payable/ Cost of materials purchased or taken**								
	CPIL	2.62	4.53			–	–	–	–
	MTEPL	–	–	299.77	1225.89	–	–	–	–
	SCML	–	–	81.58	37.76	–	–	–	–
	MPL	–	–	4.30	27.44	–	–	–	–
10	**Guarantees Provided**								
	SCML	–	–	40,000.00	40,000.00	–	–	–	–
	MTEPL	–	–	7,579.00	7,439.00	–	–	–	–

b) Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March'2012 (Contd.)

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2011–12	2010–11	2011–12	2010–11	2011–12	2010–11	2011–12	2010–11
11	**Guarantees Obtained**								
	Sajjan Bhajanka	–	–	–	–	–	–	32740.00	58590.00
	Rajendra Chamaria	–	–	–	–	–	–	32740.00	58590.00
	Sanjay Agarwal	–	–	–	–	–	–	32740.00	58590.00
12	**Share Application Money paid**								
	SCML	–	–	6,574.59	1,148.50	–	–	–	–
	MPL	–	–	–	705.00	–	–	–	–
	ADVPL	–	–	–	–	2.32	–	–	–
	AVPL	–	–	–	–	2.32	–	–	–
	ASPL	–	–	–	–	2.32	–	–	–
	ARSPL	–	–	–	–	2.32	–	–	–
13	**Investments made**								
	SCML	–	–	6,795.92	980.00	–	–	–	–
	MPL	–	–	1,641.36	131.95	–	–	–	–
	NEHL	–	–	–	7.00	–	–	–	–
	ADVPL	–	–	–	–	32.32	–	–	–
	AVPL	–	–	–	–	32.32	–	–	–
	ASPL	–	–	–	–	32.32	–	–	–
	ARSPL	–	–	–	–	32.32	–	–	–
14	**Interest Paid**								
	CPIL	31.35	16.48	–	–	–	–	–	–
	MTEPL	–	–	144.18	–	–	–	–	–
15	**Interest received**								
	CPIL	50.65	65.67	–	–	–	–	–	–
	MTEPL	–	–	–	5.94	–	–	–	–
	MPL	–	–	–	45.59	–	–	–	–
16	**Remuneration Paid**								
	Sajjan Bhajanka	–	–	–	–	–	–	36.00	36.00
	Rajendra Chamaria	–	–	–	–	–	–	36.00	36.00
	S.B.Roongta	–	–	–	–	–	–	2.00	4.56
	Sanjay Agarwal	–	–	–	–	–	–	36.00	36.00
	Pankaj Kejriwal	–	–	–	–	–	–	16.50	–
	Sanjay Kumar Gupta	–	–	–	–	–	–	29.40	25.00

b) Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March'2012 (Contd.)

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2011–12	2010–11	2011–12	2010–11	2011–12	2010–11	2011–12	2010–11
17	**Balance Outstanding as at 31.03.12**								
	Debtors								
	MTEPL	–	–	–	599.21	–	–	–	–
	Creditors								
	MPL	–	–	(103.73)	(126.22)	–	–	–	–
	Loans (Given)								
	CPIL	–	500.00	–	–	–	–	–	–
	MTEPL	–	–		–	–	–	–	–
	SCML	–	–	–	221.33	–	–	–	–
	MPL	–	–	–	5,008.05	–	–	–	–
	SICL	–	–	–	–	35.00	35.00	–	–
	Loans (Taken)								
	MTEPL	–	–	2,748.00	–	–	–	–	–
	Guarantees Obtained								
	Directors	–	–	–	–	–	–	–	–
	Sajjan Bhajanka	–	–	–	–	–	–	13757.15	9,661.63
	Rajendra Chamaria	–	–	–	–	–	–	13757.15	9,661.63
	Sanjay Agarwal	–	–	–	–	–	–	13757.15	9,661.63
	Guarantees Provided								
	MTEPL	–	–	3231.78	3936.06	–	–	–	–
	SCML	–	–	31888.24	16022.46	–	–	–	–
	Investments								
	MTEPL	–	–	2733.64	2733.64	–	–	–	–
	SCML	–	–	14669.67	7873.75	–	–	–	–
	MPL	–	–	3568.31	1926.95	–	–	–	–
	NEHL			7.00	7.00	–	–	–	–
	ADVPL	–	–	–	–	32.32	–	–	–
	AVPL	–	–	–	–	32.32	–	–	–
	ASPL	–	–	–	–	32.32	–	–	–
	ARSPL	–	–	–	–	32.32	–	–	–

(₹ in Lacs)

	31.03.2012	31.03.2011
2.29 — Contingent Liabilities		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances)	2,400.28	6,014.95
Claims against the company not acknowledge as debts - Excise VAT/Income Tax matters/Royalty etc.	1,732.06	667.68
Guarantee provided to banks against borrowings of a subsidiary [Outstanding as at 31.03.12 ₹35,120.02 Lacs (as at 31.03.11 ₹19,958.52.Lacs)	47,579.00	47,439.00
Other Guarantees [Outstanding as at March 31.03.12 ₹1,599.14 Lacs (as at March 31.03.11 ₹2,401.28 Lacs]	2,477.30	2,477.30
Bill of exchange discounted with banks	538.16	—
Export obligations under EPCG scheme	623.36	307.04
Borrowing Cost capitalized	637.23	729.88
Bank Guarantees issued by Banks	336.35	318.49
Letters of Credit issued by Banks	2,573.92	4,302.85

(₹ in Lacs)

	31.03.2012	31.03.2011
2.30 — Payments to Auditors		
As Auditor		
Statutory Audit Fees	5.10	4.80
Tax Audit Fees	0.85	0.78
In Other Capacity		
Other Services (Certification Fees)	0.87	1.45
Reimbursement of Expenses	0.03	0.07
Total	**6.85**	**7.10**

2.31 — Employee Defined Benefits

a) Defined Contribution Plans

The Company has recognized an expense of ₹60.83 Lacs (Previous year - ₹48.36 Lacs) towards the defined contribution plans.

2.31 — Employee Defined Benefits (Contd.)

b) The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summarize the components of net benefit expenses recognized in statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.

Under leave encashment scheme, the company allows its employees to encash accumulated leave over and above thirty days at any time during the year. The scheme is not funded by company.

(₹ in Lacs)

		2011–12		2010–11	
		Gratuity Others	Leave Encashment	Gratuity Others	Leave Encashment
I	**Expense recognized in the Statement of Profit and Loss**				
	1. Current Service Cost	16.90	3.19	11.26	0.89
	2. Interest Cost	5.38	3.75	4.05	3.16
	3. Employee Contribution	–	–	–	–
	4. Expected Return on Plan Assets	(4.67)	–	–	–
	5. Actuarial (Gains)/Losses	10.07	15.61	(10.74)	13.18
	6. Past Service Cost	–	–	–	–
	7. Settlement Cost	–	–	–	–
	8. Losses/(gains) on acquisition/divesture	0.06	–	–	–
	9. Total Expense	27.74	22.55	4.57	17.22
II	**Net Asset/(Liability) recognized in the Balance Sheet**				
	1. Present Value of Defined Benefit Obligation	80.26	52.41	54.23	41.44
	2. Fair Value of Plan Assets	62.45	(52.41)	–	(41.44)
	3. Funded Status [Surplus/(Deficit)]	(17.82)	(52.41)	(54.23)	(41.44)
	4. Net Asset/ (Liability)	(17.82)	–	–	–
III	**Change in Obligation during the Year**				
	1. Present value of Defined Benefit Obligation at the beginning of the year	54.23	41.44	50.57	37.54
	2. Current Service Cost	16.90	3.19	11.26	0.89
	3. Interest Cost	5.38	3.75	4.05	3.16
	4. Settlement Cost	–	–	–	–
	5. Past Service Cost	–	–	–	–
	6. Employee Contribution	–	–	–	–
	7. Liabilities assumed on acquisition/(settled on divesture)	–	–	–	–
	8. Actuarial (Gains)/Losses	10.07	15.61	(10.74)	13.18
	9. Benefits Payments	(6.31)	(11.58)	(0.90)	(13.33)
	10. Present Value of Defined Benefit Obligation at the end of the year	80.26	52.41	54.23	41.44

(₹ in Lacs)

	2011–12		2010–11	
	Gratuity Others	Leave Encashment	Gratuity Others	Leave Encashment
IV Change in assets during the Year				
1. Plan Assets at the beginning of the year	54.23	–	–	–
2. Assets acquired on amalgamation in previous year	–	–	–	–
3. Settlements	–	–	–	–
4. Expected return on plan assets	4.67	–	–	–
5. Contributions by employer	9.92	11.58	55.13	13.33
6. Actual Benefit Paid	(6.31)	(11.58)	(0.09)	(13.33)
7. Actuarial Gains/(Losses)	(0.06)	–	–	–
8. Plan Assets at the end of the year	62.45	–	54.23	–
9. Actual Return on plan assets	–	–	–	–
V The major categories of plan assets as a percentage of the fair value of total plan assets				
1. Funded with insurer	100%	–	100%	–
2. The overall expected rate of return on assets is determined based on market process prevailing on that date, applicable to the period over which the obligations is to be settled	8%	–	8%	–

