

BIRLA CEMENT (ASSAM) LIMITED

**ANNUAL REPORT AND ACCOUNTS
2013 – 14**

BIRLA CEMENT (ASSAM) LIMITED

Registered Office: 104A, Dr. B.K. Kakoti Road,
Opposite Royal View Building, Ulubari,
Guwahati – 781 007 (ASSAM)
CIN – U26940AS2008PLC008652

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2014.

ACCOUNTS & FINANCIAL MATTERS:

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	₹	₹
Expenditure :	9,405	13,100
Profit/(Loss) for the year :	(9,405)	(13,100)
Surplus/(Deficit) as per last Financial Statements :	(1,00,373)	(87,273)
Net Surplus/(Deficit) :	(1,09,778)	(1,00,373)

DIVIDEND:

Your Directors do not recommend any Dividend during the year.

GENERAL REVIEW:

A Memorandum of Understanding (MoU) was signed earlier between Birla Corporation Limited, the Holding Company and Assam Minerals Development Corporation (AMDC), a Government of Assam undertaking, to set up one-million ton greenfield cement plant at Umrangsu in the North Cachar Hills district, Assam by converting the Company into a Joint Venture Company with an investment of ₹ 450 crores. Pursuant to the MoU, the Shareholders' Agreement was signed between Birla Corporation Limited, the Holding Company and AMDC on 9th April, 2014.

DIRECTORS:

Shri G. Jayaraman retires by rotation at the forthcoming Annual General Meeting and offers himself for re-appointment.

AUDITORS:

Messrs. Alps and Co., Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for re-appointment.

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

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption is not provided as the same is not applicable to the Company. There are no foreign exchange earnings and outgo during the year under review.

PARTICULARS OF EMPLOYEES:

The Company has no employee getting remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, read with the amended Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT:

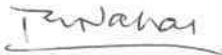



In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state that -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) the accounting policies adopted and applied in the preparation of the annual accounts have been consistently followed and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and of the loss for the year ended 31st March, 2014;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for co-operation received from various Government agencies.

For and on behalf of the Board

	B.R. Nahar	} Directors 
	G. Jayaraman	
	A. Saraogi	
	M.K. Mehta	

Place: Kolkata

Date: 5th May, 2014

INDEPENDENT AUDITOR'S REPORT

To The Members of **BIRLA CEMENT (ASSAM) LIMITED,**

Report on the Financial Statements

We have audited the accompanying financial statements of **BIRLA CEMENT (ASSAM) LIMITED**, which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss Account and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

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

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

BIRLA CEMENT (ASSAM) LIMITED



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- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227) of the Act, 1956 we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order, to the extent applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - 2.1. 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.
 - 2.2. 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.
 - 2.3. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of the account.
 - 2.4. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the applicable Accounting Standard notified under the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - 2.5. On the basis of written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2013 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - 2.6. Since the Central Government has not issued any notification as to the rate at which the Cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section prescribing the manner in which such Cess is to be paid, no Cess is due and payable by the Company.

