STARCEMENT

CEMENT MANUFACTURING COMPANY LIMITED

ANNUAL REPORT 2012-13

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 – 700013

COMPANY SECRETARY

Y. K. Chaudhry

BANKERS & FI'S

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

Registered Office

Vill: Lumshnong, P.O. Khaliehriat
Dist: East Jaintia Hills
Meghalaya – 793200

Lumshnong Plant
Vill: Lumshnong, P.O. Khaliehriat
Distt: East Jaintia Hills
Meghalaya – 793200

Sonapur Plant
Gopinath Bordoloi Road
Vill: Chamta Pathar
P.O. Sonapur
Kamrup Assam
Pin - 782402

Corporate Office

'Satyam Towers', 1st Floor
Unit No. 9B, 3, Alipore Road
Kolkata-700027

Guwahati Office
Mayur Garden, 2nd Floor
Opp. Rajiv Bhawan, G. S. Road
Guwahati – 781005

Delhi Office
281, Deepali, Pitampura
New Delhi - 110034

Registrars & Share Transfer Agents

Maheswari Datamatics Pvt. Ltd.
6, Mango Lane, 2nd Floor
Kolkata - 700001

Between the Covers

STARCEMENT

Well defined strategies mark the path of our Company. Our leading position is derived through our day-to-day commitment to better customer satisfaction, operational improvement alongside newer product development, newer market development strategies, creating mutual trust & respect amongst employees and looking after the emerging needs of the society as a responsible corporate citizen.

The dynamic environment that comes from executing these principles shapes our future in the changing market scenario and helps us in sustaining our leading position with More Than 20% Market Share in the North-East part of India.

CEMENT MANUFACTURING COMPANY LIMITED (CMCL)

is one of the leading manufacturers of Cement in North-East India.

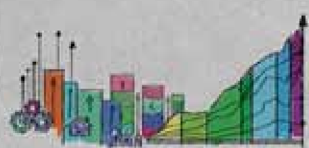
STARCEMENT @ NORTH-EAST INDIA

Demand for cement across the North-Eastern part of India has not risen with the same pace as in other parts of India. But with changing times, newer opportunities are arising from this region. This region is slowly witnessing a construction boom. Large planned investments in infrastructure and housing are likely to boost demand for cement in the coming years as well as increased investments in various Hydro-Power projects are going to witness a golden phase for the cement industry in this region.

At Cement Manufacturing Company Limited (CMCL), envisioning future, aiming a notch higher, upholding business ethics and continuously investing in newer growth engines are the key traits that differentiate us from the rest. As a leading cement manufacturer in North-Eastern part of India, we are distinguished by our ability through consistent performance, amidst challenging times by extending our reach amongst the consumers and cementing relationship of trust with them. The measure of our consistent performance gets reflected in the fact that our revenue has been growing steadily thereby maintaining our commitment towards our stakeholder's value creation.

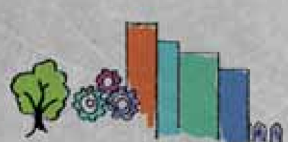
We are suitably poised to play a pivotal role on the strength of our experience and expertise and maintain our leadership role.

THE dynamism OF OUR thought & action



Overview :

We at Cement Manufacturing Company Limited (CMCL), believe in the overall development of the cement industry across north-eastern part of India – through our product quality, our ability to create a sustainable business model, our initiatives to nurture the in-house talent, our zeal towards the healthy creation of stakeholders value. Our mission and values depicts the diverse interpretations of that one belief.



Mission :

Our mission is to produce and supply the best quality products at competitive prices for creating value for our clientele and stakeholders. We shall pursue the policy of transparency and adherence to modern management principles, while our commitment to highest standards of responsible ethical conduct in the organization shall continue, as ever. We will also remain committed to providing our employees with a safe and healthy working environment.

Values :

Excellence - Strive relentlessly and constantly improve ourselves in our offerings.

Integrity - Conduct our business with fairly with "total" honesty and transparency.

Responsibility - For our words and actions.

Respect - For our stakeholders, environment and community.

A subsidiary of Century Plyboards (India) Limited and producing clinker and cement since 2004 & 2005 respectively.

Manufacturing facility of the Company is situated at Lumshong in Meghalaya with an installed capacity to produce 0.79 MTPA of Cement and 1.60 MTPA of Cement Grinding unit at Sonapur, Guwahati in Assam. Corporate Office of the Company is situated at Kolkata in West Bengal with supporting offices at Guwahati and Delhi.

Managed by a team of professionals headed by Mr. Sajjan Bhajanka, Mr. Rajendra Chamaria, Mr. Sanjay Agarwal and Mr. Brij Bhushan Agarwal & other eminent members on the Board.

CMCL a portrait of responsible growth

Engaged in the production of Ordinary Portland Cement (43 & 53 grade), Portland Pozzolana Cement, Clinker and Captive Power generation.

An ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007 certified organisation.

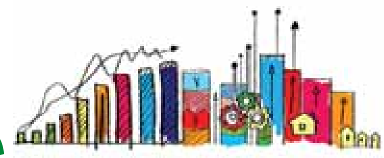
The Company's products are marketed under the widely accepted "Star Cement" brand.

Largest selling cement brand in the North-Eastern part of India with a total 20% market capitalization. The products are also exported to Bangladesh.

One of the largest distribution networks across north-east where the products of the Company are sold across 792 retail counters through a bouquet of 803 dealers.

The Company caters to a host of institutional & retail customers. Its institutional customers comprises of BHEL, NTPC, NHPC, NRL, DGS & D, Simplex Infrastructure Limited, Punj Lloyd Limited.

Looking back achievements during 2012-13



10.67 Lac
Tonnes of Consolidated Cement produced

8.35 Lac
Tonnes of Consolidated Clinker produced

10.66 Lac
Tonnes of Cement sold

` 59,497 Lacs
Consolidated Net Revenue generated

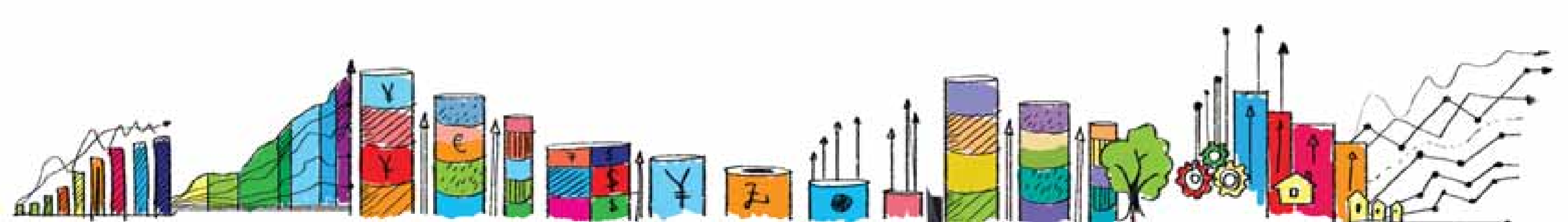
` 12,048 Lacs
Consolidated EBIDTA generated

184
new direct dealers added to boost the sales

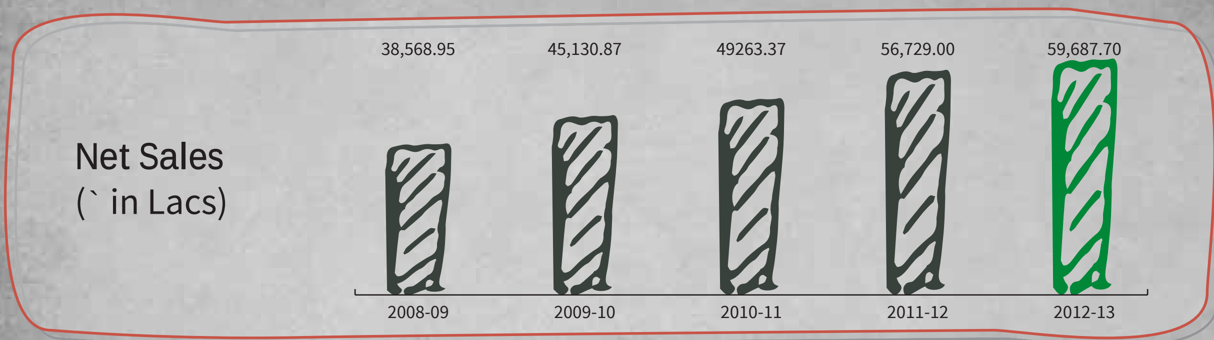
51 MW
of Power production capacity (through subsidiary)

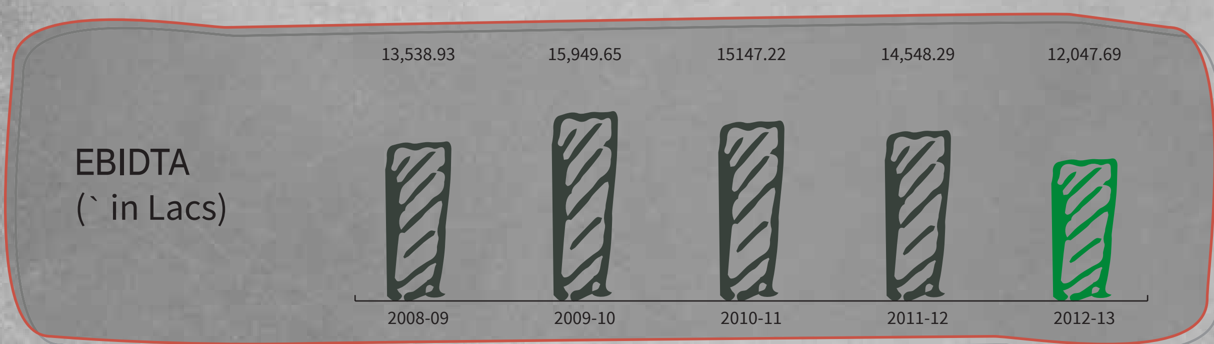
1.75 MTPA
Clinkerisation Capacity (through subsidiary)

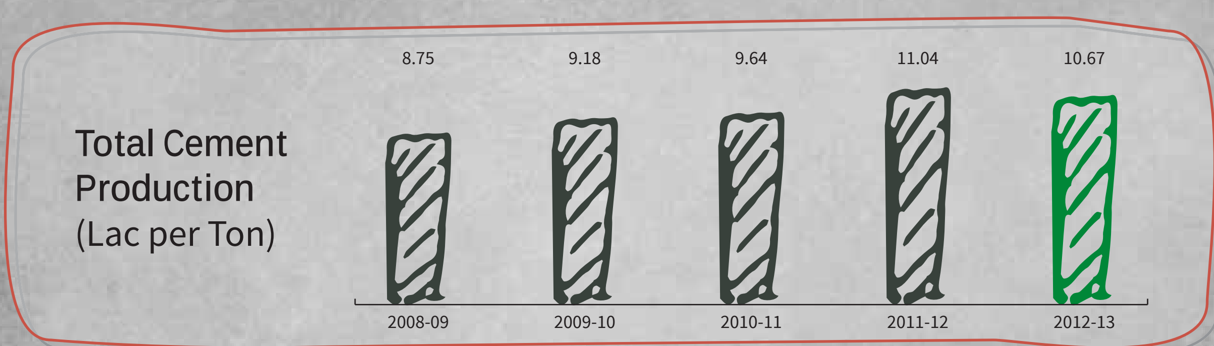
1.60 MTPA
Grinding capacity

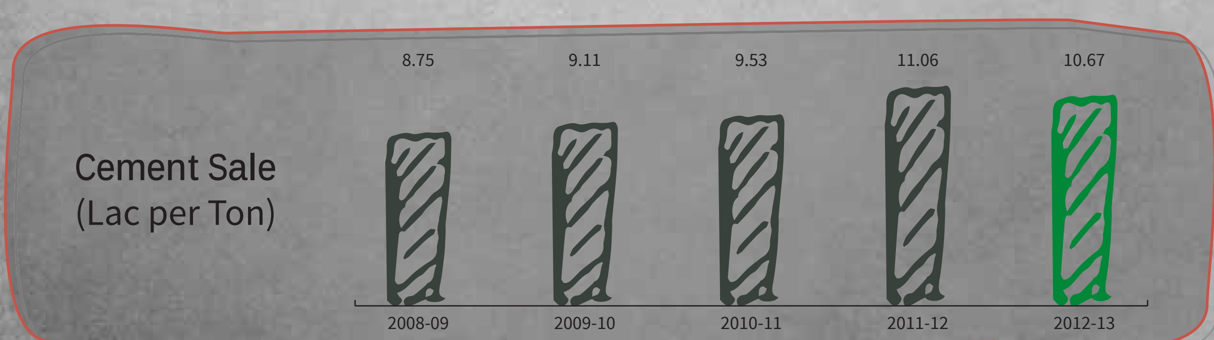


Despite various headwinds moving in the right direction









LEADING AND investing across industry cycles

OVER THE YEARS, THE COMPANY HAS PROACTIVELY INVESTED TOWARDS ENHANCING ITS PRODUCTION CAPACITY AS WELL AS INTEGRATING FORWARD AND BACKWARD. AS A RESULT OF THESE PROACTIVE INITIATIVES, THE COMPANY HAS SUCCESSFULLY SAFEGUARDED ITSELF AGAINST INDUSTRY TROUGHS AND STRENGTHENED ITSELF FOR SECTORAL REBOUND.

In a cyclical business like of Cement, where product demand is highly dependent on sustained infrastructure creation, a Company can protect volatility in unfavourable years through proactive investments. Integrating the value chain, acts as a value protector by insulating against supply interruption and price fluctuations.

The big picture

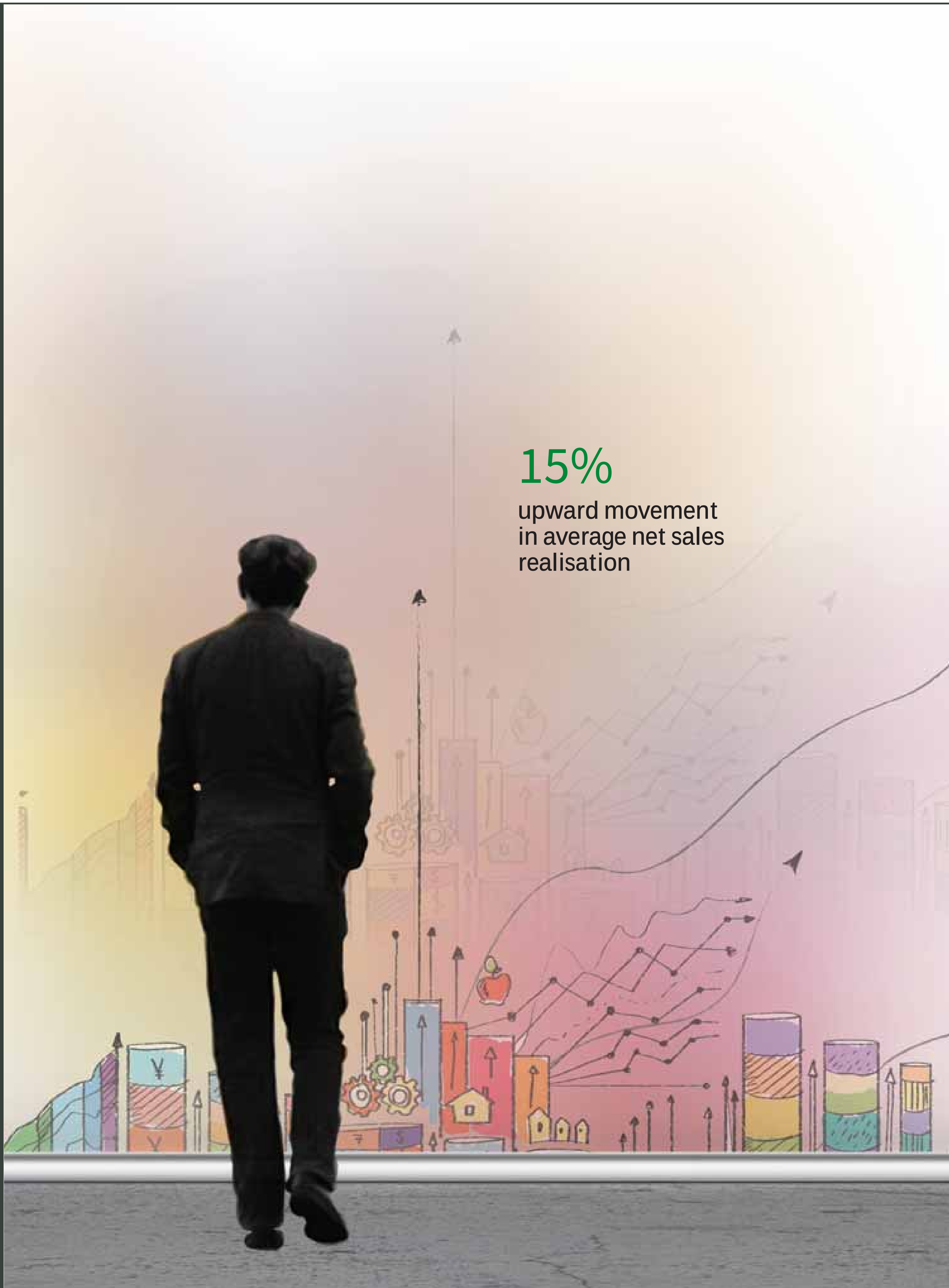
Entire Northeastern region has been facing a cement deficit owing to the onset of newer infrastructure projects. There has been a huge real estate boom by investments in setting new malls, dams, roads and bridges, various railway projects, etc., contributing to the overall growth in cement consumption. The supply shortage was sustained through importing cement from other parts of the country.