(₹ in Lacs)

	31.03.2012	31.03.2011
2.32 – Earning Per Share (EPS)		
Profit/(Loss) Attributable to Equity Shareholders	4,047.56	8,345.83
Equity Share Capital	4,192.14	4,192.14
Weighted average number of equity shares outstanding for basic EPS (Face value of ₹10/–per share)	4,19,21,392	4,19,21,392
Weighted average number of equity shares outstanding for diluted EPS (Face value of ₹10/–per share)	4,19,21,392	4,19,21,392
Basic Earning Per Share (₹)	9.66	19.91
Diluted Earning Per Share (₹)	9.66	19.91

2.33 — Donations to Political Parties

(₹ in Lacs)

Name of the Party	2011— 12	2010 — 11
Bhartiya Janta Party	5.00	–
Assam Gan Parishad	–	10.00
Indian National Congress	–	25.00

2.34 — a) Installed Capacity and Production

	2011 — 12	2010 — 11
(i) Installed Capacity – Clinker (MT)*	792000.000	792000.000
(ii) Installed Capacity – Cement (MT)*	594000.000	594000.000
(iii) Production – Clinker (MT)	714780.000	714500.000
(iv) Production – Cement (MT)	498229.830	405805.000

*Annual capacity as certified by the management and being technical matter, accepted by the Auditors

b) Sales

	2011—12		2010—11	
	Quantity (MT)	Value (₹in Lacs)	Quantity (MT)	Value (₹in Lacs)
(i) Cement*	497995.070	24924.22	401286.150	20,526.97
(ii) Clinker	359991.000	9804.74	395796.870	12,934.06
Total		**34728.96**		**33,461.03**

* Includes Captive Consumption 12652.70 of MT (Previous Year 3349.50 MT) amounting to ₹357.64 Lacs (Previous Year ₹26.34 Lacs)

c) Raw Materials Consumed (100% Indigenous)

	2011–12		2010–11	
	Quantity (MT)	Value (₹in Lacs)	Quantity (MT)	Value (₹in Lacs)
(i) Limestone	916480.000	664.32	921424.000	790.50
(ii) Shale	145117.000	108.84	139732.950	104.80
(iii) Iron Mill Scale	5498.000	347.03	4894.000	166.69
(iv) Sandstone	31759.000	17.33	20720.000	9.67
(v) Gypsum	9023.466	310.88	5504.338	174.46
(vi) Fly ash	115632.461	2,397.87	102227.163	1,768.24
Total		**3,846.27**		**3,014.36**

d) Inventory

	2011–12		2010–11	
	Quantity (MT)	Value (₹in Lacs)	Quantity (MT)	Value (₹in Lacs)
(i) Limestone	106620.906	91.52	21242.693	17.71
(ii) Shale	5858.765	4.39	776.325	0.58
(iii) Gypsum	1129.873	40.02	1287.569	43.84
(iv) Iron Mill Scale	831.239	58.09	437.294	16.89
(v) Fly ash	7706.224	88.87	8520.084	186.35
(vi) Sandstone	3163.750	1.58	676.670	0.34
(vii) Other	–	3.87		3.87
Total		**288.35**		**269.58**

e) Stock of Finished Goods

	2011–12		2010–11	
	Quantity (MT)	Value (₹ in Lacs)	Quantity (MT)	Value (₹ in Lacs)
(i) Opening Stock - Clinker	24647.730	557.50	9798.470	235.75
(ii) Opening Stock - Cement	7433.750	238.02	3235.250	107.88
Total		**795.52**		**343.63**

e) Stock of Finished Goods (Contd.)

	2011–12		2010–11	
	Quantity (MT)	Value (₹ in Lacs)	Quantity (MT)	Value (₹ in Lacs)
(iii) Closing Stock - Clinker	213.440	5.02	24647.730	557.50
(iv) Closing Stock - Cement	7086.310	250.91	7433.750	238.02
Total		**255.93**		**795.52**
Cement Shortage and handling loss etc	582.200		320.350	

f) Value of imported and indigenous raw materials, stores & spare parts consumed and their percentage to total consumption

	2011–12		2010–11	
	(₹in Lacs)	%	(₹in Lacs)	%
Stores & Spares				
(i) Imported	73.51	17.94	2.69	0.96
(ii) Indigenous	336.23	82.06	278.37	99.04
	409.74	**100.00**	**281.06**	**100.00**

g) Value of imports calculated on CIF basis

(₹ in Lacs)

	2011– 12	2010 – 11
Capital Goods	2826.43	118.31

h) Expenditure incurred in foreign currency

(₹ in Lacs)

	2011– 12	2010 – 11
(i) Interest	147.52	30.07
(ii) Professional & Consulting Fees	21.81	15.11
(iii) Stores, Spare parts and Components	84.44	2.69
(iv) Travelling Expenses	35.04	0.82
Total	**288.80**	**48.69**

i) Unhedged Foreign Currency Exposure

(₹ in Lacs)

	As on 31.03.12			As on 31.03.11		
	Foreign Currency	Foreign Currency	Indian Rupees	Foreign Currency	Foreign Currency	Indian Rupees
(i) FCNRB Term Loan	USD	—	—	—	8.15	364.05
(ii) FCNRB Demand Loan	USD	50.00	2557.83	—	—	—
(iii) Buyers Credit	EURO	35.14	2401.30	—	—	—
(iv) Letter of Credit for purchase of capital goods	EURO	0.99	68.27	—	68.04	4302.88

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

In terms of our report of even date

For and on behalf of the Board

For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice—Chairman & Managing Director

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

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

(₹ in Lacs)

	Particulars	2011–12	2010–11
A	**Cash Flow from Operating Activities**		
	Net Profit/(Loss) before Tax and Exceptional Items	4,078.44	8,472.70
	Adjustments for :		
	Depreciation	1,723.58	1,312.15
	Unrealised Foreign Exchange (Gain) / Loss– Net	(59.53)	(12.09)
	Profit/ Loss on Sale of Fixed Assets	0.82	36.64
	Interest Income	16.06	146.83
	Interest Expenses	(1,182.83)	340.08
	Miscellaneous Expenditure written off	–	5.00
	Provision for Gratuity & Leave Encashment	(1.80)	985.23
	Provision for Income Tax & Wealth Tax	(1.38)	(16.93)
	Provision for Proposed Dividend & Corporate Dividend Tax	–	(977.68)
	Prior period items	(0.36)	(4.10)
	Provision for Bad and Doubtful Debts (Net of adjustments)	(125.43)	14.34
	Operating Profit before working Capital changes	4,447.57	10,302.18
	Adjustments for :		
	Trade receivables	2,863.70	780.49
	Inventories	(208.25)	(745.71)
	Other Receivables	6,769.70	(6,113.06)
	Trade & Other Payables	(826.74)	932.10
	Cash Generated from Operations	13,045.98	5,156.00
	Direct Taxes Paid	(775.00)	(1,540.00)
	Net Cash Flow from Operating Activities	**12,270.98**	**3,616.00**
B	**Cash Flow from Investing Activities**		
	Loans from Companies and Public Bodies	–	(1.37)
	(Purchase)/sale of Fixed Assets (including WIP)– Net	(14,532.66)	(4,534.75)
	Share issue Expenses	–	(5.00)
	(Purchase)/sale of Investments	(8,566.56)	(1,118.95)
	Interest Received	(16.06)	(146.83)
	Net Cash used in Investing Activites	**(23,115.28)**	**(5,806.91)**
C	**Cash Flow from Financing Activties**		
	Interest paid	1,182.83	(340.08)
	Proceeds from /(Repayment of) Long Borrowings	9,358.28	(537.91)
	Proceeds from /(Repayment of) Short Borrowings	389.53	3,805.97
	Dividend Paid	–	(894.04)
	Corporate Dividend Tax Paid	–	(139.25)
	Net Cash used in Financing Activities	**10,930.65**	**1,894.69**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**86.35**	**(296.22)**
	Cash and Cash Equivalents		
	Opening Balance	**418.57**	**714.79**
	Closing Balance	**504.92**	**418.57**

As per our report of even date

For and on behalf of the Board

For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice–Chairman & Managing Director

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

Statements Pursuant To Section 212 Of The Companies Act, 1956 Relating To Company's Interest In Subsidiary Companies

SL. NO.	Name of Subsidiary Companies	Megha Technical & Engineers Private Ltd.	Star Cement Meghalaya Limited	Meghalaya Power Limited	NE Hills Hydro Limited
1	Financial year of the subsidiary company ended on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
2	Date from which they have become subsidiary	23rd March, 2006	2nd June, 2007	1st April, 2010	3rd February, 2011
3	Shares of the Subsidiary held by the Company as on 31st March, 2012				
	a) Number of shares	27336400	22657400	8736620	70000
	b) Face value of shares	₹10/–	₹10/–	₹10/–	₹10/–
	c) Extent of Holding	99.96%	100%	51%	100%
4	Net aggregate amount of Profit/ (Loss) of the subsidiary, so far as it concerns members of Cement Manufacturing Company Limited.				
	a) Not Dealt with in the accounts of the Holding Company				
	i) For the financial year ended 31st March, 2012	₹5,199.57 Lacs	N.A	₹(146.13) Lacs	N.A
	ii) For the previous financial years of the Subsidiary Company since they become the holding Company's subsidiaries	₹9,014.80 Lacs	N.A	₹477.16 Lacs	N.A
	b Dealt with in the accounts of the Holding Company				
	i) For the financial year ended 31st March, 2012	NIL	N.A	NIL	N.A
	ii) For the previous financial years of the Subsidiary Company since they become the holding Company's subsidiaries	₹84.22 Lacs	N.A	N.A	N.A
	Capital	2,734.64	2265.74	1713.06	7.00
	Reserves	15,228.18	12403.93	7324.04	–
	Total Assets	25,106.47	47580.31	26281.20	7.06
	Total Liabilities	25,106.47	47580.31	26281.20	7.06
	Details of Investments (except investment in subsidiary)	–	–	–	2.70
	Gross Turnover	35595.63	–	3,485.63	–
	Profit before Taxation	5,217.52	–	(17.87)	–
	Provision for Taxation	(15.87)	–	(268.65)	–
	Profit/(Loss) after Taxation	5,201.65	–	(286.52)	–
	Proposed Dividend	–	–	–	–

For and on behalf of the Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice–Chairman & Managing Director

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

Kolkata, 21st April' 2012

Auditors' Report on consolidated financial statements

To The Members of Cement Manufacturing Company Limited

We have examined the attached Consolidated Balance Sheet of CEMENT MANUFACTURING COMPANY LIMITED and its subsidiaries as at 31st March, 2012, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of a subsidiary (NE Hills Hydro Limited), whose financial statements reflect total assets worth of ₹7.00 Lacs as at 31st March, 2012. These financial statements and other financial information have been audited by other auditor whose report have been furnished to us, and our opinion is based solely on the report of the other auditor

We report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standards (AS) 21 "Consolidated Financial Statements" and Accounting Standards (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements " issued by the institute of Chartered Accountants of India and on the basis of separate audited financial statements of the company and its subsidiaries included in the Consolidated Financial Statements.

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

i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March 2012;

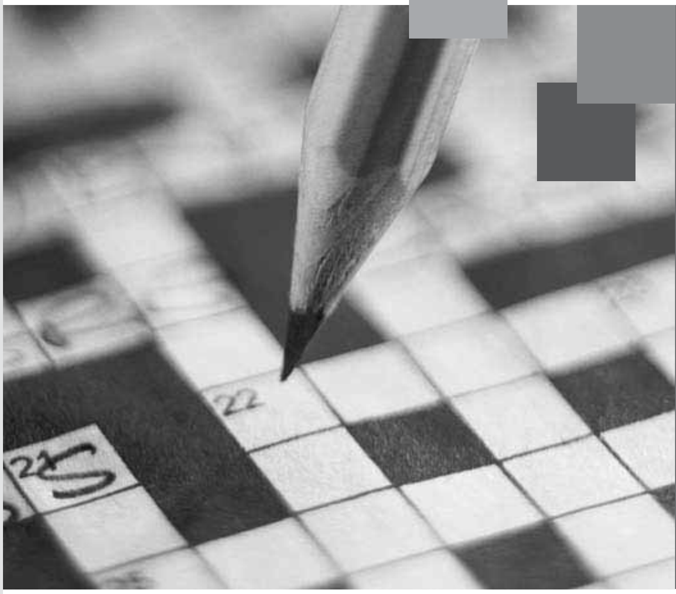
ii. In the case of the Consolidated Profit and Loss account, of the profit of the Company and its subsidiaries for the year ended on that date; and

iii. in the case of Consolidated Cash Flow Statement , of the Consolidated Cash flows of the Company and its subsidiaries for the year ended on that date.

For **KAILASH B. GOEL & CO.**
Firm Registration No. 322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
M. No. 57329

Place : Kolkata
Date : 21st April, 2012



Consolidated Significant accounting policies

Principles of Consolidation

a) In accordance with Accounting Standard 21 on “Consolidated Financial Statement” issued by the Institute of Chartered Accountants of India, 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 un—realized profits / losses on intra group transactions, and are presented to the extent possible, in the same manner as the Company’s separate financial statements.

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

c) The subsidiary companies considered in the financial statements are as follows

	Country of Incorporation	% of Voting Power as on 31.03.2012
Megha Technical & Engineers Private Limited	India	99.96
Star Cement Meghalaya Limited	India	100.00
Meghalaya Power Limited	India	51.00
NE Hills Hydro Limited	India	100.00

d) The parent and the subsidiaries provide depreciation on Written Down Value (WDV) method except the Power Division of MTEPL, where depreciation is provided on Straight—Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Except this, the parent and subsidiaries 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.

e) In terms of Accounting Standard—21 notified under Companies (Accounting Standards) Rules , 2006, Minority interest has been computed in respect of non –fully owned subsidiaries and adjusted against the consolidated income of the group in order to arrive at the net income attributable to shareholders of the company

f) Reserves shown in the Consolidated Balance Sheet represent the Group’s share in the respective reserves of the Group Companies. Retained earnings comprise General Reserve and Profit and Loss Account.

1. Significant Accounting Policies

1.1 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 in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under the historical cost convention on accrual basis and on the basis of going concern.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Presentation and disclosure of financial statements

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

1.3 Use of Estimates

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

1.4 Fixed Assets

Fixed Assets are stated at cost of acquisition, installation or construction (net of Cenvat credit and other recoverable, wherever applicable) 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 asset to its working condition for its intended use.

1.5 Capital Work In Progress:

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

1.6 Expenditure during construction period

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

1.7 Depreciation:

Depreciation on Fixed Assets is provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Continuous process plants are identified based on a technical assessment and depreciated at the specified rate as per schedule XIV to the Companies Act'1956. Depreciation on Fixed Assets of Power Division of the subsidiary (MTEPL) is provided on straight—line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro—rata basis from the date of put to use, 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, demolished or scrapped, is provided up to the date on which the said asset is sold, discarded, demolished 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.

1.8 Investments:

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

1.9 Inventorie

Inventories are valued at lower of cost and net realizable value. The cost is computed on weighted average basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.10 Retirement Benefits:

i) **Defined Contribution Plan**

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

ii) **Defined Benefit Plan**

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

iii) **Other Long—term benefits**

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

Actuarial gain/losses, if any, are recognized in the Profit & Loss Account.

1.11 Borrowing Costs

Borrowing costs that are 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 recognized as expense in the period in which they are incurred. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest cost.

1.12 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 / 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.

1.13 Foreign Currency Transactions and Balances

Foreign currency transactions are recorded at the rate prevailing on the dates of the transactions and exchange differences are dealt within the Profit & Loss Account. Monetary foreign currency assets and liabilities are translated at the year end exchange rates. All exchange differences are dealt within the profit and loss account, except to the extent that they are regarded as an adjustment to the interest cost and the resultant balance to the new projects, till the date of the capitalization, are carried to pre—operative expenses. Profit/Loss arising out of cancellation of forward contracts is taken to revenue in the year of cancellation.

1.14 Miscellaneous Expenditure

Expenses under the head "Miscellaneous Expenditure" are written off in the year in which they are incurred.

1.15 Revenue Recognition

Items of Income and expenditure are recognized on accrual basis except stated otherwise. Sales are recorded on dispatch of goods to the customer. Sales include Excise Duty, Sales Tax/ VAT (including remission as per the incentive scheme of the respective State Governments wherever applicable) and are net of trade discounts, rebates, and returns. Interest income is recognized on time proportion basis.

1.16 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

1.17 Taxes on Income

Tax expense comprises of current & deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act'1961. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future. Deferred tax assets / liabilities are reviewed as at Balance Sheet date based on developments during the year and available case laws to reassess realization / liabilities.

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 no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

1.18 Government Grants and Subsidies

Government grants / subsidies are recognized when there is reasonable certainty that the same will be received. Revenue grants in the nature of recoupment/ reimbursement of any particular item of expenses are recognized in the Profit and Loss Account 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.

1.19 Research and Development Expenditure

Revenue expenditure is charged to the Profit & Loss Account and capital expenditure is added to the cost of fixed assets in the year in which they are incurred.

1.20 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 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.

1.21 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 product/services.