The document "North Eastern Region Vision 2020", further envisages a serious effort by the government for the socio-economic development of this region. As a result cement demand is expected to increase further and outpace the national demand.

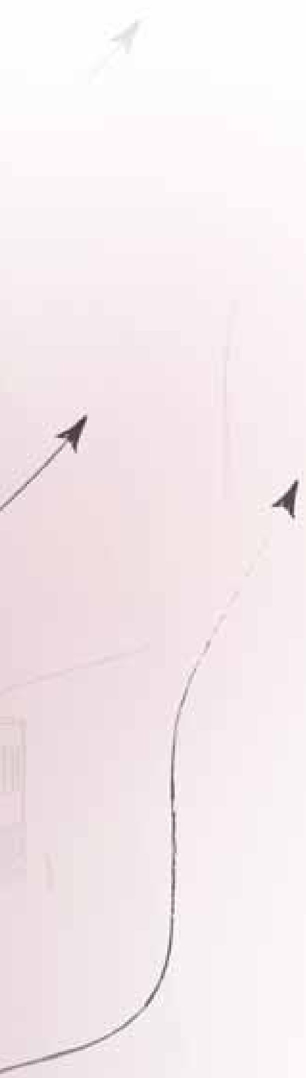
The CMCL response

Backed by a rich raw material reserves in our surroundings (around 4,000 Million Tonnes of Limestone reserves and 650 Million Tonnes of Coal reserves), the Company is currently running a 0.79 MTPA based Cement unit. It is also running a Cement Grinding with an installed capacity 1.60 MTPA unit at Sonapur, Guwahati in Assam. It has also set-up a 1.75 MTPA Clinkerisation unit (through subsidiary) and a 51MW Captive Power Plant (through subsidiary) for captive consumption and merchant sale.

With all the capacities in place, the Company stands to gain a good ground to meet the industry demand.


15%
upward movement in average net sales realisation

LEADING AND implementing cost management initiatives



IT IS BELIEVED THAT THE RIGHT TIME TO BUILD THE ROOF IS WHILE THE SUN SHINES. BUT WHEN THE GOING GETS TOUGH, THE FIRST CASUALTY IS THE INVESTMENT BUDGET. EVEN AS INDUSTRY OBSERVES CAUTIONED, THIS IS THE SOLE TEMPTATION WHICH CMCL RESISTED.

At CMCL, our belief that cost optimisation initiatives needs to be persistent and not momentary or occasional has been our biggest boon. Our zeal to improve and lead the change has enabled us to become one of the cost efficient players in the cement manufacturing industry across the NER.

The big picture

During an industry slowdown, the budgets of a number of business strengthening initiatives gets dried up. During 2012-13, most of the key inputs throughout the industry remained north bound. At the same time, the depreciation in Indian Rupee vis-à-vis US Dollar led to serious consequences on the price of raw materials throughout the industry. Being unprecedented rise in the cost of key inputs, we also couldn't remain unscathed from depleting margins. However, the organisation-wide culture of cost optimisation definitely helped us to stem the tide.

The CMCL response

At CMCL, our focus was on sweating-off existing capacities to ensure higher overhead absorption. Each manufacturing unit continued to initiate measures to optimize usage of key resources, without impairing the quality of the end product. We procured power from our subsidiary thereby rationalizing our cost; we also undertook a number of energy-saving initiatives to optimise energy consumption. We invested resources in various research activities which resulted in achieving greater level of efficiencies. We started using iron ore and laterite as alternative source of raw material; we started using calcined clay thereby optimizing usage of high cost fly ash and clinker; we developed raw mix design for usage of low grade of iron ore; we started using newly designed packing bags thereby resulting in bursting ration & better customer satisfaction.

In doing so, we widened our opportunity canvas to generate the fastest growth during a sectoral revival.

LEADING AND expanding to newer horizons

SUCCESS IS NOT A DESTINATION. IT IS A JOURNEY FUELLED BY ONE'S DESIRE TO IMPROVE & EXPAND EACH TIME.

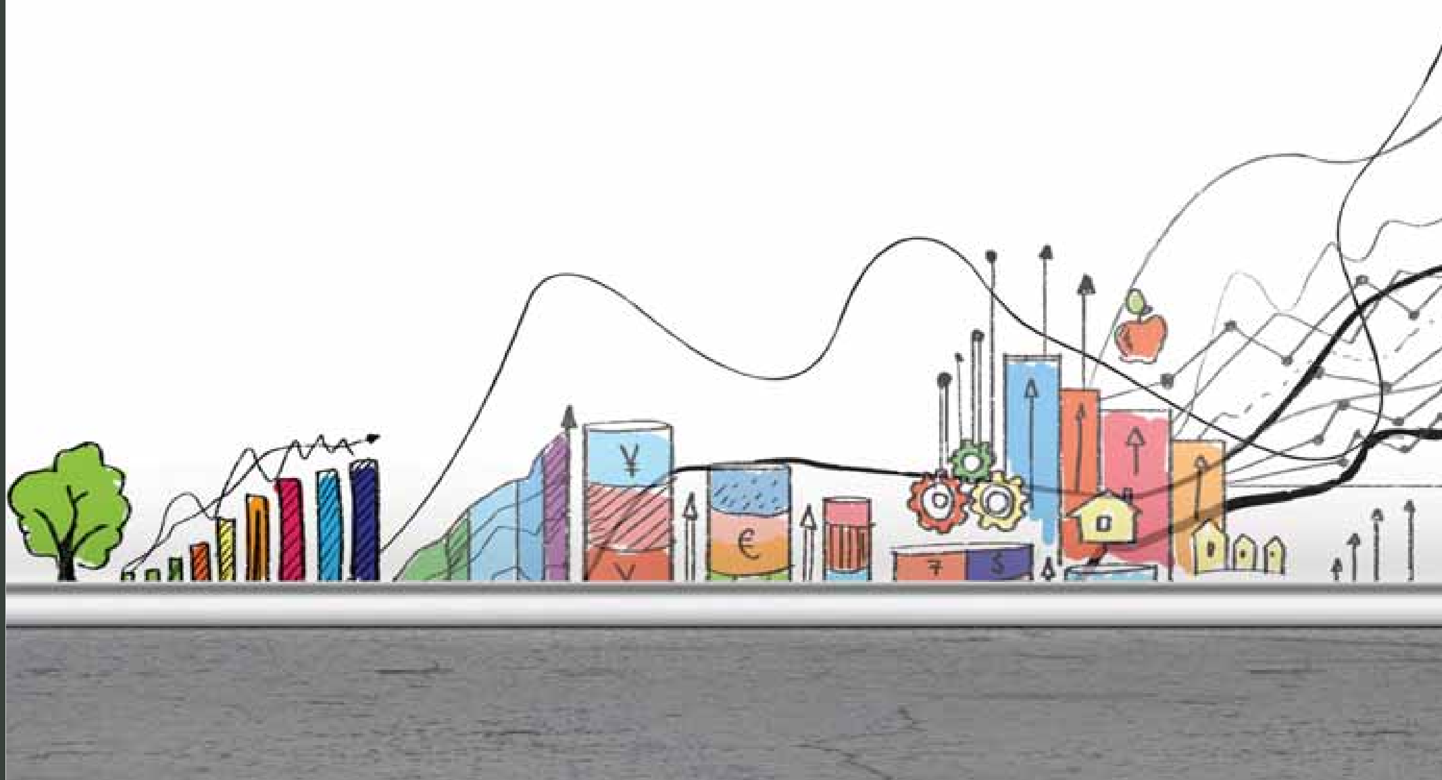
Sustained growth demands broader presence. During weak industry environments, generating incremental volumes becomes challenging. At CMCL, we not only widened our reach, but also enhanced our brand visibility and focused on providing better quality of products as per the guidelines laid down by the management of the Company.

The big picture

Since economic liberalization, manufacturing units have dispersed from erstwhile limited pockets to diverse geographies across India. The cost of raw materials and logistics has continued to surge. The delivery schedule for the end product at clients' sites has shortened considerably. Moreover, the capacity buildup in the sector has resulted in higher competition. The need to change with the times was evident for us and we prepared well.

The CMCL response

At CMCL, our passion to excel is reflected in the addition of new geographies covered by us since inception. During the year under review, we have made further inroads into the remote areas and other cities across NER by adding 184 direct dealers and taking the headcount to 803 under the brand "Star Cement".



The Company also moved ahead to add 792 retail counters for distribution and marketing of its product. The Company also started its new grinding unit at Guwahati and expects to launch “Start Cement” brand outside the NER in the State of West Bengal and Bihar. This web of network makes it possible for our product to be available closest to consumption points and structured in a manner that the material moves quickly from our factories and outsourcing locations. But this brand positioning is difficult to be achieved without giving the priority to quality. At CMCL, our day starts with a commitment to quality and ends with the same objective in mind. We are dedicated in providing quality products, which meet the expectations of our customers and provide true value for money to our clients. We have invested diligently into operations and processes, so as to ensure compliance to superior quality standards. Our quality commitment is reflected through the ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007 certifications possessed by the Company through reputable international agencies.

By entrenching in newer geographies, CMCL expects to broaden its business horizon and also explore opportunities that would establish it as a leader in the entire Eastern part of India.

LEADING AND caring

RESPONSIBLE BEHAVIOUR IS THE ESSENTIAL KEY TO BUILDING AND MAINTAINING BRAND LOYALTY.

We at CMCL believe in the concept of giving back to the society. Every aspect of corporate social responsibility is embedded in our business model, as we firmly believe that contribution to economic, societal & environmental and capital ensures long-term business sustainability and competitiveness.

The big picture

Values are not rule books but real ideas that are personified by ones behavior and ideas. Every aspect of value creation should be judiciously benchmarked for sustainability. As a Company invests in its organisation to make it successful, it needs to invest in society to contribute to its success. While "capital" is the investment made in the Company, CSR represents the investments made in society.

The CMCL response

Our Company believes that, sustainability is no longer an economic requirement, but an environment as well. Our community development includes initiatives for the empowerment of rural communities by working towards their economic independence, improving social infrastructure & social upliftment and protection of the environment for the benefit of the society, future generations & each of us as individuals. The result is a healthy CMCL, home to several ambitious and happy individuals. Today CMCL has an enviable team of highly competent and experience personnel hired from various backgrounds including fresher's who are Graduate Engineers and Diploma Engineers; local youths are also mentored and employed by the Company; Social gatherings at regular intervals for the employees and their family members; Regular training programmes and workshops for skill development of employees; Implementation of Occupational Health & Safety Programme as per OHSAS – 18001 guidelines; Active celebration of National Safety Week; Celebration of World Environment Day; Developing of "green belt" into the surroundings of the plant and staff colony; Celebration of Fire Services Day; Dedicated Emergency Control Room at the plant premises to prevent any disaster; School has been up at Lumshong with modern educational facilities for the children of the staff and people living in the vicinity of the plant; Regular contribution to the Village Area Development Fund for the development of local village; Potable drinking water is provided to the villages at regular intervals through dedicated water tanks; Medical camps and distribution of free medicines to the needy at regular intervals; Round the clock medical facility to the locals alongwith ambulance facility through a hospital run by the Company.

We are always committed to invest into community related activities for upliftment of people and the environment around us thereby benefiting the society at large.

Directors' Report

Indian Cement Industry added more than 35 Million Tonnes during the year under review which accounts for 10% growth in the capacity over previous year

Dear Shareholders,

2012-13 – A year of challenges with a mindset of fast recovery.

INDIAN ECONOMY AND REST OF GLOBE

Fiscal 2012-13, once again remained full of challenges on global economic front. European countries have been trying to come out of last fiscal's Euro zone Crisis but monetary union's fundamental problem of low potential growth, ongoing recession, loss of competitiveness and large stocks of public and private debts are yet to be resolved. If we see beyond Euro zone, United Kingdom has been seen struggling to restore growth owing to the damage caused by front-loaded fiscal-consolidation efforts. China's economic model remains unstable. Japan is trying a new economic experiment to stop deflation, boost economic growth and restore business and consumer confidence. Middle East, which remains an arc of instability and Turkey faces many challenges of its own. Its bid to join the European Union is currently stalled, while euro zone recession dampens its growth. Its current-account deficit remains large. In backdrop of above, United States of America has experienced several positive economic trends. Job creation is improving, rising labour cost in Asia and the event of robotics and automation are underpinning a manufacturing resurgence. Aggressive quantitative easing is helping both the real economy and financial markets. But unemployment and household debt still remains stubbornly high. Amongst advanced economies, the United States of America is in the best economic shape followed by Japan. Euro zone and UK remain mired in recessions made worse by tight monetary and fiscal policies. Amongst emerging economies China could face a hard landing in years to come if critical structural reforms are further postponed.

India story has not remained untouched with what happened in rest of the globe. GDP growth of 5% is one of the lowest in last 10 years. The only contention has been that 5% GDP growth rate also is much higher than G-7 Countries. Inflation is at all time high. India's exports, which had surpassed pre-crisis levels within a year in 2010-11 with a record 40.50% growth, continued growing even in 2011-12, but were finally affected by the global slowdown in 2012-13 with exports declining even more at – 4.90% in the first ten months than the – 3.50% recorded during 2009-10. The decline in export growth is mainly on account of external factors and changes in exchange rates. Slowdown in the GDP growth of Partner Countries is also seen as a major factor in decline of export. Infrastructure and Industrial Projects did not perform up to the mark. Domestic savings and consumption were badly affected on account of high inflation and depreciating rupee. Structural bottlenecks, slow policy movement, stubborn interest rates on account of high inflation, declining exports, low non-food credit growth, declining

The expectation would ride on the back of normal monsoon giving a good harvest to farmers, increase in investment with favorable interest regime and with gradual recovery in industrial production and exports

industrial growth and subdued demand for both consumption and investment has led to the systematic decline in the overall economic growth of the country in FY 2012-13.

However, it is expected that economy will revive in the coming fiscal and GDP growth is expected to rise to 6% from 5%. The expectation would ride on the back of normal monsoon giving a good harvest to farmers, increase in investment with favorable interest regime and with gradual recovery in industrial production and exports. Economy looks at Government initiatives to start spending on capital projects which have been hitherto stalled on account of fiscal constraints. With increase in consumption demand and higher capital investments, industrial activity is expected to improve. Average Annual inflation is also likely to ease further during FY 2013-14. With improvements in growth prospects as well as continuation of FIIs inflow, investors' confidence and investment climate are set to receive a fillip.

INDIAN CEMENT INDUSTRY

Despite slowdown seen in global as well as Indian economic scenario during FY 2012-13, Indian Cement Industry fared well during the first half of the year under review. As against growth of 6% in Fiscal 2011-12, first half of calendar year 2012 witnessed growth of 10%. Poor monsoon affected harvest to a great extent but helped cement industry. Monsoon season which is normally considered a low season for cement industry on account of poor construction activities, lack of rain has allowed construction companies to continue working as usual and pushed up demand for cement. However, second half of the year witnessed drastic fall in cement demand on account of slowdown in construction industry. The growth achieved during first half was largely set-off by slowdown in demand during the second half of the year. Shortage of construction material like sand, bricks and water also affected pace of construction industry resulting into low demand of cement and lower capacity utilization by cement industry during second half.

On capacity front, Indian Cement Industry added more than 35 Million Tonnes during the year under review which accounts for 10% growth in the capacity over previous year. However, on account of sluggish demand during second half, capacity utilization remained low.

On cost front, Cement Industry witnessed challenges during the year under review. Freight, being one of the major cost drivers, has gone up considerably with an increase of more than 20% in railway freight. Series of hikes in the prices of diesel has led to considerable increase in cost of transportation of raw material and finished goods. Cost of coal was also north bound during the year under review.