1.22 Cash & Cash Equivalents

Cash and cash equivalent comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.23 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.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

(₹ in Lacs)

	Note	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	4,192.14	4,192.14
Reserves and Surplus	2.2	56,239.47	47,256.99
		60,431.61	**51,449.13**
Minority Interest		4,408.79	4,547.11
Non—current liabilities			
Long Term Borrowings	2.3	55,617.25	24,403.66
Deferred Tax Liabilities (Net)	2.4	38.37	84.79
Other Long Term Liabilities	2.5	4,105.14	2,191.22
Long Term Provisions	2.6	106.51	69.82
		59,867.27	**26,749.49**
Current liabilities			
Short Term Borrowings	2.7	8,933.05	7,846.81
Trade Payables		2,082.29	1,561.30
Other Current Liabilities	2.8	10,020.84	9,138.39
Short Term Provisions	2.9	19.50	984.77
		21,055.68	**19,531.26**
Total		**145,763.35**	**102,277.00**
ASSETS			
Non—current Assets			
Fixed Assets			
Tangible Assets	2.10	24,605.16	25,240.73
Intangible Assets	2.10	5.23	3.06
Capital Work in Progress (including pre—operative expenses)		70,960.77	28,730.72
		95,571.17	**53,974.51**
Non Current Investments	2.11	152.86	27.24
Long Term Loans and Advances	2.12	5,814.19	7,266.88
		101,538.21	**61,268.62**
Current Assets			
Inventories	2.13	10,894.54	8,227.66
Trade Receivables	2.14	9,697.04	9,893.69
Cash and Cash Equivalents	2.15	2,316.32	2,259.20
Short Term Loans and Advances	2.16	21,297.98	20,411.60
Other Current Assets	2.17	19.26	216.23
		44,225.14	**41,008.38**
Total		**145,763.35**	**102,277.00**
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

For and on behalf of the Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice—Chairman & Managing Director

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

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

(₹ in Lacs)

	Note	2011 — 12	2010 — 11
Income			
Revenue from Operations (Gross)	2.18	59,739.18	50,803.15
Less: Excise Duty		(3,243.24)	(1,770.59)
Revenue from Operations (Net)		56,495.95	49,032.56
Income/(Loss) from Associates	2.19	(3.66)	–
Other Income		236.72	230.81
Total Revenue		**56,729.00**	**49,263.37**
Expenses			
Cost of Materials consumed	2.20	5,872.96	4,721.23
(Increase)/Decrease in Inventories	2.21	681.62	(601.73)
Employee Benefit Expenses	2.22	3,042.32	2,619.91
Finance Costs	2.23	1,898.38	1,018.14
Depreciation and Amortization Expenses		2,810.87	2,566.67
Other Expenses	2.24	32,583.81	27,376.74
Total Expenses		**46,889.96**	**37,700.96**
Profit before exceptional and extraordinary items and tax		**9,839.04**	**11,562.41**
Exceptional items		(741.73)	168.17
Profit before tax		9,097.31	11,730.58
Tax Expenses			
Current Tax		(1,900.04)	(2,423.61)
Less: MAT Credit entitlement		1,879.56	2,423.61
Net Current Tax		(20.49)	–
MAT Credit Entitlement for earlier years written back		(195.88)	909.65
Income Tax for earlier years		(83.21)	–
Deferred Tax		46.42	(118.28)
Profit for the period		8,844.16	12,521.94
Minority Interest		138.32	(459.90)
Profit for the period (After Miniority Interest)		**8,982.47**	**12,062.04**
Earnings Per Equity Share (face Value of ₹10/—each) (refer note—2.33)			
Basic Earning Per Share		21.43	28.77
Diluted Earning Per Share		21.43	28.77
Significant accounting policies and notes on accounts	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

For and on behalf of the Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice—Chairman & Managing Director

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

(₹ in Lacs)

	31.03.2012	31.03.2011
2.1 — Share Capital		
Authorised Capital	6000.00	6000.00
6,00,00,000 (6,00,00,000 as at 31.03.11) Equity Shares of ₹10/— each		
Issued, Subscribed & fully Paid — up shares		
4,19,21,392 (4,19,21,392 as at 31.03.11) Equity Shares of ₹10/— each	4192.14	4192.14
a) **Terms/Rights attached to equity shares**		
The company has only one class of equity shares having par value of ₹10 per share. Each holder of Equity shares is entitlled to one vote per share. The Company declares and pays dividend in Indian rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
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.		
b) **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	41921392	41921392
Issued during the year	—	—
Outstanding at the end of the year	**41921392**	**41921392**
c) **Shares held by Holding Company**		
Century Plyboards (India) Limited	29547500	29547500
d) **Details of Shareholders holding more than 5% of Equity Share capital**		
Name of the Shareholders	**No of Shares** **% of holding**	**No of Shares** **% of holding**
Century Plyboards (India) Limited	29547500	29547500
	70.48%	70.48%
Sajjan Bhajanka	3562500	3162500
	8.50%	7.50%
Rajendra Chamaria	3163742	3163742
	7.50%	7.50%

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.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.2 — Reserves & Surplus		
Capital Reserve		
Balance as per last Account	2,620.93	1,884.63
Addition/(Deduction) during the year	—	736.30
	2,620.93	2,620.93
General Reserve		
Balance as per last Account	3,700.00	2,800.00
Addition during the year	—	900.00
	3,700.00	3,700.00
Surplus as per Profit & Loss Account		
Balance as per last Account	40,936.06	31,729.38
Profit for the year	8,982.47	12,062.04
Amount available for appropriation	49,918.54	43,791.42
Less: Appropriations		
Transfer to General Reserve	—	(900.00)
Interim Dividend Paid	—	(838.43)
Proposed Dividend	—	(838.43)
Corporate Dividend Tax	—	(278.50)
Total Appropriations	—	(2855.36)
Net Surplus in the statement of profit and loss	49,918.54	40936.06
Total Reserves and Surplus	**56,239.47**	**47,256.99**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.3 — Long Term Borrowings		
Term Loans		
Rupee Loans from Banks (Secured)	34882.98	24038.73
Foreign Currency Loan from Banks (Secured)	18420.18	3110.55
Other Loans & Advances		
Buyers Credit from banks on capital account (Secured)	6,334.60	129.49
Hire Purchase Finance from banks (Secured)	258.05	236.26
	59,895.81	27,515.02
Less: Current Maturities of long term borrowings	(4,278.56)	(3,111.36)
	55,617.25	**24,403.66**

1. Rupee Term Loan of ₹1,777.50 Lacs from a bank is repayable in 9 equal quarterly installments of ₹ 197.50 Lacs each ending on June 2014.The Loan is secured by first charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya (except specifically charged assets).
2. Rupee Term Loans of ₹7803.30 Lacs from banks (sanctioned limit ₹17500.00 Lacs) are repayable in 28 equal quarterly installments of ₹625 Lacs each commencing from March 2013. The loans are secured by first charge on fixed assets of company's cement plant at Guwahati ,Assam (under implementation) on pari pasu basis.
3. Rupee Term Loan of ₹1373.99 Lacs is repayable in 22 equal quarterly installments commenced from September'2008.The Term loans from banks are secured by first charge on Fixed Assets of the Subsidiary's Cement Grinding Unit at Lumshnong , Meghalaya on Pari passu basis.
4. Rupee Term Loan of ₹22,958.13 Lacs and foreign currency loan of ₹4077.17 Lacs from banks (sanctioned limit ₹40,000.00 Lacs) are repayble in 28 unequal quarterly installments commencing from March 2013. Term Loans are secured by first charge on the fixed assets of the subsidiary's Cement clinker plant at Lumshnong, Meghalaya (under implementation) on pari passu basis.
5. Rupee Term Loan of ₹970.05 Lacs and foreign currency loan of ₹11254.43 Lacs from a bank are repayble in 28 unequal quarterly installments commencing from March 2013. Foreign currency loan of ₹3,088.57 Lacs from a bank is repayable in 28 unequal quarterly installments commenced since September 2010. These Term Loans are secured by first charge on the fixed assets of the subsidiary's power plants at Lumshnong, Meghalaya on pari—passu basis.
6. Buyers credit of ₹33.92 Lacs from a bank has been availed against Letter of Credit issued by a bank which is secured by first charge on specific fixed asset of the Company's Cement plant at Lumshnong, Meghalaya.
7. Buyers credit of ₹2367.38 Lacs from banks have been availed against Letters of Credit (sub—limit to Term Loans) issued by banks which are secured by first charge on fixed assets of the Company's Cement plant at Guwahati, Assam (under implementation).
8. Buyers credit of ₹3,933.30 Lacs from banks have been availed against letter of credit (sub—limit to Term Loans) issued by banks which are secured by first charge on fixed assets of the subsidiary's cement clinker plant at Lumshnong, Meghalaya (under implementation).
9. Hire Purchase Finance of ₹128.18 Lacs is secured by hypothecation of company's vehicles and is repayable within three to four years having varying date of payment.
10. Hire Purchase Finance of ₹129.87 Lacs is secured by hypothecation of susidiary's vehicles / equipments and is repayable within three to four years having varying date of payment.
11. Term Loans of ₹10,550.85 Lacs from Banks have been guaranteed by some of the Directors of the Company.
12. The Company does not have any continuing default's in repayment of loans and interest as at reporting period.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.4 — Deferred Tax Liabilities (Net)		
Deferred Tax liability		
Fixed assets	154.62	140.26
Gross deferred tax liability	154.62	140.26
Deferred Tax Assets		
Leave encashment	21.99	20.37
Fixed assets	17.03	0.29
Trade receivable	73.24	34.82
others	3.99	—
Gross deferred tax asset	116.26	55.48
Net Deferred Tax Liability	**38.37**	**84.79**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.5 — Other Long Term Liabilities		
Security Deposit	2,602.38	1,798.78
Retention Money	1,502.75	392.44
	4,105.14	**2,191.22**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.6 — Long Term Provisions		
Provisions for employee benefits		
Leave Encashment	71.42	69.82
Gratuity	35.10	—
	106.51	**69.82**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.7 — Short Term Borrowings		
Working Capital facilities from Banks		
Cash Credit (Secured)	3,875.23	5,346.81
Foreign Currency Demand Loan (Secured)	2,557.83	—
	6,433.05	**5,346.81**
Short Term Loan		
From a Bank (Unsecured)	2,500.00	2,500.00
	8,933.05	**7,846.81**
a) The above amount includes		
Secured borrowings	6,433.05	5,346.81
Unsecured borrowings	2,500.00	2,500.00

b) Working Capital facilities of ₹4,176.35 Lacs from banks are secured by first charge on current assets of the Company and second charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya on pari passu basis.

c) Working capital facilities of ₹1,647.53 Lacs from banks are secured by first charge on subsidiary's current assets and second charge on fixed assets of its Cement Grinding unit at Lumshnong, Meghalaya on pari passu basis.

d) Cash credit of ₹609.17 Lacs from a bank is secured by first charge on subsidiary's current assets and second charge on fixed assets of its power plants at Lumshnong, Meghalaya.

e) Working Capital facilities of ₹6,435.19 Lacs from Banks have been guaranteed by some of the Directors of the Company.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.8 — Other Current Liabilities		
Current Maturities of long term borrowings	4,278.56	3,111.36
Interest accrued but not due on borrowings	1.07	1.53
Other Payables		
Statutory Liabilities (including excise duty on finished goods ₹11.71 Lacs,	1,200.59	1,325.52
₹128.58 Lacs as at 31.03.11)		
Creditors for Capital goods	1,347.59	1,170.09
Creditors—Micro, Small & Medium Enterprises (refer Note 2.26)		
Advances from customer	258.55	332.82
Salary and Bonus to employees	119.68	107.49
Other Liabilities	2,814.80	3,089.58
	10,020.84	**9,138.39**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.9 — Short Term Provisions		
Provisions for Employee Benefits		
Leave Encashment	19.50	7.09
	19.50	**7.09**
Others		
Proposed Dividend	—	838.43
Corporate Dividend Tax	—	139.25
	—	**977.68**
	19.50	**984.77**

2.10 — Fixed Assets

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.11	Additions	Deduction/ Adjustment	Total as on 31.03.12	Up to 31.03.11	For the Year	Deduction/ Adjustment	Total as on 31.03.12	As on 31.03.12	As on 31.03.11
TANGIBLE ASSETS										
A. Cement Plants										
Land & Site Development	2,508.34	960.46	–	3,468.80	–	–	–	–	3,468.80	2,508.34
Factory Building	5,381.70	–	–	5,381.70	1,924.26	345.74	–	2,270.00	3,111.70	3,457.45
Non Factory Building	3,396.43	–	–	3,396.43	442.82	147.68	–	590.50	2,805.93	2,953.61
Plant, Machinery & Equipments	15,402.77	553.86	25.13	15,931.50	6,202.52	1,255.79	3.29	7,455.02	8,476.48	9,200.25
Pollution Control Equipments	330.67	–	–	330.67	189.01	19.70	1.46	207.25	123.41	141.66
Laboratory Equipments	64.59	–	1.46	63.13	25.16	6.54	–	31.69	31.44	39.44
Electrical & Water Installation	1,319.09	11.75	–	1,330.84	1,054.74	156.42	–	1,211.16	119.68	264.35
Furniture & Fixtures	420.26	41.91	20.78	441.39	195.60	67.10	20.76	241.95	199.44	224.65
Office Equipments	325.08	32.63	1.88	355.82	91.18	39.64	1.53	129.30	226.52	233.89
Computers	355.82	70.11	3.20	422.73	253.94	59.38	2.93	310.39	112.34	101.88
Vehicles	1,544.66	671.86	23.90	2,192.62	343.23	559.92	13.70	889.44	1,303.18	1,201.44
Tools & Tackles	396.45	388.71	22.93	762.23	355.58	83.94	22.88	416.64	345.59	40.87
Total — A	**31,445.87**	**2,731.28**	**99.29**	**34,077.86**	**11,078.05**	**2,741.86**	**66.54**	**13,753.36**	**20,324.50**	**20,367.82**
B. Power Plant										
Land & Site Development	341.70	8.78	–	350.49	–	–	–	–	350.49	341.70
Factory Building	859.64	–	–	859.64	126.24	73.34	–	199.58	660.06	733.40
Non Factory Building	120.43	–	–	120.43	9.00	5.57	–	14.57	105.86	111.43
Plant & Machinery	4,272.02	–	–	4,272.02	981.70	459.37	–	1,441.06	2,830.96	3,290.33
Laboratory Equipments	10.84	0.36	–	11.20	2.66	1.17	–	3.83	7.37	8.18
Electrical Installation	317.72	–	–	317.72	68.01	37.95	–	105.96	211.76	249.71
Furniture & Fixtures	17.09	0.09	–	17.18	9.08	2.38	–	11.45	5.73	8.02
Office Equipments	8.21	0.24	–	8.44	2.42	1.04	–	3.45	4.99	5.79
Tools & Tackles	71.18	2.26	–	73.44	11.70	8.29	–	19.99	53.45	59.48
Computers	14.90	1.02	–	15.93	7.41	3.94	–	11.35	4.58	7.49
Vehicles	114.39	7.09	6.59	114.89	57.00	16.54	4.07	69.47	45.42	57.39
Total — B	**6,148.12**	**19.84**	**6.59**	**6,161.37**	**1,275.21**	**609.58**	**4.07**	**1,880.71**	**4,280.66**	**4,872.91**
Total of Tangible Assets (A+B)	**37,593.98**	**2,751.13**	**105.87**	**40,239.23**	**12,353.25**	**3,351.44**	**70.62**	**15,634.07**	**24,605.16**	**25,240.73**
Previous Year's figures	32,465.19	5,284.51	155.72	37,593.98	9,441.54	2,966.29	54.58	12,353.25	25,240.73	18,074.28
C. Intangible Assets										
Computer Software	79.78	6.91	–	86.69	76.72	4.73	–	81.46	5.23	3.06
Previous Year's figures	76.66	3.13	–	79.78	70.19	6.54	–	76.72	3.06	6.47

1. Depreciation for the year includes ₹545.30 Lacs, [Previous year – ₹406.16 Lacs] ,capitalised as Pre–operative expenditure by the company and its Subsidiaries.

(₹ in Lacs)

		31.03.2012	31.03.2011
2.11 – Non Current Investments			
Trade Investments (valued at cost unless stated otherwise)			
Investment in Unquoted Equity Instruments			
Ribhoi Engineering Company Private Limited		2.70	2.70
27,000 (27,000 as at 31.03.11) Equity Shares of ₹10/– each fully paid up			
Investment in Associates			
Adonis Vyapaar Pvt. Ltd.	32.32		–
Less: Share of Loss from an Associate	(0.90)	31.42	
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10/– each fully paid up			
Apanapan Viniyog Pvt. Ltd.	32.32		–
Less: Share of Loss from an Associate	(0.90)		
		31.42	
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10/– each fully paid up			
Ara Suppliers Pvt Ltd	32.32		–
Less: Share of Loss from an Associate	(0.96)		
		31.36	
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10/– each fully paid up			
Arham Sales Pvt. Ltd.	32.32		–
Less: Share of Loss from an Associate	(0.90)		
		31.42	
3,23,200 (NIL as at 31.03.11) Equity Share of ₹10/– each fully paid up			
Investment in Quoted Equity Instruments			
Reliance Power Limited		24.54	24.54
8,743 (8,743 as at 31.03.11) Equity Shares of ₹10/– each fully paid up			
		152.86	**27.24**
Aggregate amount of Quoted investment (market Value ₹9.90 Lacs as on 31.03.12)		24.54	24.54
Aggregate amount of Unquoted investments		128.32	2.70

(₹ in Lacs)

	31.03.2012	31.03.2011
2.12 — Long Term Loans and Advances		
Capital Advances		
Secured, Considered Good	790.74	860.27
Unsecured, Considered Good	4,831.59	6296.12
Doubtful Advances	71.78	–
Less: Provision for Bad & Doubtful	(7.80)	–
	5,686.31	**7,156.39**
Security Deposits		
Unsecured, Considered Good	127.88	110.49
	127.88	**110.49**
	5,814.19	**7,266.88**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.13 — Inventories		
Raw Materials [Including in transit ₹0.05 Lacs, ₹2.88 Lacs as on 31.03.2011]	667.89	727.05
Work-In-Process	21.86	11.75
Finished Goods [including in transit— ₹190.38 Lacs, As at 31.03.11 ₹242.66 Lacs]	417.78	1,109.51
Fuels, packing materials, etc.	4,512.22	2,075.15
Stores & Spares parts	5,274.80	4,304.21
	10,894.54	**8,227.66**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.14 — Trade Receivables		
Secured Considered Good		
Over Six months	26.60	24.30
Other debts	1,500.37	842.99
	1,526.97	**867.29**
Unsecured		
Over Six Months		
I Considered Good	45.95	265.91
Considered Doubtful	225.72	104.03
Less: Provision for Doubtful Debts	(225.72)	(104.03)
	45.95	265.91

(₹ in Lacs)

	31.03.2012	31.03.2011
2.14 — Trade Receivables (Contd.)		
II Claims due from Central Government — Considered Good	4,649.55	5,428.95
Other Debts		
I Considered Good	1,194.85	1,801.18
II Claims due from Central Government — Considered Good	2,279.73	1,530.35
	3,474.57	**3,331.53**
	9,697.04	**9,893.69**

Provision for doubtful debts

Periodically, the Company and its Subsidiaries evaluates all customer dues for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customers's ability to settle. The Company and its Subsidiaries normaly provides for debtor dues oustanding for six months or longer from the invoice date , at at the Balance Sheet date. The Company and its subsidaries pursues the recovery of the dues, in part or full.