KEY HIGHLIGHTS 2012-13

- Consolidated cement production was 10,67,465 MT during the year as against 11,03,800 MT during the previous financial year.
- Consolidated net sales was ₹ 59,497.13 Lacs during the year under review as compared to ₹ 56,495.95 Lacs during the financial year 2011-12.
- Consolidated EBIDTA was 20.25% lower at ₹ 12,047.69 Lacs.
- Consolidated profit before tax declined during the year 2012-13 to ₹ 4,897.67 Lacs as against ₹ 9,097.31 Lacs in the year 2011-12.
- Consolidated profit after tax was lower at ₹ 4,290.92 Lacs in FY 2012-13 as against ₹ 8,982.47 Lacs in FY 2011-12.
- Average net sales realization has gone up by 15% over previous year.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	CONSOLIDATED		STANDALONE	
	2012-13	2011-12	2012-13	2011-12
Net Sales / Income	**59,687.70**	**56,729.00**	**36,200.34**	**33,789.15**
Profit Before Interest, Depreciation, Tax and Extra Ordinary Items	12,047.69	14,548.29	6,773.23	7,272.73
Extraordinary Items	9.80	(741.73)	118.46	(350.13)
Profit Before Interest, Depreciation and Tax	12,057.49	13,806.56	6,891.69	6,922.60
Interest & Finance Charges	(2,682.36)	(1,898.38)	(1,699.20)	(1,182.83)
Depreciation	(4,477.46)	(2,810.87)	(2,083.80)	(1,723.58)
Profit Before Tax	**4,897.67**	**9,097.31**	**3,108.69**	**4,016.19**
Provision For Taxation :				
Current Tax	(1,417.72)	(1,900.04)	(623.35)	(830.40)
Less : MAT Credit entitlement	1,417.72	1,879.56	623.35	830.40
Net Current Tax	–	(20.49)	–	–
MAT credit entitlement of earlier years	–	(195.88)	–	–
Short Provision Of Income Tax	–	(83.21)	–	–
Deferred Tax	(578.68)	46.42	(40.13)	31.37
Miniority Interest	(28.07)	138.32	–	–
Net Profit After Tax (After Minority)	**4,290.92**	**8,982.47**	**3,068.55**	**4047.56**

OPERATIONAL PERFORMANCE

Despite various challenges on the economic front and slowdown in cement demand during second half of FY 2012-13, your Company has been able to sustain its operation almost at last fiscal's level. During the year under review, your company has produced 758,175 MT of Cement Clinker on standalone basis as against 714,780 MT during the last financial year on standalone basis, registering a growth of 6.07% over last year. During last quarter of FY 2012-13 new grinding unit of your Company at Guwahati and new Cement Clinker manufacturing unit of M/s. Star Cement Meghalaya Limited, subsidiary of your Company have also commenced their commercial operation and their operations are getting stabilized. On consolidated basis, your Company has been able to produce 835,576 MT of Cement Clinker register a growth of 16.90% over last year.

Your Company has produced 10,67,465 MT of cement during the year under review on consolidated basis as against 11,03,800 MT during last financial year, a drop of little over 3% over previous year. This has been mainly on account of the facts that unlike previous year, during the year under review, your Company has not made any substantial purchase of clinker from outside and has been able to sustain the level of cement production almost at the level of last year on the basis of its own clinker. During the year under review, your Company has been able to maintain almost same level of sales volume as during previous year and has sold 10,65,097 MT of Cement as against 11,06,422 MT during the previous year. The marginal drop of 4% approx is on account of lower production volume as mentioned above.

DIVIDEND

In view of increased activities with commencing of new Grinding unit at Guwahati and new Cement Clinker unit by its subsidiary and with a view to conserve resources to meet operational requirement of funds, your directors do not recommend any dividend for the year under review.

MARKET DEVELOPMENTS

Despite intense competitive scenario which emerged in the markets of North Eastern

With commencement of its new grinding unit at Guwahati, your Company has started to explore the neighbouring markets

Region (NER) during the year under review, your Company has been able to sustain its operation in NER almost on the same level of previous year. On consolidated basis, your Company has sold 10,65,097 MT of Cement during the year under review as against 11,06,422 MT during last financial year. The marginal drop of less than 4% has been on account of lower production. Your Company has commenced commercial production of its grinding unit at Guwahati only towards end of the year under review and its full impact would be seen in the coming year. Company's Brand "STAR CEMENT" continues to enjoy its brand leadership position in the market of NER.

In its efforts towards further consolidating its base in the markets and remote areas of NER, your Company has further added 184 direct dealers and number of total dealer has gone up to 803 as against 619 during the previous financial year. During the year under review Company has added 792 retail counters.

With commencement of its new grinding unit at Guwahati, your Company has started to explore the neighbouring markets in the States of Bihar & West Bengal and further, our product is expected to be launched in these two states, outside NER shortly.

PRODUCTION AND COSTS DEVELOPMENTS

During the year under review there has been all round increase on costs front. Cost parameters have undergone major changes during the FY 2012-13. The FY 2012-13 was another year in sequence wherein the costs have increased in all areas of operations.

Coal

Coal being a major cost driver for cement industry has got a very important role in overall cost of cement produced. During the year under review, coal prices remained volatile through-out the year with a bias towards increase. Average Landed Cost per Ton of Coal went up from ₹ 4,081/- PMT during last financial year to ₹ 4,872/- PMT, which accounts for 19.38% increase over previous year. Increase in rate of Royalty further added to the woos. Royalty on Coal has increased from ₹ 290/- PMT to ₹ 675/- PMT. Coal consumption has also gone up from 17% during last financial year to 17.69% during the year under review on account of quality parameters. Specific Heat Consumption has also gone up marginally from 785 Kcal/Kg of Clinker during the last financial year to 788 Kcal/Kg of Clinker during the year under review.

Fly Ash

Blending of Fly Ash in manufacturing of Cement has got multiple inherent advantages. India as a country largely dependent on usage of fossil fuel coal for generation of power by thermal power plants which generates huge volume of fly ash. Despite intense efforts of Government to encourage use of fly ash in various products like bricks, pavers, cement etc., barring its usage in blended cement, fly ash has yet not found application in manufacturing of other products and disposal of surplus fly ash still remains a concern. Usage of fly ash in cement ensures not only better environment but also results into conservation of energy and higher output of Cement Grinding Mills resulting into optimization of overall cost of production of cement. Your company has been blending fly ash for production of cement since inception in its effort to extend a helping hand towards better environment and energy conservation. At the same time company has been able to optimize its operations by blending fly ash in production of cement as per BIS guidelines year after year.

Fly Ash being a waste product of thermal power plants is normally disposed-off by power generating companies either free of cost or at a very nominal price. Off take, most of power plants have started charging some price for fly ash, although some of the power plants not well placed logistically are even incentivizing lifting of fly ash. The only cost factor which matters in cost build-up of fly ash is its safe and secured handling, protecting environment and its transportation cost. Through optimizing source mix, your Company has been able to maintain the landed cost of fly ash during the year under review at the same level as of previous year. This has been achieved despite increase in cost of Rail and Road Transportation.

Power Cost

State Electricity Board supply has again remained a constraint during the year under view. There has been only marginal improvement in availability of grid power. During FY 2012-13 MeECL could supply only 42% of total power required as against 38% during the previous financial year on consolidated basis. Much awaited Myntdu-Leshka project which was commissioned fully in 2012-13 is yet to stabilize its operation towards achieving full efficiencies and has not helped in improvement in power supply position in the State. Your Company has sustained its operation by sourcing its power from the power generation unit of its subsidiary, M/s. Meghalaya Power Limited and with the help of standby Diesel Generating Sets reducing Company's dependency on grid power. The dependency of Company is likely to further reduce on grid power in coming years.

MeECL increased power tariff just before the beginning of the financial year under review from ₹ 3.61 per KVAH to ₹ 4.10 per KVAH with effect from February 2012 and the same has remained unchanged thereafter. Cost of power from subsidiary of the Company has also gone up on account of higher generation cost as a result of increase in landed cost of coal.

Logistics & Freight

Logistics in North Eastern has always been a challenge. With infrastructure development and implementation of various innovative cost control measures undertaken, your Company has been able to ensure distribution of its product to end users and channel partners in more cost effective manner.

Despite increase in cost of diesel and railway freight, your Company has been able to reduce freight cost from ₹ 1,562/- PMT to ₹ 1,362/- PMT, a decrease of 13% over previous year. Such efficiency could be brought in by implementing a better destination mix for marketing of its product which also helped in bringing improvement in realization per ton of Cement. In order to support the marketing efforts in new areas, such as Bihar and West Bengal, your Company is expanding its logistical reach by tieing up with verious logistics & freight service providers and opening up stock points in these states.

INDIAN CEMENT INDUSTRY – GROWTH PERSPECTIVE AND OUTLOOK

India being a fast developing country and Cement being one of the core industry plays a vital role in the growth and development of a nation. Indian Cement Industry occupies an important place in the Indian economy. Indian Cement Industry has transited itself into a more advanced industry, keeping in line with the technological world and is currently positioned second globally. This has offered advantages to the Industry. There are 139 large cement plants and over 365 mini cement plants in India, with currently more than 40 players in the industry.

Rapid development in real estate, construction and infrastructure sector coupled with the ever increasing industrial activities, in addition to the onset of various Special Economic Zones (SEZs) being developed across the country, there is a huge demand for cement. The industry is not only meeting the requirements arising within the domestic market but also fulfilling the burgeoning demands of the international arena. India is also exporting good amount of cement clinker and by products of cement. The cement sector has also attracted foreign direct investments.

In the backdrop of above, the growth momentum in Indian Cement Industry is likely to continue in years to come. The Cement Industry of India is expected to add 30-40 million tonnes per annum (MTPA) of capacity. The industry has a current

Lower growth in GDP during the year under review presents still better opportunities of all round growth which will further help to the industry

capacity of 360 MTPA and operates at 75-80% capacity utilization. It is anticipated that the cement industry will continue to increase its annual cement output in coming years. India would require overall cement capacity of around 480 MT. The industry will have to add another 120 MT of capacity during the period, according to the latest report from the working group on the industry for the 12th Five Year Plan (2012-17).

The Indian construction industry has shown significant development over the years with eminent and efficient engineers at the helm and is among the best in the world. The private sector is expected to contribute a major role into total projected spend on roads and highways over the Twelfth Five Year Plan (2012-17) period.

On the cost front, Coal, Power and transportation cost has always remained a concern for the industry. Ever increasing trend of Coal price during last few years has been posing challenges to Indian Cement Industry. Power being a major input has also been a bottleneck due to its intermittent supply coupled with poor quality of supply and transmission infrastructure. Increase in prices of coal has also impacted the cost of generation of power. Recent hike in railway freight and most recent government decision to deregulate diesel prices for bulk consumers and gradual increase in retail diesel prices will have large impact in increasing cost of transportation of raw material and finished goods in coming years.

Despite all above, Indian Cement Industry presents a better future ahead on the back of growing consumption demand in housing and infrastructure sector. Government of India has initiated several measures to boost housing and infrastructure sector. Lower growth in GDP during the year under review presents still better opportunities of all round growth which will further help to the industry. Road Sector is also now coming out as an area where application of cement is expected to grow year after year. On the back of these growth prospects, we visualize a bright future ahead for Indian cement industry in general and for your company in particular.

CEMENT SCENERIO IN NORTHEAST – A PROMISING FUTURE AHEAD

India's North Eastern Region is still far behind as far as connectivity by Rail and Road is concerned as compared to other states of our country. However, NER being 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.

During the year under review, there has been modest increase in Cement Demand in NER. However, we firmly believe that the demand of cement will again surpass the growth compared to national demand in coming years as many infrastructure projects have now started in real term. The Assam - Manipur Rail link work is in full swing. Hydel Power Projects of Central Government as well as Private Sector are also coming up as per plan. Major consumption area like housing, road, airport and rail will further drive the demand for cement in NER.

The demand supply gap of cement in NER shall reduce with the capacity expansion by your Company. The one-third of its total demand was being catered by import of cement from other States like Chhattisgarh, Madhya Pradesh and West Bengal but same is now expected to reduce due to increased availability within the region. The major benefit of demand is expected to come to your Company due to its strong presence in entire North Eastern Region.

SUBSIDIARY COMPANIES

M/s. Star Cement Meghalaya Limited, subsidiary of your Company has commenced commercial production of its Cement Clinker unit w.e.f. 30th January, 2013.

M/s. Meghalaya Power Limited, Lumshnong has also increased its production capacity during year under review.

M/s. Star Cement Meghalaya Limited, M/s. Meghalaya Power Limited, M/s. Megha Technical & Engineers Private Limited and M/s. NE Hills Hydro (P) Limited continue 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 Standard - 21 issued by The Institute of Chartered Accountant of India, which comprises of the financial statement of the Company and its subsidiaries, Megha Technical & Engineers Private Limited, Star Cement Meghalaya Limited, Meghalaya Power Limited and NE Hills Hydro Private Limited. 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 ₹ 4,290.92 Lacs for the financial year ended on 31st March, 2013 as compared to ₹ 8,982.47 Lacs for the Company on a standalone basis.

NEW PROJECTS

The project of 1.60 MTPA cement grinding unit at Sonapur, Guwahati in Assam has commenced its commercial operation w.e.f. 31st January, 2013.

The project of 1.75 MTPA Clinkerisation unit of its subsidiary M/s. Star Cement Meghalaya Limited has commenced its commercial operation with effect from 30th January, 2013.

M/s. Meghalaya Power Limited, subsidiary of your Company has increased production capacity of its 51 MW power plant during the year under review.

HOLDING COMPANY

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

In compliance of order passed by Hon'ble High Court at Calcutta, M/s. Century Plyboards (India) Limited, holding company of your Company, convened an Extra-Ordinary General Meeting of its shareholders on 13th February, 2013 at Kolkata for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Arrangement between the holding company Century Plyboards (India) Limited and Star Ferro and Cement Limited and their respective shareholders to transfer the Ferro Alloys and Cement Businesses of holding company to Star Ferro and Cement Limited. As informed by the holding company, demerger of Ferro and Cement business will enable the holding company to carry out its core business of Ply boards and laminates more conveniently and advantageously on the one side, and such demerger will also unlock the potential of each of the businesses to raise and access larger funds for running, growth and expansion thereof on the basis of their individual strength and operating parameters and independent valuation, on the other side.

As informed, Scheme of Arrangement stands approved in the above said meeting of the shareholders of the holding company. Once the scheme is approved by the Hon'ble High Court of Calcutta, the same would get effective retrospectively from 1st April, 2012 and your Company will become subsidiary of Star Ferro and Cement Limited.

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 information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, in respect of the employees of the Company is provided in the Annexure II forming part of this Report.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Human Resource Development is a vital area for Company because ideas for innovation, quality and continuous improvement, as well as other critically important inputs needed to compete in the modern, highly competitive business world, come from people and not from machines. The need to develop human resources on an ongoing basis has always been an area of priority for your Company. The need for both the Company and employee to understand the role of human resource development has been a focus area all around.

Our Human Resource Policy favours developing internal talent to meet strategic needs of business. To reinforce this goal, your Company added Graduate Engineers & Diploma Engineers to the talent pool during the year under review and have the mentoring system in place for grooming local freshers, which aligns the various people management processes, respecting and valuing the core belief of Company which is composed of Vision, Values, Aspirations, Management Beliefs and Principles of Sustainability of the community around us.

Mentoring local employees is an initiative taken up for inducing Industrial culture among the local youths employed in your Company. All efforts are being put to bring them to industrial mainstream.

Policies are being reviewed from time to time to make them more employee friendly and recently new policy with regard to Benevolent Fund was introduced to meet the emergency needs of employees in case of hospitalization, untimely death and unforeseen accidents.

Social gatherings are being organized in the Club for creating a forum wherein employees and their family members can

Your Company won the Silver Award in the category of Large Business Organization in 11th Greentech Safety Award 2012 from Greentech Foundation, New Delhi for outstanding achievement in Safety Management

interact with higher officials for sharing of ideas and addressing their issues which shows transparency in the system. The Company have organized such gatherings on the occasion of Holi, Diwali, Navratri Puja, New Year function and Advance Christmas.

Behavioral training programs in the area of Discipline at Work, Time Management, Problem Solving, Communication, Safety Health & Hygiene and Leadership were conducted with internal faculties for bringing behavioral changes amongst employees .

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety is a cross-disciplinary area concerned with protecting the safety, health and welfare of employee and workmen engaged in manufacturing environment. The goals of occupational safety and health programs include to foster a safe and healthy work environment. It also protects co-workers, family members, employers, customers, and many others who might be affected by the workplace environment.

Occupational safety and health can be important for moral, legal, and financial reasons. Company understands its duty of care to ensure that employees and any other person who may be affected remain safe at all times. Measures undertaken towards Occupational Health and Safety also reduce employee injury and illness related costs, including medical care, sick leave and disability benefit costs. OSH may involve interactions among many subject areas, including occupational medicine, occupational hygiene, public health, safety engineering, industrial engineering, chemistry, health physics, ergonomics and occupational health psychology. Towards achieving these goals and objectives, your Company has initiated various initiatives on sustained basis year after year to ensure that an effective Health and Management System is always in place around the work place and is more focused towards employees and workmen, apart from other persons who have potential of getting affected. Recognizing human error being root cause of large number of accidents and near-misses, negligence and ignoring the Standard Operating Procedures, your Company has been proactively imparting trainings and focusing on need of inculcating the habit of working securely at work place as also outside amongst employees, workmen and other potential impact group.

In its efforts towards the same, your Company has celebrated 42nd National Safety Week from 26th February to 4th March 2013 to generate, develop and sustain a voluntary movement on HSE at the National Level aimed at educating and influencing society to adopt appropriate policies, practices and procedures that prevent and mitigate human suffering and economic loss arising from all types of accidents. Different kinds of competitions ware arranged to create awareness among our employees towards Industrial Safety and occupational Health like Safety Poster Making Competition, Safety Slogan Writing competition, Safety Drawing competition, Safety Quiz competition, Best Safety Conscious Workmen Award, Best Safety Suggestion Award, Safety Debate Competition and Best House Keeping Award.

Your Company won the Silver Award in the category of Large Business Organization in 11th Greentech Safety Award 2012 from Greentech Foundation, New Delhi for outstanding achievement in Safety Management.

World Environment Day was celebrated on 5th June, 2012 to mark the importance of diverse life forms for the well being of humanity. During the FY 2012-13, a “Green Belt” has been developed in and around the plant and colony. Company also received ICC Environment Excellence Award-2012 in Silver Category of Large Business Organization from Indian Chamber of Commerce, Kolkata.

Fire Service Day was celebrated on 14th

Looking beyond the perspective of growth in shareholders' value, your Company, over a period, has developed a well designed social welfare activities for the benefit of local village and local people

April 2012. One day in-house training programme was conducted on "Using of Fire Extinguishers" and "fire fighting demonstration" was also conducted. Safety awareness programme was organized on 11th July 2012 with collaboration of Inspectors of Boilers and Factories, Shillong.

Well equipped Emergency control room is available to attend any type of disaster/emergency. Periodically mock drills are conducted to attend any time of emergency.

Systems and Processes of OHSAS – 18001 were complied continuously during the year under review too.

DIRECTORS

Mr. Prem Kumar Bhajanka, Mr. Mangi Lal Jain and Mrs. Clara Suja, directors of the Company, 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 re-appointment.

The Board recommends to the members for the re-appointment of retiring Directors.

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, 2013 and of the Statement of Profit & Loss and Cash Flow of the Company for year ended 31st March, 2013.

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

Your Company has always been proactive in discharging its responsibilities towards well being of society as corporate citizen. Looking beyond the perspective of growth in shareholders' value, your Company, over a period, has developed a well designed social welfare activities for the benefit of local village and local people.

On education front, your company has completed construction of school building at Lumshnong having modern educational facilities in its efforts towards providing better education to children of villages in and around the factory, apart from education to children of its employees. School has now been affiliated with Central Board of Secondary Education for imparting education up to 10th Standard. Your Company has plans to have facilities and affiliation for imparting education upto 12th Standard in years to come. Your Company has also started recruiting well trained teaching and non-teaching staff in its efforts to provide better standard of education with modern educational techniques to the students of the school. The needy and poor students of local and surrounding villages are offered free-ship.

On the social front, your company, has been contributing to Village Area Development Fund for development of local village. During the year under review, your Company has continued to maintain street lights of the local village. The Drinking water requirement of village is also met by making the water available right at the village door step through dedicated water tanks on regular basis.

On health services front, your Company has been conducting medical and vaccination camps in and around the local village. Free medicines are distributed. Well equipped Company's Hospital remains open round the clock to take care of any medical emergencies and to provide medical and health diagnostic facilities to local people. Dedicated ambulances have been pressed into service to ensure that any health exigencies are immediately addressed.

On the economic front, your Company continues to provide opportunity to local people for supply of mineral like coal, limestone, river sand, wood etc. as a mean of livelihood. Your Company has also provided small shops inside the premises to villagers to sale daily needs and to earn their lively hood.

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 comprises 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 21st April 2012, 18th July, 2012, 19th October, 2012 and 18th January, 2013.

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, 2013 in terms of Section 233B of the Companies Act, 1956.

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 2013-14. 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. 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 Board

Sajjan Bhajanka
Chairman and Managing Director

Lumshnong, 24th April, 2013

Annexure I to the Directors' Report

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 2013.

A. CONSERVATION OF ENERGY

a. Energy Conservation Measures taken :

During the FY 2012-13 following energy conservation, modification and efficiency improvement measures were undertaken :

1. Installation of capacitors at various stages of power distribution.
2. Modification in Cement Mill bulk loading system by installing one air slide directly from silo bottom to bulker receiving point.
3. Coal reciprocating feeder liner plates replaced by polymer sheet.
4. Coal Mill main Bag Filter purging pipes replaced by Stainless Steel Pipes.
5. Reduction in False Air entry through continuous monitoring and measurement.
6. Optimization of Input Feed Size.
7. Usage of Grinding Aid in Cement Mill.
8. Conventional Lamps replaced with Compact Fluorescent Light and LED.
9. Monitoring of Plant & Colony Lighting to optimize power consumption.

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

(ii) Close circuiting of tertiary crusher and further size reduction.

(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 ₹ 30.00 Lacs (approx). Measures referred in (b) are expected to result in energy savings of ₹ 200 Lacs per annum (approx).

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

Particulars	2012-13	2011-12
A Power and Fuel Consumption		
1 Electricity		
A Purchased		
- Units (Lacs Kwh)	768.60	719.17
- Total Amount (₹ in Lacs)	4,394.73	3,686.00
- Rate/Unit (₹)	5.72	5.13
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)	134,132	121,538
Total Cost (₹ in Lacs)	6,222.21	4,277.35
Average Rate (₹/MT)	4,638.87	3,519.35
3 High Speed Oil for Kiln		
Quantity (K. Ltr)	26,305	35,933
Total Cost (₹ in Lacs)	10.79	12.72
Average Rate (₹/K.Ltr)	41,012.00	35,389.00
B Consumption per unit of Production		
Electricity (Kwh/T of Cement)	94.70	91.47
HSD (Ltr/T of Clinker)	0.03	0.02
Coal (K.Cal/Kg of Clinker)	788	785
Coal % per MT of Clinker	17.69	17.00

B. TECHNOLOGICAL ABSORPTION

Research & Development (R&D)

Research & Development Cell of Company has carried out various tests in different areas of operation for achieving greater level of efficiencies.

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

1. Use of iron ore and laterite as alternative raw material.
2. Trial production of Slag Cement and PPC Part – II.
3. Laboratory Test and study of Calcined Clay to find out its suitability for replacement with Fly Ash.
4. Development of Raw Mix design for usage of low grade lime stone.
5. Trail for use of newly designed packing bags.
6. Study of sustainability of performance improver in Cement Mill.

Benefit derived as a result of R&D :

1. Usage of low cost iron ore fines and laterite resulted into reduction in input cost.
2. Successful trail production of Slag Cement and PPC Part II will help in exploring new markets and in optimizing cost of production.
3. Usage of calcined clay will optimize use of high cost fly ash and clinker.
4. Usage of Low Grade Lime Stone will result into improved mines life and conservation of natural resources.
5. Improved design of packing bags shall result into reduction in bursting ratio and better customer satisfaction.
6. Use of Performance Improver would result into optimization of cost.

Future Plan of Action

1. Development of technical feasibility for usage of industrial waste as alternative fuel.
2. Feasibility study for installation of pre grinder.
3. Installation and upgradation of energy efficient equipments.
4. Exploratory Research Work in above specific areas.
5. NABL Accreditation of Laboratory.

Expenditure on Research & Development (₹ in Lacs)

Particulars	2012-13	2011-12
Capital Expenditure	13.05	–
Revenue	28.40	23.38
Total	**41.45**	**23.38**

Industrial Relation

Industrial relation in the Company remains harmonious and healthy at all levels.

Foreign Exchange Earnings & Outgo (₹ in Lacs)

Particulars	2012-13	2011-12
Foreign Exchange Earning	25.42	–
Foreign Exchange Outgo	5,803.29	9,808.16

Annexure - II to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Director's Report for the year ended March 31, 2013

Employed for Full year :

Sl. No.	Name	Remuneration (Gross) (₹)	Designation & Nature of Duties	Qualification	Date of commencement of employment	Toal Experience (Years)	Age in years	Last Exployment
1.	Rajendra Chamaria	6,600,000	Vice Chairman & Managing Director	Commerce Graduate	12.06.2004	29	54	–

Employed for Part of the financial year :

Sl. No.	Name	Remuneration (Gross) (₹)	Designation & Nature of Duties	Qualification	Date of commencement of employment	Toal Experience (Years)	Age in years	Last Exployment
1.	Atul Rasiklal Desai	8,402,943	Chief Operating Officer	B.E. (Chemicals) MBA (Marketing)	01.09.2012	27	52	Ambuja Cement Limited

Notes :

(i) Gross Remuneration shown above is subject to tax and comprises salary, allowances, incentive, monetary value of perquisites and Company's contribution to Provident Fund and Officer's Superannuation Fund and National Pension Scheme.

(ii) In addition to the above remuneration, employees are entitled to Gratuity in accordance with the Company's rules.

(iii) All the employees have adequate experience to discharge the responsibility assigned to them.

(iv) The nature of employement in all cases is contractual.

For and on behalf of Board

Place : Lumshnong
Date : 24th April, 2013

Sajjan Bhajanka
Chairman and Managing Director

Independent Auditors' Report

TO THE MEMBERS OF CEMENT MANUFACTURING COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of **CEMENT MANUFACTURING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

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

(i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2013;

(ii) in the case of the Statement of Profit and Loss, 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the

Act, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

2. As required by section 227(3) of the Act, we report that :

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956;

   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

ANNEXURE REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" 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 a 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 two companies covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2,012.45 Lacs and the year end balance of loan given to such companies was ₹1,550.00 Lacs.

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

(c) There was no stipulation for repayment of the above loan but the same was stated to be repayable on demand. The receipt of interest on such loan had been regular and the loan was fully received back during the year.

(d) The company has taken un-secured loan from one company covered in the register maintained u/s 301 of Companies Act, 1956. The maximum amount involved during the year was ₹ 6,108.00 Lacs and the year end balance of loan taken from such companies was ₹ 1,813.00 Lacs.

(e) In our opinion and according to information and explanations given to us, the rate of interest and other terms and condition on which the loans have been taken are not, prima facie, prejudicial to the interest of the Company.

(f) There was no stipulation for repayment of the above loans but the same was stated to be repayable on demand. In respect of the aforesaid loans, the Company is regular in payment of interest.

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 other services. During the course of our audit, no major weakness has been noticed in these internal controls.

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 u/s 301 of the Companies Act, 1956 have been so entered.

(b) According to the information and explanations given to us, the transaction made in pursuance of such contracts and 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. In our opinion and according to the information and explanations given to us, the Company has not accepted any

deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.

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. We 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 generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. There were no arrears as at 31st March, 2013 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, 2013 which have not been deposited, are as under :

Name of the Statute	Nature of the dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	19.97	2004-05, 2005-06 & 2006-07	CESTAT
The Central Excise Act, 1944	Excise Duty	72.92	2005-06 & 2006-07	CESTAT
The Central Excise Act, 1944	Excise Duty	0.27	2008-09	Commissioner (Appeals)
The Central Excise Act, 1944	Service Tax	1.98	2009-10	Assistant Commissioner
The Central Excise Act, 1944	Service Tax	0.05	2011-12	Assistant Commissioner
The Income Tax Act, 1961	Income Tax	858.65	2005-06	ITAT
The Income Tax Act, 1961	Income Tax	742.59	2006-07	ITAT
Total		**1,696.43**		

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.

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. The Company is not dealing in or trading in shares, securities, debentures and other investments, therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

15. In our opinion and on the basis of information and explanations given to us, the terms and condition 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, the term loans were applied for the purposes for which the loans 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 issue 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
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

Significant Accounting Policies

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 units are located at Lumshnong, Meghalaya and Guwahati, Assam. 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 with 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 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 . Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 Fixed Assets

Fixed Assets are stated at their 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 working condition for its intended use.

1.4 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.

1.5 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/completion of project are capitalised.

1.6 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.

1.7 Investments

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

1.8 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.

1.9 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.

1.10 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 an adjustment to the interest cost.

1.11 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.

1.12 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 Statement of Profit & Loss. 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.

1.13 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.

1.14 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.

1.15 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.

1.16 Provisions and Contingencies

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

1.17 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.

1.18 Earnings Per Share

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

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

1.19 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 are net of trade discounts, rebates and returns. Interest income is recognized on time proportion basis.

1.20 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 Statement of Profit and Loss as deduction from related item of expenditure. Capital grants / subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.

Balance Sheet as at 31st March, 2013

(₹ in Lacs)

	Note	31.03.13	31.03.12
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	4,192.14	4,192.14
Reserves and Surplus	2.2	49,593.35	40,675.88
		53,785.49	**44,868.02**
Non-current Liabilities			
Long Term Borrowings	2.3	23,357.49	13,421.41
Deferred Tax Liabilities (Net)	2.4	63.28	23.15
Other Long Term Liabilities	2.5	3,122.75	2,035.94
Long Term Provisions	2.6	75.51	59.02
		26,619.03	**15,539.52**
Current Liabilities			
Short Term Borrowings	2.7	4,555.34	6,676.35
Trade Payables		1,525.33	957.89
Other Current Liabilities	2.8	5,771.00	3,380.16
Short Term Provisions	2.9	5.01	11.20
		11,856.69	**11,025.60**
Total		**92,261.20**	**71,433.15**
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible Assets	2.10	35,048.81	14,181.17
- Intangible Assets	2.10	20.99	3.65
- Capital Work in Progress		3,485.97	16,473.06
		38,555.77	**30,657.87**
Non Current Investments	2.11	23,877.43	21,132.44
Long Term Loans and Advances	2.12	10,233.11	3,200.92
		72,666.31	**54,991.23**
Current Assets			
Inventories	2.13	5,423.82	5,077.93
Trade Receivables	2.14	1,915.82	1,386.43
Cash and Cash equivalents	2.15	1,490.44	504.92
Short Term Loans and Advances	2.16	10,764.80	9,472.64
		19,594.89	**16,441.92**
Total		**92,261.20**	**71,433.15**
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

For & on behalf of Board

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2013

(₹ in Lacs)

	Note	2012-13	2011-12
INCOME			
Revenue from Operations (Gross)	2.17	37,393.71	34,820.24
Less : Excise Duty		(1,266.64)	(1,073.54)
Revenue from Operations (Net)		**36,127.07**	**33,746.69**
Other Income	2.18	73.15	42.46
Total Revenue		**36,200.22**	**33,789.15**
EXPENSES			
Purchase of Traded Goods		0.65	–
Cost of Materials consumed	2.19	4,146.60	3,846.27
(Increase)/Decrease in Inventories	2.20	(614.85)	529.48
Employee Benefit Expenses	2.21	2,517.33	2,172.48
Finance Costs	2.22	1,699.20	1,182.83
Depreciation and Ammortization Expenses		2,083.80	1,723.58
Other Expenses	2.23	23,377.25	19,968.19
Total Expenses		**33,209.99**	**29,422.83**
Profit before Exceptional and Extraordinary Items and Tax		**2,990.23**	**4,366.32**
Exceptional items		118.46	(350.13)
Profit before Tax		**3,108.69**	**4,016.19**
Tax Expenses			
Current Tax		623.35	830.40
Less : MAT Credit entitlement		(623.35)	(830.40)
Net Current Tax		–	–
Deferred Tax		(40.13)	31.37
Profit for the year		**3,068.55**	**4,047.56**
Earnings Per Equity Share (Face Value of ₹ 10/- each) (Refer note - 2.32)			
Basic Earning Per Share		7.32	9.66
Diluted Earning Per Share		7.32	9.66
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
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

For & on behalf of Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Exceptional Items	3,041.36	4,078.44
Adjustments for :		
Depreciation	2,083.80	1,723.58
Unrealised Foreign Exchange (Gain) / Loss - Net	78.06	(59.53)
Profit/ Loss on Sale of Fixed Assets	39.78	0.82
Interest Income	(32.17)	(16.06)
Interest Expenses	1,699.20	1,182.83
Provision for Gratuity & Leave Encashment	(48.73)	(1.80)
Provision for Income Tax & Wealth Tax	(1.79)	(1.38)
Prior period items	–	(0.36)
Provision for Bad and Doubtful Debts (Net of adjustments)	–	(125.43)
Operating Profit before Working Capital changes	**6,859.52**	**6,781.11**
Adjustments for :		
Trade Receivables	(529.39)	2,863.70
Inventories	(345.89)	(208.25)
Other Receivables	(7,834.35)	6,769.70
Trade & Other Payables	4,055.38	(826.74)
Cash Generated from Operations	**2,205.27**	**15,379.52**
Direct Taxes Paid	(490.00)	(775.00)
Net Cash Flow from Operating Activities	**1,715.27**	**14,604.52**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / Sale of Fixed Assets (including WIP) - Net	(9,981.70)	(14,532.66)
(Purchase) / Sale of Investments	(2,745.00)	(8,566.56)
Interest Received	32.17	16.06
Net Cash used in Investing Activities	**(12,694.53)**	**(23,083.16)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Capital Reserve	5,848.91	–
Interest paid	(1,699.20)	(1,182.83)
Proceeds from / (Repayment of) Long Borrowings	9,936.08	9,358.28
Proceeds from / (Repayment of) Short Borrowings	(2,121.01)	389.53
Net Cash used in Financing Activities	**11,964.79**	**8,564.99**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**985.53**	**86.35**
Cash and Cash Equivalents		
Opening Balance	504.92	418.57
Closing Balance	1,490.44	504.92

As per our report of even date

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

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

For & on behalf of Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.1 Share Capital		
Authorised Capital		
6,00,00,000 (6,00,00,000 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid	**6,000.00**	**6,000.00**
Issued, Subscribed & fully Paid-up shares		
4,19,21,392 (4,19,21,392 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid	**4,192.14**	**4,192.14**

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 entitled 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	4,19,21,392	4,19,21,392
Issued during the year	–	–
Outstanding at the end of the year	**4,19,21,392**	**4,19,21,392**

c. Shares held by Holding Company

	No. of Shares	No. of Shares
Century Plyboards (India) Limited (refer Note 2.27)	2,95,47,500	2,95,47,500

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 (refer Note 2.27)	2,95,47,500 70.48%	2,95,47,500 70.48%
Sajjan Bhajanka	35,62,500 8.50%	35,62,500 8.50%
Rajendra Chamaria	31,63,742 7.50%	31,63,742 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 ownership.