(₹ in Lacs)

	31.03.2012	31.03.2011
2.15 — Cash & Cash Equivalents		
Cash In Hand	34.11	122.50
Cheques In Hand	245.47	558.79
Balance with Banks		
In current accounts	820.32	674.85
In Fixed Deposit accounts	1,100.00	—
Balance with banks held as margin money deposits against Letter of credit	116.42	903.07
	2,316.32	**2,259.20**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.16 — Short Term Loans and Advances		
Loans and advances to related parties		
Unsecured,Considered Good	35.00	535.00
	35.00	**535.00**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.16 — Short Term Loans and Advances (Contd.)		
Others		
Unsecured, considered Good		
Advances to suppliers	422.38	930.86
Security Deposit	2.78	0.70
Loan and advances to employees	46.21	65.07
Balances with/ Receivables from Government authorities	2,926.97	4,088.37
Subsidies Receivable from Central/State Governments	6,688.45	4,278.76
Advances for Services & Expenses	1,556.45	1,768.56
Advance Income Tax including MAT credit entitlement, net of provisions	8,640.21	6,713.40
Prepaid expenses	179.54	166.16
Intercorporate Deposits	800.00	1,864.71
	21,262.98	**19,876.60**
	21,297.98	**20,411.60**

(₹ in Lacs)

	31.03.2012	31.03.2011
2.17 — Other Current Assets		
Other Receivables	2.58	79.56
Unamortized Expenses	16.67	16.67
Share Application Money	—	120.00
	19.26	**216.23**

(₹ in Lacs)

	2011 — 12	2010 — 11
2.18 — Revenue from Operations		
Sale of Products	59,554.92	50602.83
Other operating revenue		
Shortage Recovery of Cement & Clinker	136.32	127.63
Bad Debts Recovered	—	0.99
Sale of Scrap	47.94	71.69
Revenue from Operation (gross)	**59,739.18**	**50,803.14**

(₹ in Lacs)

	2011 — 12	2010 — 11
2.19 — Other Income		
Interest Income on		
Bank deposits	5.11	4.56
Loans	190.04	153.82
Others	0.47	0.26
Other Non Operating Income	41.10	72.17
	236.72	**230.81**

(₹ in Lacs)

	2011 — 12	2010 — 11
2.20 — Cost of Materials Consumed		
Inventory at the beginning of the year	727.04	671.89
Add: Purchases	5,813.81	4776.38
	6540.85	5448.27
Less :inventory at the end of the year	667.89	727.04
Cost of materials consumed	**5,872.96**	**4,721.23**

(₹ in Lacs)

	2011 — 12	2010 — 11
2.21 — (Increase) / Decrease in Inventories		
Work in Process		
Opening Stock	11.75	17.83
Closing Stock	21.86	11.75
	(10.11)	**6.08**
Finished Goods		
Opening Stock	1,109.51	501.70
Closing Stock	417.78	1,109.51
	691.73	(607.81)
(Increase) / Decrease	**681.62**	**(601.73)**

(₹ in Lacs)

	2011 — 12	2010 — 11
2.22 — Employee Benefit Expenses		
Salaries, Wages & other Manpower Expenses	2,796.26	2,428.23
Contribution to Provident Fund	90.57	76.29
Welfare Expenses	155.49	115.39
	3,042.32	**2,619.91**

(₹ in Lacs)

	2011 — 12	2010 — 11
2.23 — Finance Costs		
On Fixed Loans	803.68	804.99
Others	592.77	105.85
Exchange Fluctuation (Gain)/loss to the extent considered as an adjustment to borrowing costs	440.18	20.31
Other finance Costs	61.76	86.99
	1898.38	**1018.14**

(₹ in Lacs)

	2011 — 12	2010 — 11
2.24 — Other Expenses		
Consumption of Stores & Spares	642.60	391.00
Packing Materials	1702.85	1,339.06
Royalty	1109.45	1,119.62
Power & Fuel	7513.24	7,598.70
Repairs & Maintenance		
Building	146.78	154.80
Plant & Machinery	953.54	393.57
Others	121.35	97.74

(₹ in Lacs)

	2011 — 12	2010 — 11
2.24 — Other Expenses (Contd.)		
Heavy Vehicle / Equipment Running Expenses	361.34	300.08
Excise duty variation on opening/closing stock	(108.80)	90.47
Travelling and Conveyance	242.36	226.30
Insurance(Net)	78.84	75.26
Rent, Rates & Taxes	666.39	416.92
Research & Development Expenses	27.21	17.42
Directors Remuneration	182.90	271.56
Charity & Donation	317.44	540.05
Miscellaneous Expenses	1014.03	819.25
Advertisement & Publicity	502.70	785.53
Outward Freight Charges (Net)	13987.15	10,580.61
Sales Promotion Expenses	589.91	343.36
Commission, Discount & Incentives on Sale	2532.52	1,815.44
	32583.81	**27,376.74**

2.25 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 Balance Sheet.

2.26 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 disclosures 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.

2.27 Capital and Other Commitments (to the extent not provided for)

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	9472.32	20478.74

2.28 — Contingent Liabilities

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
Claims against the company not acknowledged as debts - Excise/VAT/Income Tax Matters/Royalty etc	2,656.05	941.42
Guarantee provided to banks on behalf of Contractors	2,477.30	2,477.30
Export obligation under EPCG scheme	1807.30	1,229.16
Borrowing Cost Capitalized	3,386.40	1,716.01
Bills of exchange discounted with banks	563.11	—
Bank Guarantees issued by banks	776.41	604.37
Letter of Credits issued by banks	4,363.45	10,924.98

2.29 — Unhedged Foreign Currency Exposure

(₹ in Lacs)

	As at 31.03.12			As at 31.03.11		
	Foreign Currency	Foreign Currency	Indian Rupees	Foreign Currency	Foreign Currency	Indian Rupees
FCNRB Term Loan	USD	60.38	3088.57	USD	75.53	3372.34
FCNRB Demand Loan	USD	50.00	2557.83	USD	—	—
ECB	USD	299.70	15331.60	USD	—	—
Buyers Credit	EURO	81.43	5564.56	EURO	—	—
Buyers Credit	USD	14.70	752.00	USD	2.90	129.49
Buyers Credit	GBP	0.22	18.00	GBP	—	—
Letter of Credit	USD	8.13	415.74	USD	19.93	889.74
Letter of Credit	EURO	0.99	68.27	EURO	114.33	7230.07

2.30 — Related Party Disclosures

a) Names of the transacting related parties and related party relationship

Relationship	Name of the Party
Holding Company	Century Plyboards (India) Limited (CPIL)
Associates	Adonis Vyapaar Private Limited (ADVPL)
	Apanapan Viniyog Private Limited (AVPL)
	Ara Suppliers Private Limited (ASPL)
	Arham Sales Private Limited (ARSPL)
	Star India Cement Limited (SICL)
	Shyam Century Cement Industries Limited (SCCIL)
Key Management Personnel	Mr. Sajjan Bhajanka (Chairman & Managing Director)
	Mr. Rajendra Chamaria (Vice Chairman & Managing Director)
	Mr. S.B.Roongta (Managing Director) upto 30th September, 2011
	Mr. Sanjay Agarwal (Joint Managing Director)
	Mr. Prem Kumar Bhajanka (Managing Director in subsidiary)
	Mr. Pankaj Kejriwal (Managing Director in subsidiary)
	Mr. Sanjay Kr. Gupta (Chief Financial Officer)

b) Details of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2012 are given hereunder:

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Associates / Fellow Subsidiaries		Key Management Personnel	
		2011–12	2010–11	2011–12	2010–11	2011–12	2010–11
1	**Purchase Transactions**						
	CPIL	537.59	129.64	–	–	–	–
2	**Sale Transactions**						
	CPIL	35.11	21.94	–	–	–	–
3	**Purchase of Capital Goods**						
	CPIL	2.02	–	–	–	–	–
4	**Services Received**						
	CPIL	10.59	–	–	–	–	–
5	**Loan Taken**						
	CPIL	2300.00	1400.00	–	–	–	–

b) Details of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2012 are given hereunder: (Contd.)