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.2 Reserves & Surplus		
Capital Reserve		
Balance as per last Account	870.99	870.99
Addition/(Deduction) during the year	5,848.91	–
	6,719.90	**870.99**
General Reserve		
Balance as per last Account	3,700.00	3,700.00
Addition/(Deduction) during the year	–	–
	3,700.00	**3,700.00**
Surplus as per Statement of Profit & Loss		
Balance as per last Account	36,104.89	32,057.33
Profit for the year	3,068.55	4,047.56
Amount available for appropriation	**39,173.45**	**36,104.89**
Total Appropriation	–	–
Net Surplus in the statement of profit and loss	**39,173.45**	**36,104.89**
Total Reserves and Surplus	**49,593.35**	**40,675.88**

	31.03.13	31.03.12
Note 2.3 Long Term Borrowings		
Term Loans		
Rupee Loans from Banks (Secured)	20,188.10	9,580.80
Foreign Currency Loan from a Bank (Secured)	1,615.30	–
Loans and Advances from a Related Party		
(Unsecured) (Refer Note 2.28)	1,813.00	2,748.00
Other Loans & Advances		
Buyers Credit from banks on capital account (Secured)	2,478.54	2,401.30
Hire Purchase Finance from banks (Secured)	75.00	128.18
	26,169.95	**14,858.28**
Less : Current Maturities of long term borrowings	(2812.46)	(1,436.87)
	23,357.49	**13,421.41**

1. Rupee Term Loan of ₹ 984.51 Lacs from a bank is repayable in 5 equal quarterly installments ending on June 2014.The Loan is secured by first charge on fixed assets of Lumshnong unit (except specifically charged assets) and second charge on current assets of the Company's cement plant at Lumshnong, Meghalaya.
2. Rupee Term Loan of ₹ 7000.00 Lacs from a bank is repayable in 16 equal quarterly installments commencing from September 2013. The Loan is secured by first pari passu charge on current assets and first pari passu charge on fixed assets of the Company's Lumshnong unit.
3. Rupee Term Loans of ₹ 12,203.59 Lacs and Foreign Currency loan of ₹ 1,615.30 Lacs from banks are repayable in 28 unequal quarterly installments commencing from March 2013. The loans are secured by first pari passu charge on fixed assets of Company's cement plant at Guwahati, Assam.
4. The term loans are also secured by personal guarantees of some of the directors of the Company.
5. Buyers credit 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.
6. Hire Purchase Finance is secured by hypothecation of respective vehicles and is repayable within three to four years.
7. The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.4 Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Fixed Assets	93.10	83.95
Gross Deferred Tax Liability	**93.10**	**83.95**
Deferred Tax Assets		
Leave Encashment	–	15.45
Trade Receivable	29.82	42.82
Others	–	2.53
Gross Deferred Tax Asset	**29.82**	**60.80**
Net Deferred Tax (Asset)/Liability	**63.28**	**23.15**

	31.03.13	31.03.12
Note 2.5 Other Long Term Liabilities		
Security Deposit	2,641.43	1,369.79
Liability for Capital Expenditure	481.32	666.15
	3,122.75	**2,035.94**

	31.03.13	31.03.12
Note 2.6 Long Term Provisions		
Provisions for Employee Benefits		
Leave Encashment	43.72	41.21
Gratuity	31.79	17.82
	75.51	**59.02**

	31.03.13	31.03.12
Note 2.7 Short Term Borrowings		
Working Capital facilities from Banks		
Cash Credit (Secured)	1,835.88	1,618.52
Foreign Currency Demand Loan (Secured)	2,719.47	2,557.83
	4,555.34	**4,176.35**
Short Term Loan		
From a Bank (Unsecured)	–	2,500.00
	4,555.34	**6,676.35**
a. The above amount includes		
Secured borrowings	4,555.34	4,176.35
Unsecured borrowings	–	2,500.00

b. Working Capital facilities from banks are secured by first pari passu charge on current assets of Lumshnong unit and second pari passu charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya. The Working capital facilities from banks have also been guaranteed by some of the Directors of the Company.

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.8 Other Current Liabilities		
Current Maturities of long term borrowings	2,812.46	1,436.87
Interest accrued but not due on borrowings	0.26	0.21
Other Payables		
Statutory Liabilities (including excise duty on finished goods ₹ 60.44 Lacs, ₹ 10.10 Lacs as at 31.03.12)	1,036.66	637.97
Creditors - Micro, Small & Medium Enterprises (refer Note 2.26)	–	–
Advances from Customer	148.60	78.02
Salary and Bonus to Employees	117.46	53.14
Other Liabilities	1,655.57	1,173.94
	5,771.00	**3,380.16**

	31.03.13	31.03.12
Note 2.9 Short Term Provisions		
Provisions for Employee Benefits		
Leave Encashment	5.01	11.20
	5.01	**11.20**

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.12	Additions	Deduction / Adjustment	Total as on 31.03.13	Upto 31.03.12	For the year	Deduction / Adjustment	Total as on 31.03.13	As on 31.03.12	As on 31.03.13
Note 2.10 Fixed Assets										
TANGIBLE ASSETS										
A. Cement Plant at Lumshnong, Meghalaya										
Land & Site Development	1,813.95	157.07	–	1,971.02	–	–	–	–	1,971.02	1,813.95
Factory Building	3,677.09	531.83	–	4,208.92	1,640.62	251.24	–	1,891.86	2,317.06	2,036.47
Non Factory Building	2,031.90	151.45	–	2,183.35	360.98	84.07	–	445.05	1,738.29	1,670.91
Plant, Machinery & Equipments	13,090.20	65.49	–	13,155.69	6,759.62	948.71	–	7,708.34	5,447.35	6,330.57
Furniture & Fixtures	277.46	51.66	4.40	324.73	172.00	25.79	3.14	194.65	130.08	105.45
Office Equipments	263.93	42.10	4.00	302.04	106.10	25.34	2.04	129.40	172.64	157.84
Computers	256.71	42.50	1.25	297.96	200.95	31.96	1.20	231.71	66.25	55.76
Heavy Vehicles	677.81	30.82	–	708.62	234.49	139.18	–	373.66	334.96	443.32
Light Vehicles	300.49	32.95	10.52	322.92	144.64	44.28	4.86	184.05	138.87	155.85
Tools & Tackles	229.09	6.83	–	235.92	117.12	16.14	–	133.27	102.65	111.97
Total of Tangible Assets (A)	**22,618.64**	**1,112.70**	**20.17**	**23,711.17**	**9,736.53**	**1,566.71**	**11.24**	**11,291.99**	**12,419.17**	**12,882.11**
B. Cement Grinding Unit at Guwahati, Assam										
Land & Site Development	509.59	1,398.25	33.14	1,874.70	–	–	–	–	1,874.70	509.59
Factory Building	–	1,826.22	–	1,826.22	–	20.93	–	20.93	1,805.29	–
Non Factory Building	–	100.80	–	100.80	–	0.83	–	0.83	99.97	–
Plant, Machinery & Equipments	294.58	18,639.99	–	18,934.57	23.26	498.11	–	521.37	18,413.20	271.33
Furniture & Fixtures	88.63	33.29	–	121.92	31.52	18.66	–	50.18	71.74	57.12
Office Equipments	26.76	4.84	–	31.60	5.27	3.40	–	8.67	22.93	21.49
Computers	37.28	1.89	–	39.17	17.16	8.77	–	25.93	13.24	20.12
Heavy Vehicles	491.58	–	–	491.58	221.80	80.93	–	302.73	188.84	269.78
Light Vehicles	43.66	18.09	–	61.75	13.51	11.82	-	25.33	36.42	30.15
Tools & Tackles	134.46	32.92	4.31	163.07	14.98	44.96	0.16	59.78	103.29	119.48
Total (B)	**1,626.55**	**22,056.28**	**37.45**	**23,645.37**	**327.49**	**688.41**	**0.16**	**1,015.74**	**22,629.64**	**1,299.06**
Total of Tangible Assets (A+B)	**24,245.18**	**23,168.97**	**57.61**	**47,356.54**	**10,064.01**	**2,255.11**	**11.40**	**12,307.73**	**35,048.81**	**14,181.17**
C. Intangible Assets										
Computer Software	63.98	27.75	–	91.73	60.33	10.41	–	70.74	20.99	3.65
Total Fixed Assets (A + B +C)	**24,309.17**	**23,196.72**	**57.61**	**47,448.27**	**10,124.35**	**2,265.52**	**11.40**	**12,378.47**	**35,069.80**	**14,184.82**
Previous Year's figures	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

a. Depreciation for the period includes ₹ 181.72 Lacs (31.03.12 - ₹ 198.34) capatlized as Pre-operative Expenses.

b. During the year Company has discarded fixed assets amounting to ₹ 57.61 Lacs, Previous Year ₹ 51.73 Lacs.

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 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 2,73,36,400 (2,73,36,400 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid up	2,733.64	2,733.64
Star Cement Meghalaya Limited 2,60,88,650 (2,26,57,400 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid up	17,414.67	14,669.67
Meghalaya Power Limited 87,36,620 (87,36,620 as at 31.03.12) Equity Share of ₹ 10/- each fully paid up	3,568.31	3,568.31
NE Hills Hydro Limited 70,000 (70,000 as at 31.03.12) Equity Share of ₹ 10/- each fully paid up	7.00	7.00
Investment in Others :		
Adonis Vyapaar Private Limited 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid up	32.32	32.32
Apanapan Viniyog Private Limited 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid up	32.32	32.32
Ara Suppliers Private Limited 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid up	32.32	32.32
Arham Sales Private Limited 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid up	32.32	32.32
Non Trade Investments (valued at cost unless stated otherwise)		
Investment in Quoted Equity Instruments		
Reliance Power Limited 8,743 (8,743 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid up	24.54	24.54
	23,877.43	**21,132.44**
Aggregate amount of Quoted investment (market Value ₹ 5.38 Lacs as on 31.03.13)	24.54	24.54
Aggregate amount of Unquoted investments	23,852.89	21,107.90

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.12 Long Term Loans and Advances		
Capital Advances		
Secured, Considered Good	103.87	547.27
Unsecured, Considered Good	2,544.02	2,468.74
Doubtful Advances	63.98	71.78
Less : Provision for Bad & Doubtful Advances	–	(7.80)
	2,711.87	**3,079.99**
Security Deposits		
Unsecured, Considered Good	122.32	120.92
	122.32	**120.92**
Loans and Advances to Related Parties		
Unsecured considered Good	1,550.00	–
	1,550.00	**–**
Other Loans and Advances		
Unsecured considered Good		
Subsidies Receivable from Central/State Governments	5,848.91	–
	5,848.91	**–**
	10,233.11	**3,200.92**

	31.03.13	31.03.12
Note 2.13 Inventories [(Refer Note-2.35 (d)]		
Raw Materials	652.97	288.35
Work-in-Process	3.54	21.86
Finished Goods [including in transit - ₹ 116.26 Lacs, As at 31.03.12 ₹ 66.55 Lacs]	889.09	255.93
Fuels, Packing Materials, etc.	1,914.94	2,903.89
Stores & Spares Parts	1,963.27	1,607.90
	5,423.82	**5,077.93**

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.14 Trade Receivables		
Secured Considered Good		
Over Six months	2.16	0.68
Other Debts	803.74	808.32
	805.90	**809.00**
Unsecured		
Over Six Months		
I. Considered Good	6.23	1.57
Considered Doubtful	91.90	131.97
Less : Provision for Doubtful Debts	(91.90)	(131.97)
	6.23	**1.57**
II. Claims due from Central Government - Considered Good	157.55	157.55
Other Debts		
I. Considered Good	942.04	418.32
II. Claims due from Central Government - Considered Good	4.11	–
	1,915.82	**1,386.43**

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 normally 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.

	31.03.13	31.03.12
Note 2.15 Cash & Cash Equivalents		
Cash in Hand	10.80	20.13
Cheques in Hand	36.75	169.62
Balance with Banks		
- In Current Accounts	1,259.50	268.56
- In Fixed Deposit accounts	150.38	–
Balance with banks held as margin money deposits against Letter of credits	33.01	46.61
	1,490.44	**504.92**

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.16 Short Term Loans and Advances		
Loans and Advances to Related Parties		
Unsecured, Considered Good	35.00	35.00
	35.00	**35.00**
Others		
Unsecured, Considered Good		
Advances to Suppliers	750.64	366.74
Loan and Advances to Employees	52.26	29.36
Balances with / Receivables from Government Authorities	688.86	745.69
Subsidies Receivable from Central/State Governments	673.99	386.10
Advances for Services & Expenses	1,764.52	1,468.88
Advance Income Tax (net of provision for taxation including MAT)	6,639.29	6,353.67
Prepaid Expenses	160.24	87.20
	10,729.80	**9,437.64**
	10,764.80	**9,472.64**

	2012-13	2011-12
Note 2.17 Revenue from Operations [(Refer Note -2.35 (b)]		
Sale of Products	37,299.28	34,728.96
Other Operating Revenue		
Shortage recovery of Cement & Clinker	57.07	31.16
Royalty Income	11.54	12.17
Sale of Scrap	25.82	47.94
Revenue from Operation (gross)	**37,393.71**	**34,820.24**

	2012-13	2011-12
Note 2.18 Other Income		
Interest Income on		
- Bank Deposits	4.81	3.35
- Loans	19.86	12.42
- Others	7.50	0.29
Other Non Operating Income	40.98	26.40
	73.15	**42.46**

	2012-13	2011-12
Note 2.19 Cost of Materials Consumed [(Refer Note-2.35 (c)]		
Inventory at the beginning of the year	288.35	269.58
Add : Purchases	4,511.22	3,865.04
	4,799.57	**4,134.62**
Less : Inventory at the end of the year	652.97	288.35
Cost of Materials Consumed	**4,146.60**	**3,846.27**

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	2012-13	2011-12
Note 2.20 (Increase) / Decrease in Inventories [(Refer Note-2.35 (d)]		
Work-in-Process		
Opening Stock	21.86	11.75
Closing Stock	3.54	21.86
	18.31	**(10.11)**
Finished Goods		
Opening Stock	255.93	795.52
Closing Stock	889.09	255.93
	(633.16)	**539.59**
(Increase)/Decrease	**(614.85)**	**529.48**

	2012-13	2011-12
Note 2.21 Employee Benefit Expenses		
Salaries, Wages & Other Manpower Expenses	2,334.56	1,975.26
Contribution to Provident Fund and Other Funds	71.37	60.83
Welfare Expenses	111.40	136.39
	2,517.33	**2,172.48**

	2012-13	2011-12
Note 2.22 Finance Costs		
On Fixed Loans	618.27	348.59
On Other Loans	858.14	590.77
Exchange Fluctuation (Gain)/Loss to the extent considered as an adjustment to borrowing costs	164.07	229.42
Other Finance Costs	58.73	14.06
	1,699.20	**1,182.83**

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	2012-13	2011-12
Note 2.23 Other Expenses		
Consumption of Stores & Spares	499.24	409.74
Packing Materials	818.28	754.13
Royalty	1,532.26	1,109.45
Power & Fuel	10,651.76	7,979.47
Repairs & Maintenance		
- Building	135.20	124.62
- Plant & Machinery	298.85	828.47
- Others	94.18	83.56
Heavy Vehicle / Equipment Running Expenses	367.57	303.10
Excise Duty variation on opening/closing stock	42.24	(91.57)
Travelling and Conveyance	225.30	158.50
Insurance (Net)	73.83	28.00
Rent, Rates & Taxes	288.88	278.00
Research & Development Expenses	28.40	23.38
Director's Remuneration	177.00	158.90
Charity & Donation	179.09	106.23
Miscellaneous Expenses	647.83	715.69
Advertisement & Publicity	268.69	252.18
Outward Freight Charges (Net)	4,441.42	5,701.15
Sales Promotion Expenses	559.51	307.03
Commission, Discount & Incentives on Sale	2,047.72	738.14
	23,377.25	**19,968.19**

Notes to Financial Statements for the year ended 31st March, 2013

2.24 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.

2.25 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.

2.26 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.