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Associates / Fellow Subsidiaries		Key Management Personnel	
		2011–12	2010–11	2011–12	2010–11	2011–12	2010–11
6	**Loan Given**						
	CPIL	2670.00	3430.00	–	–	–	–
7	**Reimbursement of Expenses/ Cost of Materials sold/given**						
	CPIL	18.68	21.54	–	–	–	–
	SICL	–	–	0.14	40.54	–	–
8	**Reimbursement of Expenses / Cost of materials paid**						
	CPIL	2.62	33.22	–	–	–	–
	SCCIL	–	–	–	1.61	–	–
9	**Share Application Money Paid**						
	ADVPL	–	–	2.32	–	–	–
	AVPL	–	–	2.32	–	–	–
	ASPL	–	–	2.32	–	–	–
	ARSPL	–	–	2.32	–	–	–
10	**Share Application Money Received**						
	CPIL	–	1577.00	–	–	–	–
11	**Interest paid**						
	CPIL	31.35	16.48	–	–	–	–
12	**Interest received**						
	CPIL	91.43	65.67	–	–	–	–
13	**Remuneration Paid**						
	S.B Roongta	–	–	–	–	2.00	4.56
	Pankaj Kejriwal	–	–	–	–	22.50	18.00
	Rajendra Chamaria	–	–	–	–	36.00	36.00
	Sajjan Bhajanka	–	–	–	–	36.00	36.00
	Sanjay Agarwal	–	–	–	–	36.00	36.00
	Prem Bhajanka	–	–	–	–	18.00	–
	Sanjay Kumar Gupta	–	–	–	–	29.40	25.00
14	**Guarantees Obtained**						
	Sajjan Bhajanka	–	–	–	–	51090.00	75990.00
	Rajendra Chamaria	–	–	–	–	32740.00	58590.00

b) Details of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2012 are given hereunder: (Contd.)

(₹ in Lacs)

Sl No.	Types of Transactions	Holding Company		Associates / Fellow Subsidiaries		Key Management Personnel	
		2011–12	2010–11	2011–12	2010–11	2011–12	2010–11
	Sanjay Agarwal	–	–	–	–	32740.00	58590.00
	Prem Kumar Bhajanka	–	–	–	–	14000.00	14000.00
15	**Investment Made**						
	ADVPL	–	–	32.32	–	–	–
	AVPL	–	–	32.32	–	–	–
	ASPL	–	–	32.32	–	–	–
	ARSPL	–	–	32.32	–	–	–
16	**Balance Outstanding:**						
A	**Receivable/(Payable)**						
	CPIL	–	1.05	–	–	–	–
B	**Share Application Money Received**						
	CPIL	–	1577.00	–	–	–	–
C	**Share Capital & Premium**						
	CPIL	3373.50	1796.50	–	–	–	–
D	**Loans & Advances paid**						
	CPIL	–	500.00	–	–	–	–
	SICL	–	–	35.00	35.00	–	–
E	**Guarantees Obtained**						
	Sajjan Bhajanka	–	–	–	–	29,681.51	26,770.83
	Rajendra Chamaria	–	–	–	–	13,757.15	9,661.63
	Sanjay Agarwal	–	–	–	–	13,757.15	9,661.63
	Prem Kumar Bhajanka	–	–	–	–	12,224.48	14,000.00
F	**Investments**						
	ADVPL	–	–	32.32	–	–	–
	AVPL	–	–	32.32	–	–	–
	ASPL	–	–	32.32	–	–	–
	ARSPL	–	–	32.32	–	–	–

2.31 — Segment Reporting

(₹ in Lacs)

Sl No.		2011-12				2010-11			
		Power	Cement	Others	Total	Power	Cement	Others	Total
A	**Revenue (Gross)**								
	External Sales	–	59364.65	–	**59364.65**	46.39	50756.76	–	**50803.15**
	Inter Segment Sales	16.88	357.64	–	**374.52**	–	–	–	**–**
	Total Revenue (Gross)	16.88	59722.29	–	**59739.17**	46.39	50756.76	–	**50803.15**
B	**Results**			–				–	
	Segment Result	760.77	11052.24	–	11813.01	1196.17	11144.90	–	12341.07
	Unallocated (Income)/Expenses (Net)	–	–	–	368.25	–	–	–	371.18
	Interest & Finance Charges (Net)	438.95	1166.77	–	1605.72	219.57	187.91	–	407.48
	Operating Profit				9839.04	–	–	–	11562.41
	Exceptional Income	(391.60)	(350.13)		(741.73)	–	–	–	168.17
	Provision for Taxation	–	–	–	(20.49)	–	–	–	(2423.61)
	Mat Credit Entitlement	–	–	–	(195.88)	–	–	–	3333.26
	Income Tax for earlier year	–	–	–	(83.21)	–	–	–	–
	Deferred Tax (Net)	–	–	–	46.42	–	–	–	(118.28)
	Profit after Tax (before minority interest)	–	–	–	8844.15	–	–	–	12521.95
	Other Information								
A	**Total Assets**								
	Segment Assets	26778.56	115935.76	7.06	142721.38	17653.25	81773.56	6.74	99433.55
	Unallocated Corporate/ Other Assets	–	–	–	3041.97	–	–	–	2843.46
B	**Total Liabilities**								
	Segment Liabilities	17259.17	61382.61	.06	78641.84	4018.30	36898.31	0.16	41716.76
	Unallocated Corporate/ Other Liabilities	–	–	–	2242.75	–	–	4479.21	4479.21
C	**Capital Expenditure**	8597.82	36284.17	0.22	44882.21	12672.15	19677.76	–	32349.91
D	**Depreciation**	600.33	2210.55	–	2810.87	695.82	1870.85	–	2566.67

*External Sales include captive consumption

2.32 — Employee Defined Benefits

a) Defined Contribution Plans –The Company has recognized an expense of ₹90.57 Lacs (Previous year ₹76.29 Lacs) towards the defined contribution plans.

b) Define Benefit Plans - The Company has a defined benefit gratuity plan. Every employee who has completed five years or more service is entitled to Gratuity on terms not less than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The following tables summarise the components of net benefit expenses recognised in the Profit & Loss Account and the funded status and amounts recognised in the balance Sheet for the Gratuity.

c) Under leave encashment scheme, the company allows its employees to encash accumulated leave over and above thirty days at any time during the year. The scheme is not funded by the company.

(d) Defined Benefit Plans – As per Actuarial Valuation as at 31st March'2012

(₹ in Lacs)

		2011–12		2010–11	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Expense recognized in the Statement of Profit and Loss Account for the year ended 31st March'2012**				
	1. Current Service Cost	30.78	6.68	19.98	4.41
	2. Interest Cost	8.85	6.71	5.49	5.34
	3. Employee Contribution	–	–	–	–
	4. Expected Return on Plan Assets	(7.51)	–	–	–
	5. Actuarial (Gains)/Losses	15.64	23.15	(6.40)	32.24
	6. Past Service Cost	–	–	–	–
	7. Settlement Cost	–	–	–	–
	8. Losses/(gains) on acquisition/divesture	0.91	–	–	–
	9. Total Expense	48.67	36.54	19.07	42.00
II	**Net Asset/(Liability) recognized in the Balance Sheet as at 31st March'2012**				
	1. Present Value of Defined Benefit Obligation	135.17	90.93	86.21	76.91
	2. Fair Value of Plan Assets	101.72	–	–	–
	3. Funded Status [Surplus/(Deficit)]	(33.45)	(90.93)	(13.21)	(76.91)
	4. Net Asset/(Liability) as at 31st March'2012	(33.45)	(90.93)	(72.80)	(76.91)
III	**Change in Obligation during the Year ended 31st March'2012**				
	1. Present value of Defined Benefit Obligation at the beginning of the year	86.22	76.91	62.93	56.67

2.32 – Employee Defined Benefits (Contd.)

(₹ in Lacs)

	2011–12		2010–11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
2. Current Service Cost	30.78	6.68	19.98	4.41
3. Interest Cost	8.85	6.71	5.49	5.34
4. Settlement Cost	–	–	–	–
5. Past Service Cost	–	–	–	–
6. Employee Contribution	–	–	5.68	–
7. Liabilities assumed on acquisition/ (settled on divesture)	–	–	–	–
8. Actuarial (Gains) /Losses	15.64	23.15	(6.40)	32.24
9. Benefits Payments	(6.31)	(22.53)	(1.46)	(21.76)
10. Present Value of Defined Benefit Obligation at the end of the year	135.17	90.93	86.22	76.91
IV Change in assets during the Year ended March'2012				
1. Plan Assets at the beginning of the year	–	–	–	–
2. Assets acquired on amalgamation in previous year	86.22	–	–	–
3. Settlements	–	–	–	–
4. Expected return on plan assets	7.51	–	–	–
5. Contributions by employer	15.22	22.53	87.12	21.76
6. Actual Benefit Paid	(6.31)	(22.53)	(0.90)	(21.76)
7. Actuarial Gains/(Losses)	(0.91)	–	–	–
8. Plan Assets at the end of the year	101.73	–	86.22	–
9. Actual Return on plan assets	–	–	–	–
V. The major categories of plan assests as a percentage of the fair value of total plan assests				
1 Funded with insurer	100%	–	100%	–
2 The overall expected rate of return on assets is determined based on market process prevailing on that date, applicable to the period over which the obligations is to be settled	8%	–	8%	–

2.33 — Earnings Per Share (EPS)

(₹ in Lacs)

	31.03.2012	31.03.2011
Profit/(Loss) Attributable to Equity Shareholders	8982.47	12602.04
Equity Share Capital	4,192.14	4,192.14
Weighted average number of equity shares outstanding for basic EPS (Face value of ₹10 per share)	4,19,21,392	4,19,21,392
Weighted average number of equity shares outstanding for diluted EPS (Face value of ₹10 per share)	4,19,21,392	4,19,21,392
Basic Earnings Per Share (₹)	**21.43**	**28.77**
Diluted Earnings Per Share(₹)	**21.43**	**28.77**

2.34 Figures have been rounded off to the nearest ₹ in Lacs.

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

In terms of our report of even date

For and on behalf of the Board

For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice—Chairman & Managing Director

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(₹ in Lacs)

	Particulars	2011—12	2010—11
A	**Cash Flow from Operating Activities**		
	Net Profit/(Loss) before Tax and Exceptional Items	10,286.86	11,639.51
	Adjustments for :		
	Depreciation	2,810.87	2,566.67
	Unrealised Foreign Exchange Gain / (Loss)- Net	(450.85)	84.76
	Profit/ Loss on Sale of Fixed Assets- Net	3.03	37.45
	Interest Income	(236.72)	(157.24)
	Interest Expenses	1,898.38	908.04
	Miscellaneous Expenditure written off	–	5.00
	Provision for Gratuity & Leave Encashment	49.11	47.98
	Provision for Proposed Dividend & Corporate Dividend Tax	–	(977.68)
	Provision for Wealth Tax	(1.08)	17.23
	Prior period items	–	(4.11)
	Provision for Bad and Doubtful Debts (Net of adjustments)	(121.36)	104.03
	Operating Profit before Working Capital changes	14,238.24	14,271.66
	Adjustments for :		
	Trade receivables	318.00	(868.54)
	Inventories	(2,666.88)	(2,977.72)
	Other Receivables	2,358.28	(7,804.69)
	Trade Payables / other liabilities	426.84	5,562.19
	Cash Generated from Operations	14,674.49	8,182.90
	Direct Taxes- Refund / (Paid) - Net	(1,595.00)	(2,110.00)
	Net Cash Flow from Operating Activities	**13,079.49**	**6,072.91**
B	**Cash Flow from Investing Activities**		
	Loans from Companies and Public Bodies	–	2,932.73
	(Purchase)/sale of Fixed Assets (including Capital WIP)- Net	(44,407.53)	(31,583.97)
	(Purchase)/ sale of Investments	(125.62)	1,793.86
	Interest Received	236.72	157.24
	Net Cash used in Investing Activities	**(44,296.43)**	**(26,700.15)**
C	**Cash Flow from Financing Activities**		
	Interest paid	(1,898.38)	(908.04)
	Proceeds from /(Repayment of) Long Term Borrowings / Liabilities	33,127.50	15,090.61
	Proceeds from /(Repayment of) Short Term Borrowings	1,086.24	3,041.75
	Increase in Capital Reserve / Share capital	(1,041.30)	3,764.25
	Share issue Expenses	–	(5.00)
	Dividend Paid	–	(838.43)
	Corporate Dividend Tax Paid	–	(278.50)
	Net Cash used in Financing Activities	**31,274.07**	**19,866.65**
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	**57.12**	**(760.59)**
	Cash and Cash Equivalents		
	Opening Balance	**2,259.20**	**3,019.79**
	Closing Balance	**2,316.32**	**2,259.20**

As per our report of even date

For and on behalf of the Board

For **Kailash B Goel & Co.**
Firm Registration No.322460E
Chartered Accountants

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice—Chairman & Managing Director

CA. Arun Kumar Sharma
Partner
M.No. 57329
Kolkata, 21st April' 2012

Sanjay Kr. Gupta
Chief Financial Officer

Y.K. Chaudhry
Company Secretary

Corporate Information

Board of Directors

Sajjan Bhajanka	Chairman & Managing Director
Brij Bhushan Agarwal	Vice Chairman
Rajendra Chamaria	Vice Chairman & Managing Director
Sanjay Agarwal	Joint Managing Director
Prem Kumar Bhajanka	Director
Pankaj Kejriwal	Director
Mangi Lal Jain	Director
Clara Suja	Director

Auditors

Kailash B. Goel & Co.
Chartered Accountants
70, Ganesh Chandra Avenue, 1st Floor
Kolkata – 700 013

Company Secretary

Y.K. Chaudhry

Bankers

Allahabad Bank
Bank of Baroda
Corporation Bank
State Bank of India
Union Bank of India
Oriental Bank of Commerce

Registered Office & Works

Vill:-Lumshnong, P.O.Khaliehriat
Distt:- Jaintia Hills, Meghalaya – 793 200

Corporate Office

‘Satyam Towers’ 1st Floor, Unit No. 9B
3, Alipore Road, Kolkata – 700 027

Guwahati Office

Mayur Garden, 2nd Floor, Opp. Rajiv Bhawan
G.S. Road, Guwahati – 781 005

Delhi Office

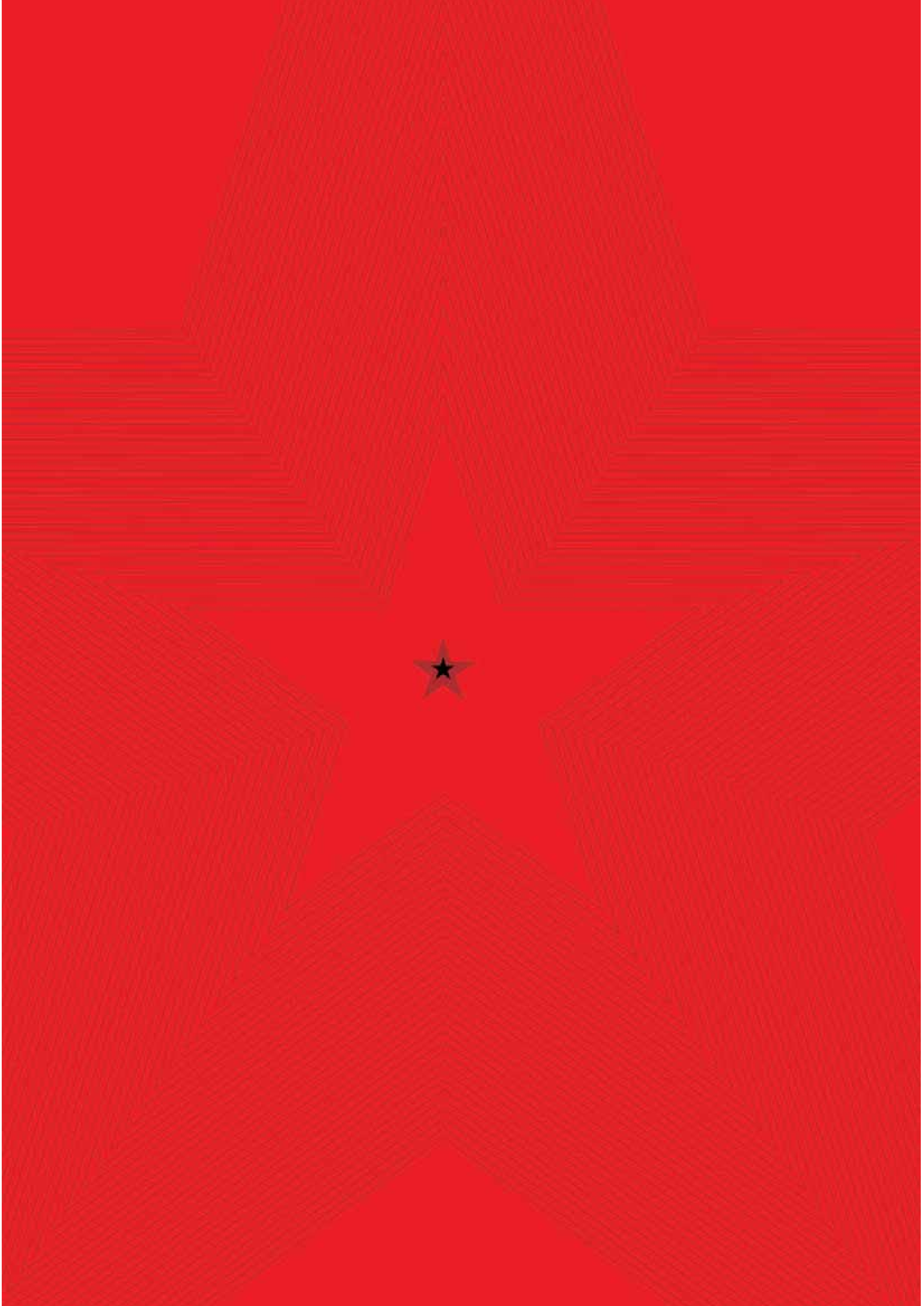
281, Deepali, Pitampura
New Delhi – 110 034

Registrars & Share Transfer Agents

Maheswari Datamatics Pvt. Ltd.
6, Mango Lane, 2nd Floor
Kolkata – 700 001

NOTE

NOTE



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