2.27 Pursuant to the Scheme of Arrangement (the scheme) approved by the shareholders of Century Plyboards (India) Ltd. (CPIL), the holding company, their investment in the company is proposed to be transferred and vested in Star Ferro & Cement Ltd (resulting company) at its book value on going concern basis with effect from 1st April 2012, being the appointed date. Upon the scheme being effective SFCL will become the holding company in place of CPIL. Pending approval of the scheme by Hon'ble High Court at Kolkata, no effect has been given in these accounts.

2.28 Related Party Disclosures

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	Star India Cement Limited (SICL)
Key Management Personnel	Mr. Sajjan Bhajanka (Chairman & Managing Director)
	Mr. Rajendra Chamaria (Vice Chairman & Managing Director)
	Mr. Sanjay Agarwal (Joint Managing Director)
	Mr. Pankaj Kejriwal (Director)
	Mr. Atul Rasiklal Desai (COO) for the period from 05.09.2012 to 04.03.2013
	Mr. Sanjay Kr. Gupta (CFO & President)

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

Details of transactions between the Company and related parties and the status of outstanding balance as at 31st March, 2013

Sl. No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	**Purchase Transactions**								
	CPIL	32.62	496.84	–	–	–	–	–	–
	MTEPL	–	–	128.17	172.58	–	–	–	–
	MPL	–	–	2,115.58	2,140.68	–	–	–	–
	SCML	–	–	122.38	–	–	–	–	–
2	**Sale Transactions**								
	MTEPL	–	–	10,041.28	10,101.45	–	–	–	–
	SCML	–	–	274.56	649.44	–	–	–	–
	MPL	–	–	252.26	76.23	–	–	–	–
	CPIL	8.35	25.31	–	–	–	–	–	–
3	**Purchase of Capital Goods**								
	CPIL	–	2.02	–	–	–	–	–	–
	MTEPL	–	–	–	3.85	–	–	–	–
	MPL	–	–	–	–	–	–	–	–
	SCML	–	–	21.20	30.32	–	–	–	–
4	**Services Rendered**								
	MTEPL	–	–	13.04	13.12	–	–	–	–
5	**Loan & Advances Taken**								
	CPIL	–	2,300.00	–	–	–	–	–	–
	MTEPL	–	–	3,760.00	5,598.00	–	–	–	–
6	**Loans & Advances Given**								
	CPIL	750.00	1,920.00	–	–	–	–	–	–
	MPL	–	–	1,550.00	–	–	–	–	–
7	**Share Application Money paid**								
	SCML	–	–	2,745.00	6,574.59	–	–	–	–
8	**Investments made**								
	SCML	–	–	2,745.00	6,795.92	–	–	–	–
	MPL	–	–	–	1,641.36	–	–	–	–
9	**Interest Paid**								
	CPIL	–	31.35	–	–	–	–	–	–
	MTEPL	–	–	486.68	144.18	–	–	–	–
10	**Interest Received**								
	CPIL	2.61	50.65	–	–	–	–	–	–
	MPL	–	–	12.45	–	–	–	–	–
11	**Remuneration Paid**								
	Sajjan Bhajanka	–	–	–	–	–	–	36.00	36.00
	Rajendra Chamaria	–	–	–	–	–	–	66.00	36.00
	S. B. Roongta	–	–	–	–	–	–	–	2.00
	Sanjay Agarwal	–	–	–	–	–	–	36.00	36.00
	Pankaj Kejriwal	–	–	–	–	–	–	18.00	16.50
	Atul Rasiklal Desai	–	–	–	–	–	–	84.03	–
	Sanjay Kumar Gupta	–	–	–	–	–	–	35.80	29.40

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

Sl. No.	Types of Transactions	Holding Company		Subsidiaries		Associates		Key Management Personnel	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
12	**Balance Outstanding as at 31.03.13**								
	Debtors								
	CPIL	0.09	–	–	–	–	–	–	–
	Creditors								
	MPL	–	–	(46.36)	(103.73)	–	–	–	–
	MTEPL	–	–	–	–	–	–	–	–
	Loans (Given)								
	MPL	–	–	1,550.00	–	–	–	–	–
	SICL	–	–	–	–	35.00	35.00	–	–
	Loans (Taken)								
	MTEPL	–	–	1,813.00	2,748.00	–	–	–	–
	Guarantees Obtained								
	Directors	–	–	–	–	–	–	–	–
	Sajjan Bhajanka	–	–	–	–	–	–	26,358.75	13,757.15
	Rajendra Chamaria	–	–	–	–	–	–	26,358.75	13,757.15
	Sanjay Agarwal	–	–	–	–	–	–	26,358.75	13,757.15
	Guarantees Provided								
	MTEPL	–	–	3,013.81	3,231.78	–	–	–	–
	SCML	–	–	39,632.00	31,888.24	–	–	–	–
	Investments								
	MTEPL	–	–	2,733.64	2,733.64	–	–	–	–
	SCML	–	–	17,414.67	14,669.67	–	–	–	–
	MPL	–	–	3,568.31	3,568.31	–	–	–	–
	NE Hills Hydro	–	–	7.00	7.00	–	–	–	–

	31.03.13	31.03.12
Note 2.29 Contingent Liabilities		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances)	159.81	2,400.28
Claims against the Company not acknowledge as Debts - Excise VAT/Income Tax matters/ Royalty etc.	1,696.43	1,732.06
Guarantee provided to banks against borrowings of a subsidiary [Outstanding as at 31.03.13 ₹ 42,645.81 Lacs (as at 31.03.12 ₹ 35,120.02 Lacs)	45,729.00	47,579.00
Other Guarantees [Outstanding as at 31.03.13 ₹ 937.90 Lacs (as at 31.03.12 ₹ 1,599.14 Lacs]	2,477.30	2,477.30
Bill of Exchange discounted with banks	133.01	538.16
Export obligations under EPCG scheme	45.58	623.36
Bank Guarantees issued by Banks	119.73	336.35

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.30 Borrowing Cost Capitalized		
Borrowing Cost capitalized	1354.01	637.23

	31.03.13	31.03.12
Note 2.31 Payments to Auditors		
As Auditor		
- Statutory Audit Fees	7.00	5.10
- Tax Audit Fees	1.25	0.85
In Other Capacity		
- Other Services (Certification Fees)	1.37	0.87
Reimbursement of Expenses	0.03	0.03
Total	**9.65**	**6.85**

Note 2.32 Employee Defined Benefits

(a) Defined Contribution Plans

The Company has recognized an expense of ₹ 71.37 Lacs (Previous year - ₹ 60.83 Lacs) towards the defined contribution plans.

(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 & 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.

	2012-13		2011-12	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I. Expense recognized in the Statement of Profit and Loss				
1. Current Service Cost	16.37	0.80	16.90	3.19
2. Interest Cost	6.73	4.55	5.38	3.75
3. Employee Contribution	–	–	–	–
4. Expected Return on Plan Assets	(5.34)	–	(4.67)	–
5. Actuarial (Gains)/Losses	(8.82)	15.48	10.07	15.61
6. Past Service Cost	–	–	–	–
7. Settlement Cost	–	–	–	–
8. Losses/(Gains) on acquisition/divesture	5.04	–	0.06	–
9. Total Expense	13.98	20.84	27.74	22.55
II. Net Asset/(Liability) recognized in the Balance Sheet				
1. Present Value of Defined Benefit Obligation	87.97	48.73	80.26	52.41
2. Fair Value of Plan Assets	56.18	–	62.45	–
3. Funded Status [Surplus/(Deficit)]	(31.79)	(48.73)	(17.82)	(52.41)
4. Net Asset/(Liability)	(31.79)	(48.73)	(17.82)	(52.41)

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	2012-13		2011-12	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
III. Change in Obligation during the Year				
1. Present value of Defined Benefit Obligation at the beginning of the year	80.26	52.41	54.23	41.44
2. Current Service Cost	16.37	0.80	16.90	3.19
3. Interest Cost	6.73	4.55	5.38	3.75
4. Settlement Cost	–	–	–	–
5. Past Service Cost	–	–	–	–
6. Employee Contribution	–	–	–	–
7. Liabilities assumed on acquisition/(settled on divesture)	–	–	–	–
8. Actuarial (Gains)/Losses	(8.82)	15.48	10.07	15.61
9. Benefits Payments	(6.57)	(24.51)	(6.31)	(11.58)
10. Present Value of Defined Benefit Obligation at the end of the year	87.97	48.73	80.26	52.41
IV. Change in assets during the Year				
1. Plan Assets at the beginning of the year	62.45	–	54.23	–
2. Assets acquired on amalgamation in previous year	–	–	–	–
3. Settlements	–	–	–	–
4. Expected return on plan assets	5.34	–	4.67	–
5. Contributions by employer	–	24.51	9.92	11.58
6. Actual Benefit Paid	(6.57)	(24.51)	(6.31)	(11.58)
7. Actuarial Gains/(Losses)	(5.04)	–	(0.06)	–
8. Plan Assets at the end of the year	56.18	–	62.45	–
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	100.00%	–	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	8.25%	–	8.00%	–

	31.03.13	31.03.12
Note 2.33 Earning Per Share (EPS)		
Profit/(Loss) attributable to Equity Shareholders	3,068.55	4047.56
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 (₹)	7.32	9.66
Diluted Earning Per Share(₹)	7.32	9.66

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

Name of the Party	2012-13	2011-12
Note 2.34 Donations to Political Parties		
Name of the Party		
Bhartiya Janta Party	–	5.00
West Bengal Pradesh Congress Committee	5.00	–

2.35 a) Installed Capacity and Production

	2012-13	2011-12
Installed Capacity - Clinker (MT)*	7,92,000.000	7,92,000.000
Installed Capacity - Cement (MT)*	21,93,840.000	5,94,000.000
Production - Clinker (MT)	7,58,175.000	7,14,780.000
Production - Cement (MT)	4,89,229.030	4,98,229.830

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

b) Sales

	2012-13		2011-12	
	Quantity (MT)	Value (₹ in Lacs)	Quantity (MT)	Value (₹ in Lacs)
Cement*	4,87,749.040	27,709.68	4,97,995.070	24,924.22
Fly ash	2,597.000	0.71	–	–
Clinker	3,72,146.000	9,588.89	3,59,991.000	9,804.74
Total		**37,299.28**		**34,728.96**

*Includes Captive Consumption 4,947.76 MT (Previous Year 12,652.70 MT) amounting to ₹ 164.14 Lacs (Previous Year ₹ 357.64 Lacs).

c) Raw Materials Consumed (100% Indigenous)

	2012-13		2011-12	
	Quantity (MT)	Value (₹ in Lacs)	Quantity (MT)	Value (₹ in Lacs)
Limestone	9,87,556.000	758.49	9,16,480.000	664.32
Shale	1,42,077.000	106.56	1,45,117.000	108.84
Iron Mill Scale	6,555.000	470.54	5,498.000	347.03
Sandstone	27,951.000	13.98	31,759.000	17.33
Gypsum	7,806.461	246.47	9,023.466	310.88
Fly Ash	1,20,928.892	2,471.30	1,15,632.461	2,397.87
Iron Ore Fines	351.000	17.28	–	–
Slag	175.928	5.87	–	–
Clinker	1,720.427	55.63	–	–
China Clay	332.808	0.48	–	–
Total		**4,146.60**		**3,846.27**

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

d) Stock of Finished Goods

	2012-13		2011-12	
	Quantity (MT)	Value (₹ in Lacs)	Quantity (MT)	Value (₹ in Lacs)
Opening Stock - Clinker	213.440	5.02	24,647.730	557.50
Opening Stock - Cement	7,086.310	250.91	7,433.750	238.02
Total	**255.93**		**795.52**	
Closing Stock - Clinker	22,681.120	532.98	213.440	5.02
Closing Stock - Cement	7,512.200	356.11	7,086.310	250.91
Total		**889.09**		**255.93**
Cement Shortage and handling loss etc.	1,054.100		582.200	

e) Value of imported and indigenous stores & spare parts consumed and their percentage to total consumption

	2012-13		2011-12	
	(₹ in Lacs)	%	(₹ in Lacs)	%
Stores & Spares				
Imported	–	–	73.51	17.94
Indigenous	492.95	100	336.23	82.06
	492.95	**100**	**409.74**	**100.00**

f) Value of imports calculated on CIF basis

	2012-13	2011-12
Capital Goods	–	2,826.43

g) Value of Export calculated on FOB basis

	2012-13	2011-12
Clinker	25.42	–

h) Expenditure incurred in foreign currency

	2012-13	2011-12
Interest	217.30	147.52
Professional & Consulting Fees	3.59	21.81
Stores, Spare Parts and Components	4.22	84.44
Travelling Expenses	1.53	35.04
Total	**226.64**	**288.80**

Notes to Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

i) Unhedged Foreign Currency Exposure

	As on 31.03.13			As on 31.03.12		
	Foreign Currency	Foreign Currency	Indian Rupees	Foreign Currency	Foreign Currency	Indian Rupees
FCNRB Demand Loan	USD	50.00	2719.47	USD	50.00	2557.83
Buyers Credit	EURO	35.64	2478.54	EURO	35.14	2401.30
ECB	USD	29.70	1615.33	–	–	–
Letter of Credit	–	–	–	EURO	0.99	68.27

2.36 Previous year's figures have been regrouped and/or rearranged wherever necessary, to confirm to current year's classification.

In terms of our report of even date

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

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

For & on behalf of Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Statement regarding Subsidary Companies

(₹ in Lacs)

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, 2013	31st March, 2013	31st March, 2013	31st March, 2013
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, 2013				
	a) Number of shares	2,73,36,400	2,60,88,650	87,36,620	70,000
	b) Face value of shares	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-
	c) Extent of Holding	99.96%	87.49%	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, 2013	₹ 3,875.23 Lacs	N.A.	₹ 80.65 Lacs	N.A.
	(ii) For the previous financial years of the Subsidiary Company since they become the holding Company's subsidiaries	₹ 14,214.37 Lacs	N.A.	₹ 331.03 Lacs	N.A.
	b) Dealt with in the accounts of the Holding Company				
	(i) For the financial year ended 31st March, 2013	NIL	N.A.	₹ 12.45 Lacs	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.	₹ 58.04 Lacs	N.A.
	Capital	2,734.64	2,981.78	1,713.06	7.00
	Reserves	19,104.96	30,264.35	7,385.47	–
	Total Assets	29,225.39	80,911.90	30,501.88	7.06
	Total Liabilities	29,225.39	80,911.90	30,501.88	7.06
	Details of Investments (except investment in subsidiary)	–	–	–	2.70
	Gross Turnover	35,173.46	1,081.75	4,146.97	–
	Profit before Taxation	3,850.59	(2064.21)	129.22	–
	Provision for Taxation	26.19	(441.68)	(75.09)	–
	Profit/(Loss) after Taxation	3,876.78	(2,505.89)	54.13	–
	Proposed Dividend	–	–	–	–

For & on behalf of Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

Sanjay Kr. Gupta
CFO & President

Y.K. Chaudhry
Company Secretary

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF CEMENT MANUFACTURING COMPANY LIMITED

We have audited the accompanying Consolidated Balance Sheet of **CEMENT MANUFACTURING COMPANY LIMITED** ("the Company") and its subsidiaries, which comprise the Balance Sheet as at March, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

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

(i) in the case of the consolidated Balance Sheet of the state of affairs of the Company and its subsidiaries as at 31st March 2013;

(ii) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Company and Profit/Loss of 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.

OTHER MATTERS

We did not audit the financial statements of a subsidiary (NE Hills Hydro Limited), whose financial statements reflect total assets worth of Rs. 7.00 Lacs as at 31st March, 2013. 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.

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

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
Date : 24th April, 2013

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 conso lidated 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 :

Name	Country of Incorporation	% of Voting Power as on 31.03.2013
Megha Technical & Engineers Private Limited (MTEPL)	India	99.96
Star Cement Meghalaya Limited (SCML)	India	87.49
Meghalaya Power Limited (MPL)	India	51.00
NE Hills Hydro Limited (NeHHL)	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 Statement of Profit & Loss.

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

The financial statements has been prepared in accordance with revised Schedule VI notified under Companies Act, 1956.

1.3 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities 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 / completion of project 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 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 & Loss for the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan :

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

(iii) Other Long-term benefits

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

Actuarial gain/losses, if any, are recognized in the Statement of Profit & 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 Statement of Profit & Loss. Monetary foreign currency assets and liabilities are translated at the year end exchange rates. All exchange differences are dealt within the Statement of Profit & Loss, 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 and other taxes 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 cCompany 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 Statement of Profit and Loss as deduction from related item of expenditure. Capital grants / subsidies are reduced from cost of respective fixed assets where it relates to specific fixed assets. Other grants / subsidies are credited to the capital reserve.

1.19 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.

1.20 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, 2013

(₹ in Lacs)

	Note	31.03.13	31.03.12
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	4,192.14	4,192.14
Reserves and Surplus	2.2	81,735.86	56,239.47
		85,928.00	**60,431.61**
Minority Interest		4,440.44	4,408.79
Non-current Liabilities			
Long Term Borrowings	2.3	75,454.59	55,617.25
Deferred Tax Liabilities (Net)	2.4	617.04	38.37
Other Long Term Liabilities	2.5	7,663.66	5,452.72
Long Term Provisions	2.6	135.51	106.51
		83,870.81	**61,214.85**
Current Liabilities			
Short Term Borrowings	2.7	7,522.63	8,933.05
Trade Payables		3,268.25	2,082.29
Other Current Liabilities	2.8	12,706.40	8,673.25
Short Term Provisions	2.9	13.69	19.50
		23,510.96	**19,708.10**
Total		**197,750.21**	**145,763.35**
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible Assets	2.10	113,009.29	24,605.16
- Intangible Assets	2.10	30.11	5.23
- Capital Work in Progress (including pre-operative expenses)		12,869.14	74,081.31
		125,908.54	**98,691.71**
Non Current Investments	2.11	152.86	152.86
Long Term Loans and Advances	2.12	27,105.86	5,814.19
		153,167.26	**5,967.05**
Current Assets			
Inventories	2.13	12,176.44	7,774.00
Trade Receivables	2.14	8,273.34	9,697.04
Cash and Cash Equivalents	2.15	2,557.24	2,316.32
Short Term Loans and Advances	2.16	21,573.63	21,297.98
Other Current Assets	2.17	2.29	19.26
		44,582.95	**41,104.60**
Total		**197,750.21**	**145,763.35**
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
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
24th April, 2013

For & on behalf of Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2013

(₹ in Lacs)

	Note	2012-13	2011-12
INCOME			
Revenue from Operations (Gross)	2.18	62,543.34	59,739.18
Less : Excise Duty		(3,046.21)	(3,243.24)
Revenue from Operations (Net)	2.19	**59,497.13**	**56,495.95**
Income/(Loss) from Associates		–	(3.66)
Other Income		190.57	236.72
Total Revenue		**59,687.70**	**56,729.00**
EXPENSES			
Cost of Materials consumed	2.20	8,523.47	5,872.96
(Increase)/Decrease in Inventories	2.21	(1,931.31)	681.62
Employee Benefit Expenses	2.22	3,724.47	3,042.32
Finance Costs	2.23	2,682.36	1,898.38
Depreciation and Amortization Expenses		4,477.46	2,810.87
Other Expenses	2.24	37,323.39	32,583.81
Total Expenses		**54,799.83**	**46,889.96**
Profit before exceptional and extraordinary items and tax		**4,887.87**	**9,839.04**
Exceptional items		9.80	(741.73)
Profit before Tax		**4,897.67**	**9,097.31**
Tax Expenses			
Current Tax		1,417.72	1,900.04
Less : MAT Credit entitlement		(1,417.72)	(1,879.56)
Net Current Tax		**–**	**20.49**
MAT Credit Entitlement for earlier years written back		–	(195.88)
Income Tax for earlier years		–	(83.21)
Deferred Tax		(578.68)	46.42
Profit for the year		**4,319.00**	**8,844.16**
Minority Interest		(28.07)	138.32
Profit for year (After Miniority Interest)		**4,290.92**	**8,982.47**
Earnings Per Equity Share (Face Value of ₹ 10/- each) (Refer note - 2.33)			
Basic Earning Per Share		10.24	21.43
Diluted Earning Per Share		10.24	21.43
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
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
24th April, 2013

For & on behalf of Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

		2012-13	2011-12
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before Tax and Exceptional Items	4,876.86	10,286.86
	Adjustments for :		
	Depreciation	4,477.46	2,810.87
	Unrealised Foreign Exchange Gain / (Loss) - Net	19.48	(450.85)
	Profit/Loss on Sale of Fixed Assets - Net	(8.47)	3.03
	Interest Income	(190.57)	(236.72)
	Interest Expenses	2,682.36	1,898.38
	Provision for Gratuity & Leave Encashment	23.18	49.11
	Provision for Wealth Tax	(2.04)	(1.08)
	Provision for Bad and Doubtful Debts (Net of adjustments)	(46.78)	(121.36)
	Operating Profit before Working Capital changes	**11,831.48**	**14,238.25**
	Adjustments for :		
	Trade Receivables	1,470.48	318.00
	Inventories	(4,402.44)	(2,666.88)
	Other Receivables	(20,422.39)	2,358.28
	Trade Payables / Other Liabilities	5,221.14	426.84
	Cash Generated from Operations	**(6,301.72)**	**14,674.49**
	Direct Taxes - Refund / (Paid) - Net	(1,127.97)	(1,595.00)
	Net Cashflow from Operating Activities	**(7,429.69)**	**13,079.49**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Loans from Companies and Public Bodies	–	–
	(Purchase)/Sale of Fixed Assets (including Capital WIP) - Net	(31,694.30)	(44,407.53)
	(Purchase)/Sale of Investments	–	125.62)
	Interest Received	190.57	236.72
	Net Cash used in Investing Activities	**(31,503.73)**	**(44,296.43)**
C	**Cash Flow from Financing Activities**		
	Interest paid	(2,682.36)	(1,898.38)
	Proceeds from/(Repayment of) Long Term Borrowings / Liabilities	22,048.28	33,127.50
	Proceeds from/(Repayment of) Short Term Borrowings	(1,410.42)	1,086.24
	Increase in Capital Reserve/Share capital	21,218.85	(1,041.30)
	Net Cash used in Financing Activities	**39,174.35**	**31,274.07**
	Net Increase/(Decrease) in Cash and Cash quivalents (A+B+C)	**240.93**	**57.12**
	Cash and Cash Equivalents		
	Opening Balance	2,316.32	2,259.20
	Closing Balance	2,557.24	2,316.32

As per our report of even date

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

For & on behalf of Board

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Place : Camp, Lumshnong, Meghalaya
24th April, 2013

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.1 Share Capital		
Authorised Capital		
6,00,00,000 (6,00,00,000 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid	**6,000.00**	**6,000.00**
Issued, Subscribed & fully Paid-up shares		
4,19,21,392 (4,19,21,392 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid	**4,192.14**	**4,192.14**

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 entitled 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	4,9,21,392	4,19,21,392
Issued during the year	–	–
Outstanding at the end of the year	**4,19,21,392**	**4,19,21,392**

c. Shares held by Holding Company

	No. of Shares	No. of Shares
Century Plyboards (India) Limited (refer Note 2.27)	2,95,47,500	2,95,47,500

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 (refer Note 2.27)	2,95,47,500 70.48%	2,95,47,500 70.48%
Sajjan Bhajanka	35,62,500 8.50%	35,62,500 8.50%
Rajendra Chamaria	31,63,742 7.50%	31,63,742 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 ownership.

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.2 Reserves & Surplus		
Capital Reserve		
Balance as per last Account	2,620.93	2,620.93
Addition/(Deduction) during the year	21,205.47	–
	23,826.40	**2,620.93**
General Reserve		
Balance as per last Account	3,700.00	3,700.00
Addition/(Deduction) during the year	–	–
	3,700.00	**3,700.00**
Surplus as per Statement of Profit & Loss		
Balance as per last Account	49,918.54	40,936.06
Profit for the year	4,290.92	8,982.47
Amount available for appropriation	**54,209.46**	**49,918.54**
Total Appropriation	–	–
Net Surplus in the statement of profit and loss	**54,209.46**	**49,918.54**
Total Reserves and Surplus	**81,735.86**	**56,239.47**

	31.03.13	31.03.12
Note 2.3 Long Term Borrowings		
Term Loans		
Rupee Loans from Banks (Secured)	49,382.23	34,882.98
Foreign Currency Loan from a Bank (Secured)	26,195.98	18,420.18
Other Loans & Advances		
Buyers Credit from banks on capital account (Secured)	6,957.16	6,334.60
Hire Purchase Finance from banks (Secured)	142.31	258.05
	82,677.68	**59,895.81**
Less : Current Maturities of long term borrowings	(7,223.09)	(4,278.56)
	75,454.59	**55,617.25**

1. Rupee Term Loan of ₹ 984.51 Lacs from a bank is repayable in 5 equal quarterly installments of ₹ 197.50 Lacs each ending on June 2014. The loan is secured by first charge on fixed assets (except specifically charged assets) of the Company's cement plant at Lumshnong, Meghalaya.
2. Rupee Term Loan of ₹ 7,000.00 Lacs from a bank is repayable in 16 equal quarterly installments commencing from September 2013. The loan is secured by first pari passu charge on current assets and on fixed assets of the Company's cement plant at Lumshnong, Meghalaya.
3. Rupee Term Loans of ₹ 12,203.59 Lacs and Foreign Currency Loan of ₹ 1,615.30 Lacs from banks are repayable in 28 unequal quarterly installments commencing from March, 2013. The loans are secured by first pari passu charge on fixed assets of company's cement Grinding unit at Guwahati, Assam.
4. Rupee Term Loan of ₹ 572.96 Lacs is repayable in 3 equal quarterly installments ending on December, 2013. The Term Loan is secured by first charge on Fixed Assets of the Subsidiary's Cement Grinding Unit at Lumshnong, Meghalaya on pari passu basis.
5. Rupee Term Loan of ₹ 25,932.26 Lacs and foreign currency loan of ₹ 9,677.81 Lacs from banks 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 on pari passu basis.

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

6. Rupee Term Loan of ₹ 2,688.91 Lacs and foreign currency loan of ₹ 12,191.36 Lacs from a bank are repayble in 28 unequal quarterly installments commencing from March 2013. Foreign currency loan of ₹ 2,711.51 Lacs from a bank is repayable in 28 unequal quarterly installments ending on March, 2017. 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.
7. Buyers credit of ₹ 2,478.54 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 Grinding unit at Guwahati, Assam.
8. Buyers credit of ₹ 4,478.62 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.
9. Hire Purchase Finance of ₹ 75.00 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 ₹ 67.31 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 ₹ 39,395.19 Lacs from Banks have been guaranteed by some of the Directors of the Company.
12. The Company does not have any continuing defaults in repayment of loans and interest as at reporting period.

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.4 Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Fixed Assets	944.30	154.62
Gross Deferred Tax Liability	**944.30**	**154.62**
Deferred Tax Assets		
Leave Encashment	1.05	21.99
Fixed Assets	–	17.03
Business Loss Carried Forward	267.42	–
Trade Receivable	58.06	73.24
Others	0.73	3.99
Gross Deferred Tax Asset	**327.25**	**116.26**
Net Deffered Tax (Assets)/Liability	**617.04**	**38.37**

	31.03.13	31.03.12
Note 2.5 Other Long Term Liabilities		
Security Deposit	5,205.03	2,602.38
Liability for Capital Expenditure	2,458.63	2,850.34
	7,663.66	**5,452.72**

	31.03.13	31.03.12
Note 2.6 Long Term Provisions		
Provisions for Employee Benefits		
Leave Encashment	72.61	71.42
Gratuity	62.90	35.10
	135.51	**106.51**

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.7 Short Term Borrowings		
Working Capital facilities from Banks		
Cash Credit (Secured)	2,574.17	3,875.23
Foreign Currency Demand Loan (Secured)	3,448.46	2,557.83
	6,022.63	**6,433.05**
Short Term Loan		
From a Bank (Secured)	1,500.00	2,500.00
	7,522.63	**8,933.05**
a. The above amount includes		
Secured Borrowings	7,522.63	8,933.05

b. Working Capital facilities of ₹ 4,555.34 Lacs from banks are secured by first pari passu charge on current assets of the Company and second pari passu charge on fixed assets of the Company's cement plant at Lumshnong, Meghalaya.

c. Working capital facilities of ₹ 2,229 Lacs from banks are secured by first charge on subsidiary's current assets of its Cement Grinding unit at Lumshnong, Meghalaya on pari passu basis.

d. Cash Credit of ₹ 738.29 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 ₹ 5,293.63 Lacs from Banks have been guaranteed by some of the Directors of the Company.

	31.03.13	31.03.12
Note 2.8 Other Current Liabilities		
Current Maturities of long term borrowings	7,223.09	4,278.56
Interest accrued but not due on borrowings	0.72	1.07
Other Payables		
Statutory Liabilities (including excise duty on finished goods ₹ 60.77 Lacs, ₹ 11.71 Lacs as at 31.03.12)	1,997.06	1,200.59
Creditors - Micro, Small & Medium Enterprises (Refer Note 2.26)	–	–
Advances from Customer	393.92	258.55
Salary and Bonus to Employees	194.91	119.68
Other Liabilities	2,896.69	2,814.80
	12,706.40	**8,673.25**

	31.03.13	31.03.12
Note 2.9 Short Term Provisions		
Provisions for Employee Benefits		
Leave Encashment	13.69	19.50
	13.69	**19.50**

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.12	Additions	Deduction / Adjustment	Total as on 31.03.13	Upto 31.03.12	For the year	Deduction / Adjustment	Total as on 31.03.13	As on 31.03.12	As on 31.03.13
Note 2.10 Fixed Assets										
A. Tangible Assets										
Land & Site Development	3,819.28	2,102.32	38.14	5,883.47	–	–	–	–	5,883.47	3,819.28
Factory Building	6,241.34	7,677.59	–	13,918.93	2,469.58	509.49	–	2,979.07	10,939.86	3,771.76
Non Factory Building	3,516.85	1,229.97	–	4,746.83	605.07	154.04	–	759.11	3,987.72	2,911.78
Plant, Machinery & Equipments	22,257.08	81,990.40	78.31	104,169.17	10,455.99	3,490.52	25.42	13,921.09	90,248.08	11,801.09
Furniture & Fixtures	458.57	132.37	12.67	578.28	253.40	56.24	8.31	301.34	276.94	205.17
Office Equipments	364.26	51.91	6.38	409.80	132.75	36.05	3.39	165.40	244.39	231.51
Computers	438.66	49.10	2.05	485.71	321.74	58.26	1.86	378.14	107.58	116.92
Vehicles	2,307.51	179.90	50.32	2,437.09	958.91	500.96	33.99	1,425.87	1,011.22	1,348.60
Tools & Tackles	835.67	190.04	4.31	1,021.40	436.63	274.90	0.16	711.37	310.03	399.04
Total (A)	**40,239.23**	**93,603.62**	**192.18**	**133,650.67**	**15,634.07**	**5,080.45**	**73.13**	**20,641.39**	**113,009.29**	**24,605.16**
Previous Year's figures	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
B. Intangible Assets										
Computer Software	86.69	38.70	2.45	122.94	81.46	13.82	2.45	92.83	30.11	5.23
Previous Year's figures	79.78	6.91	–	86.69	76.72	4.73	–	81.46	5.23	3.06

1. Depreciation for the period includes ₹ 616.81 Lacs, [Previous year - ₹ 545.30 Lacs], capitalised as Pre-operative Expenditure by the Company and its Subsidiaries.

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.11 Non Current Investments		
Trade Investments (valued at cost unless stated otherwise)		
Investment in Unquoted Equity Instruments		
Ribhoi Engineering Company Private Limited 27,000 (27,000 as at 31.03.12) Equity Shares of of ₹ 10/- each fully paid-up	2.70	2.70
Adonis Vyapaar Pvt. Ltd. 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid-up	31.42	31.42
Apanapan Viniyog Pvt. Ltd. 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid-up	31.42	31.42
Ara Suppliers Pvt Ltd 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid-up	31.36	31.36
Arham Sales Pvt. Ltd. 3,23,190 (3,23,200 as at 31.03.12) Equity Share of ₹ 10/- each fully paid-up	31.42	31.42
Non Trade Investments (valued at cost unless stated otherwise)		
Investment in Quoted Equity Instruments		
Reliance Power Limited 8,743 (8,743 as at 31.03.12) Equity Shares of ₹ 10/- each fully paid-up	24.54	24.54
	152.86	**152.86**
Aggregate amount of Quoted investment (market Value ₹ 5.38 Lacs as on 31.03.13)	24.54	24.54
Aggregate amount of Unquoted investments	128.32	128.32

	31.03.13	31.03.12
Note 2.12 Long Term Loans and Advances		
Capital Advances		
Secured, Considered Good	272.82	790.74
Unsecured, Considered Good	3,862.77	4,831.59
Doubtful Advances	63.98	71.78
Less : Provision for Bad & Doubtful Advances	–	(7.80)
	4,199.57	**5,686.31**
Security Deposits		
Unsecured, Considered Good	183.66	127.88
	183.66	**127.88**
Other Loans and Advances		
Unsecured considered Good		
Subsidies Receivable from Central/State Governments	22,722.63	–
	22,722.63	**–**
	27,105.86	**5,814.19**

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.13 Inventories		
Current Assets		
Raw Materials [Including in transit - ₹ 48.76 Lacs, ₹ 0.55 Lacs as on 31.03.2012]	1,327.89	667.89
Work-in-Process	114.42	21.86
Finished Goods [including in transit - ₹ 208.03 Lacs, As at 31.03.12 ₹ 190.38 Lacs]	2,436.35	417.78
Fuels, Packing Materials, etc.	3,097.22	4,512.22
Stores & Spares parts	5,200.57	2,154.26
	12,176.44	**7,774.00**

	31.03.13	31.03.12
Note 2.14 Trade Receivables		
Secured Considered Good		
Over Six months	27.15	26.60
Other debts	1,585.03	1,500.37
	1,612.18	**1,526.97**
Unsecured		
Over Six Months		
I. Considered Good	52.77	45.95
Considered Doubtful	178.94	225.72
Less : Provision for Doubtful Debts	(178.94)	(224.72)
	52.77	**45.95**
II. Claims due from Central Government - Considered Good	5,145.64	4,649.55
Other Debts		
I. Considered Good	1,458.64	1,194.85
II. Claims due from Central Government - Considered Good	4.11	2,279.73
	1,462.75	**3,474.57**
	8,273.34	**9,697.04**

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 normally 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.

	31.03.13	31.03.12
Note 2.15 Cash & Cash Equivalents		
Cash in Hand	22.83	34.11
Cheques in Hand	637.07	245.47
Balance with Banks		
- In Current Accounts	1,663.48	820.32
- In Fixed Deposit Accounts	150.51	1,100.00
Balance with banks held as margin money deposits against Letter of Credits	83.35	116.42
	2,557.24	**2,316.32**

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.16 Short Term Loans and Advances		
Loans and Advances to Related Parties		
Unsecured considered Good	595.00	35.00
	595.00	**35.00**
Others		
Unsecured considered Good		
Advances to Suppliers	925.75	422.38
Security Deposit	–	2.78
Loan and Advances to Employees	72.22	46.21
Balances with/receivables from Government Authorities	2,770.86	2,926.97
Subsidies receivable from Central/State Governments	4,011.02	6,688.45
Advances for Services & Expenses	2,108.69	1,556.45
Advance Income Tax including MAT credit entitlement, net of provisions	9,901.55	8,640.21
Prepaid Expenses	388.55	179.54
Intercorporate Deposits	800.00	800.00
	20,978.63	**21,262.98**
	21,573.63	**21,297.98**

	31.03.13	31.03.12
Note 2.17 Other Current Assets		
Other Receivables	1.87	2.58
Unamortized Expenses	0.42	16.67
	2.29	**19.26**

	2012-13	2011-12
Note 2.18 Revenue from Operations		
Sale of Products	62,320.98	59,554.92
Other Operating Revenue		
Shortage Recovery of Cement & Clinker	193.50	136.32
Bad Debts Recovered	3.03	–
Sale of Scrap	25.82	47.94
Revenue from Operation (gross)	**62,543.34**	**59,739.18**

	2012-13	2011-12
Note 2.19 Other Income		
Interest Income on		
- Bank Deposits	6.87	5.11
- Loans	135.10	190.04
- Others	7.62	0.47
Other Non Operating Income	40.98	41.10
	190.57	**236.72**

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	2012-13	2011-12
Note 2.20 Cost of Materials Consumed		
Inventory at the beginning of the year	667.89	727.04
Add : Purchases	9,183.49	5,813.81
	9,851.37	**6,540.85**
Less : Inventory at the end of the year	1,327.90	667.89
Cost of Materials consumed	**8,523.47**	**5,872.96**

	2012-13	2011-12
Note 2.21 (Increase)/Decrease in Inventories		
Work-in-Process		
Opening Stock	21.86	11.75
Trial Run Production	101.87	–
Closing Stock	114.42	21.86
	(9.31)	**(10.11)**
Finished Goods		
Opening Stock	417.78	1,109.51
Trial Run Production	77.95	–
Closing Stock	2,436.35	417.78
	1,940.62	**691.73**
(Increase)/Decrease	**(1,931.31)**	**681.62**

	2012-13	2011-12
Note 2.22 Employee Benefit Expenses		
Salaries, Wages & Other Manpower Expenses	3,462.95	2,796.26
Contribution to Provident Fund	110.01	90.57
Welfare Expenses	151.50	155.49
	3,724.47	**3,042.32**

	2012-13	2011-12
Note 2.23 Finance Costs		
On Fixed Loans	1,599.35	803.68
Others	624.41	592.77
Exchange Fluctuation (Gain)/loss to the extent considered as an adjustment to borrowing costs	317.40	440.18
Other Finance Costs	141.20	61.76
	2,682.36	**1,898.38**

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

	2012-13	2011-12
Note 2.24 Other Expenses		
Consumption of Stores & Spares	829.14	642.60
Packing Materials	1,799.75	1,702.85
Royalty	1,721.18	1,109.45
Power & Fuel	11,550.28	7,513.24
Repairs & Maintenance		
- Building	230.73	146.78
- Plant & Machinery	560.72	953.54
- Others	127.23	121.35
Heavy Vehicle/Equipment Running Expenses	452.62	361.34
Excise Duty variation on opening/closing stock	193.16	(108.80)
Travelling and Conveyance	333.31	242.36
Insurance (Net)	150.98	78.84
Rent, Rates & Taxes	696.43	666.39
Research & Development Expenses	37.10	27.21
Directors Remuneration	201.00	182.90
Charity & Donation	341.48	317.44
Miscellaneous Expenses	1,020.62	1,014.03
Advertisement & Publicity	820.80	502.70
Outward Freight Charges (Net)	11,410.46	13,987.15
Sales Promotion Expenses	783.41	589.91
Commission, Discount & Incentives on Sale	4,063.00	2,532.52
	37,323.39	**32,583.81**

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 Pursuant to the Scheme of Arrangement (the scheme) approved by the shareholders of Century Plyboards (India) Ltd. (CPIL), the holding company, their investment in the Company is proposed to be transferred and vested in Star Ferro & Cement Ltd (resulting company) at its book value on going concern basis with effect from 1st April 2012, being the appointed date. Upon the scheme being effective SFCL will become the holding company in place of CPIL. Pending approval of the scheme by Hon'ble High Court at Kolkata, no effect has been given in these accounts.

(₹ in Lacs)

	As at 31.3.2013	As at 31.3.2012
Note 2.28 Capital and Other Commitments (to the extent not provided for)		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	899.12	9,472.32

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	As at 31.3.2013	As at 31.3.2012
Note 2.29 Contingent Liabilities		
Claims against the Company not acknowledged as Debts – Excise/VAT/Income Tax Matters/Royalty etc	3,399.15	2,656.05
Guarantee provided to banks on behalf of Contractors	2,477.30	2,477.30
Export obligation under EPCG scheme	1,373.82	1,807.30
Bills of Exchange discounted with banks	133.10	563.11
Bank Guarantees issued by Banks	587.36	776.41
Letter of Credits issued by Banks	262.64	1,789.53

	2012-13	2011-12
Note 2.30 Borrowing Cost Capitalized		
Borrowing Cost Capitalized	6,972.56	3,386.40

	As at 31.03.13			As at 31.03.12		
	Foreign Currency	Foreign Currency	Foreign Rupees	Foreign Currency	Foreign Currency	Foreign Rupees
Note 2.31 Unhedged Foreign Currency Exposure						
FCNRB Term Loan	USD	49.88	2,711.51	USD	60.38	3,088.57
FCNRB Demand Loan	USD	50.00	2,719.47	USD	50.00	2,557.83
ECB Term Loan	USD	402.09	21,869.16	USD	299.70	15,331.60
Buyers Credit	EURO	81.93	5,697.51	EURO	81.43	5,564.56
Buyers Credit	USD	52.53	2,856.87	USD	14.70	752.00
Buyers Credit	GBP	0.22	18.11	GBP	0.22	18.00
Letter of Credit	CHF	0.85	49.09	USD	8.13	415.74
Letter of Credit	EURO	–	–	EURO	0.99	68.27

Note 2.32 Related Party Disclosure

a) Names of the transacting related parties and description of relationships.

Relationship	Name of the Party
Holding Company	Century Plyboards (India) Limited (CPIL)
Associates	Star India Cement Limited (SICL)
Key Management Personnel	Mr. Sajjan Bhajanka (Chairman & Managing Director)
	Mr. Rajendra Chamaria (Vice Chairman & Managing Director)
	Mr. Sanjay Agarwal (Joint Managing Director)
	Mr. Pankaj Kejriwal (Managing Director in subsidiary)
	Mr. Prem Kumar Bhajanka (Director in Subsidiaries)
	Mr. Atul Rasiklal Desai (COO) for the period 05.09.2012 to 04.03.2013
	Mr. Sanjay Kr. Gupta (Chief Financial Officer)

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

b) Details of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2013 are given hereunder :

Sl. No.	Types of Transactions	Holding Company		Associates/ Fellow Subsidiary		Key Managerial Personnel	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	**Purchase Transactions**						
	CPIL	47.54	537.59	–	–	–	–
2	**Sale Transactions**						
	CPIL	13.66	35.11	–	–	–	–
3	**Purchase of Capital Goods**						
	CPIL	0.42	2.02	–	–	–	–
4	**Loan Taken**						
	CPIL	200.00	2,300.00	–	–	–	–
5	**Loan Given**						
	CPIL	2,260	2,670.00	–	–	–	–
6	**Interest paid**						
	CPIL	4.39	31.35	–	–	–	–
7	**Interest received**						
	CPIL	21.76	91.43	–	–	–	–
8	**Remuneration Paid**						
	S. B. Roongta	–	–	–	–	–	2.00
	Pankaj Kejriwal	–	–	–	–	42.00	22.50
	Rajendra Chamaria	–	–	–	–	66.00	36.00
	Sajjan Bhajanka	–	–	–	–	36.00	36.00
	Sanjay Agarwal	–	–	–	–	36.00	36.00
	Prem Bhajanka	–	–	–	–	36.00	18.00
	Atul Rasiklal Desai	–	–	–	–	84.03	–
	Sanjay Kumar Gupta	–	–	–	–	35.80	29.40
9	**Balance Outstanding:**						
A	**Receivable/(Payable)**						
	CPIL	0.09	–	–	–	–	–
B	**Share Capital & Premium**						
	CPIL	3,373.50	3,373.50	–	–	–	–
D	**Loans & Advances paid**						
	CPIL	560.00	–	–	–	–	–
	SICL	–	–	35.00	35.00	–	–
E	**Guarantees Obtained**						
	Sajjan Bhajanka	–	–	–	–	43,604.85	29,681.51
	Rajendra Chamaria	–	–	–	–	26,358.75	13,757.15
	Sanjay Agarwal	–	–	–	–	26,358.75	13,757.15
	Prem Kumar Bhajanka	–	–	–	–	13,715.38	12,224.48

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

Sl. No.		2012-13				2011-12			
		Power	Cement	Others	Total	Power	Cement	Others	Total
Note 2.33	**Segment Reporting**								
A	**Revenue (Gross)**								
	External Sales	68.42	62,474.92	–	**62,543.34**	16.88	59,722.29	–	**59,739.17**
	Inter Segment Sales	–	–	–	**–**	–	–	–	**–**
	Total Revenue (Gross)	68.42	62,474.92	–	**62,543.34**	16.88	59,722.29	–	**59,739.17**
B	**Results**							–	
	Segment Result	532.36	7,110.93	–	**7,643.29**	760.77	11,052.24	–	**11,813.01**
	Unallocated Income/ Expenses (Net)	–	–		**14.11**	–	–	–	**(368.25)**
	Interest & Finance Charges (Net)	425.70	2,343.88	–	**(2,769.59)**	438.95	1,166.77	–	**(1,605.72)**
	Operating Profit	–	–	–	**4,887.81**	–	–	–	**9,839.04**
	Exceptional Income	(116.02)	125.78	–	**9.86**	(391.60)	(350.13)		**(741.73)**
	Provision for Taxation	–	–	–	**(1,417.72)**	–	–	–	**(1,900.04)**
	MAT Credit Entitlement	–	–	–	**1,417.72**	–	–	–	**1,879.56**
	MAT Credit Entitlement reversal	–	–	–	**–**	–	–	–	**(195.88)**
	Income Tax for earlier year	–	–	–	**–**	–	–	–	**(83.21)**
	Deferred Tax (Net)	–	–	–	**(578.68)**	–	–	–	**46.42**
	Profit after Tax (before minority interest)	–	–	–	**4,319.00**	–	–	–	**8,844.16**
	Other Information								
A	**Total Assets**								
	Segment Assets	30,751.12	159,992.27	7.06	190,750.45	26,778.56	115,935.76	7.06	**142,721.38**
	Unallocated Corporate/ Other Assets	–	–	6,999.77	6,999.77	–	–	3,041.97	**3,041.97**
B	**Total Liabilities**								
	Segment Liabilities	19,811.60	84,697.90	0.06	104,509.56	17,259.17	61,382.61	0.06	**78,641.84**
	Unallocated Corporate/ Other Liabilities	–	–	2,255.17	2,255.17	–	–	–	**2,242.75**
C	**Capital Expenditure**	5,565.01	26,669.98	0.54	32,235.53	8,597.82	36,284.17	0.22	**44,882.21**
D	**Depreciation**	638.35	3,839.11	–	4,477.46	600.33	2,210.55	–	**2,810.87**

Note 2.34 Employee Defined Benefits

a) Defined Contribution Plans

The Company has recognized an expense of ₹ 110.01 Lacs (Previous year ₹ 90.57 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 Statement of Profit & Loss 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, 2013

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

		2012-13		2011-12	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I.	**Expense recognized in the Statement of Profit and Loss for the year ended 31st March, 2013**				
1.	Current Service Cost	31.38	4.32	30.78	6.68
2.	Interest Cost	11.76	7.98	8.85	6.71
3.	Employee Contribution	–	–	–	–
4.	Expected return on Plan Assets	(8.89)	–	(7.51)	–
5.	Actuarial (Gains)/Losses	(11.01)	21.76	15.64	23.15
6.	Past Service Cost	–	–	–	–
7.	Settlement Cost	–	–	–	–
8.	Losses/(Gains) on acquisition/divesture	6.21	–	0.91	–
9.	Total Expense	29.45	34.06	48.67	36.54
II.	**Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2013**				
1.	Present Value of Defined Benefit Obligation	158.83	86.30	135.17	90.93
2.	Fair Value of Plan Assets	95.93	–	101.72	–
3.	Funded Status [Surplus/(Deficit)]	(62.90)	(86.30)	(33.45)	(90.33)
4.	Net Asset/(Liability) as at 31st March, 2013	(62.90)	(86.30)	(33.45)	(90.33)
III.	**Change in Obligation during the year ended 31st March, 2013**				
1.	Present value of Defined Benefit Obligation at the beginning of the year	135.15	90.93	86.22	76.91
2.	Current Service Cost	31.38	4.32	30.78	6.68
3.	Interest Cost	11.76	7.98	8.85	6.71
4.	Settlement Cost	–	–	–	–
5.	Past Service Cost	–	–	–	–
6.	Employee Contribution	–	–	–	–
7.	Liabilities assumed on acquisition/(settled on divesture)	(1.52)	–	–	–
8.	Actuarial (Gains)/Losses	(11.01)	21.76	15.64	23.15
9.	Benefits Payments	(6.93)	(38.69)	(6.31)	(22.53)
10.	Present Value of Defined Benefit Obligation at the end of the year	158.83	86.30	135.17	90.93
IV.	**Change in assets during the year ended March, 2013**				
1.	Plan Assets at the beginning of the year	101.72	–	86.22	–
2.	Assets acquired on amalgamation in previous year	–	–	–	–
3.	Settlements	–	–	–	–
4.	Expected return on plan assets	8.88	–	7.51	–
5.	Contributions by employer	–	38.69	15.22	22.53
6.	Actual Benefit Paid	(6.93)	(38.69)	(6.31)	(22.53)
7.	Actuarial Gains/(Losses)	(7.74)	–	(0.91)	–
8.	Plan Assets at the end of the year	95.93	–	101.73	–
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 assests is determined based on market process prevailing on that date, applicable to the period over which the obligations is to be settled	8.25%	–	8.00%	–

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in Lacs)

	31.03.13	31.03.12
Note 2.35 Earnings Per Share (EPS)		
Profit/(Loss) attributable to Equity Shareholders	4,290.92	8982.47
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 (₹)	10.24	21.43
Diluted Earnings Per Share (₹)	10.24	21.43

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

2.37 Previous year figures has been regrouped and reclassified to conform to this year's classification.

In terms of our report of even date

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

CA. Arun Kumar Sharma
Partner
Membership No. 57329

Place : Camp, Lumshnong, Meghalaya
24th April, 2013

For & on behalf of Board

Sajjan Bhajanka
Chairman & Managing Director

Rajendra Chamaria
Vice-Chairman & Managing Director

Sanjay Kr. Gupta
CFO & President

Y. K. Chaudhry
Company Secretary

Notes

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Safe Harbour

The statements made in this Annual Report including the Management's Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "Forward Looking Statements" within the meaning of applicable Securities Laws & Regulations and are based on the currently held beliefs and assumptions of our management, which are expressed in good faith and in their opinion, reasonable. Actual results could differ from those expressed and implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. Several factors could make a significant difference to the Company's operations which includes climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamities, raw material price changes, domestic supply and prices conditions, Company's success in attracting and retaining Key Personnel, integration and re-structuring activities, general business and economic conditions over which the Company does not have any direct control. Because such statements deal with the future events they are subject to various risks and uncertainties. You are cautioned not to place undue relies on these forward looking statements.

The Company undertakes no obligations to revise or update the forward looking statements, whether as a result of new information, future events or otherwise.

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