For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E



(A.K.Khetawat)
Partner
M. No. 52751

Kolkata
Dated: 5th day of May, 2014



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

- 1) The Company has no fixed assets and therefore reporting on provisions of clause 4(i) relating to fixed assets are not applicable to the Company.
- 2) The Company has not any inventories, and therefore reporting on provisions of clause 4(ii) relating to inventories are not applicable to the Company.
- 3) During the year, the Company has neither taken nor granted any loans, secured or unsecured from/to companies, firm and other parties covered in the register maintained under section 301 of the Act and therefore provisions on clauses 4(iii) of the Order are not applicable to the Company.
- 4) There being no business activity was commenced during the year and therefore provisions on clauses 4(iv) of the Order are not applicable to the Company.
- 5) (a) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, in our opinion, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) There is no transactions, with parties as stated in para 5(a) above, exceeding value Rs.500,000/- have been entered into during the financial year.
- 6) During the year, the Company has not accepted any deposits from the public as defined under sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- 7) The Company's paid up capital and free reserve does not exceed Rs. 50 lakhs at the commencement of financial year nor has its average annual turnover exceeded five crore for a period of three consecutive financial years immediately preceding the year under review and therefore provisions on clauses 4(vii) of the Order are not applicable to the Company.
- 8) There is no requirement for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- 9) (a) According to the records of the Company, the Company has not any undisputed statutory dues which were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and according to information and explanations given to us, the Company does not have any outstanding disputed statutory dues as on 31st March, 2014.
- 10) *The Company has accumulated losses at the end of financial year, which is less than 50% of its net worth. The Company has incurred cash losses in current year and in immediately preceding financial year.*
- 11) The Company has not borrowed any amount from any financial institutions or banks or by way of issue of debentures, therefore provisions of clause 4(xi) of the order are not applicable to the Company.
- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- 13) In our opinion and according to information and explanations given to us, the Company is not a chit fund or nidhi/ mutual benefit fund or society. Therefore clause 4(xiii) of the order are not applicable to the Company.
- 14) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, the Company has not entered any transactions in respect of dealing in shares, securities, debentures and other investments and therefore clause 4(xiv) of the order is not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions and as such provisions of clause 4(xv) of the Order are not applicable to the Company.
- 16) During the year, the Company has not taken any term loan.
- 17) Based on the overall examination of the Balance Sheet of the Company no funds raised on short term basis have been used for long term purposes by the Company.
- 18) During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act and therefore provisions of clause 4(xviii) of the Order are not applicable to the Company.
- 19) During the year, the Company has neither issued any debentures nor it has any outstanding debentures and therefore provisions of clause 4(xix) of the Order are not applicable to the Company.
- 20) During the year, the Company has not raised money through public issue and therefore provisions of clause 4(xx) of the Order are not applicable to the Company.
- 21) In our opinion and according to information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E



(A.K.Khetawat)
Partner
M. No. 52751

Kolkata
Dated: 5th day of May, 2014



BIRLA CEMENT (ASSAM) LIMITED
BALANCE SHEET as at 31st March 2014

(Amount in ₹)

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	2.1	500,000	500,000
Reserves and Surplus	2.2	<u>(109,778)</u>	<u>(100,373)</u>
		390,222	399,627
CURRENT LIABILITIES			
Other Current Liabilities	2.3	<u>6,742</u>	<u>6,742</u>
		6,742	6,742
TOTAL		<u>396,964</u>	<u>406,369</u>
ASSETS			
CURRENT ASSETS			
Cash and Bank Balances	2.4	<u>396,964</u>	<u>406,369</u>
		396,964	406,369
TOTAL		<u>396,964</u>	<u>406,369</u>

Significant Accounting Policies

1

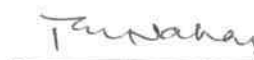
The accompanying Notes are an integral part of the Financial Statements

For and on behalf of the Board

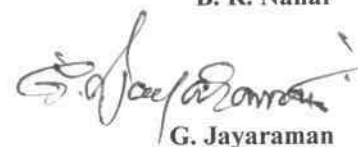
As per our Report of event dated annexed
For ALPS & Co.
Chartered Accountants
Firm's ICAI Regn. No. 313132E



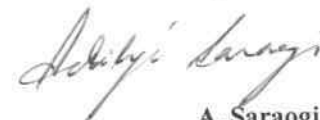
Ashok K. Khetawat
Partner
(Membership No. 052751)
Place : Kolkata
Dated : 5th May, 2014

B. R. Nahar



G. Jayaraman



A. Saraogi



M. K. Mehta

BIRLA CEMENT (ASSAM) LIMITED
STATEMENT OF PROFIT & LOSS for the year ended 31st March 2014

		(Amount in ₹)	
	Note	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations		-	-
Total		-	-
EXPENSES			
Other Expenses	2.5	9,405	13,100
Total		9,405	13,100
Profit/(Loss) for the year		(9,405)	(13,100)
Earnings Per Share [nominal value ₹10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year		50,000	50,000
Basic and Diluted earning per share		(0.19)	(0.26)

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

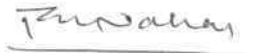
As per our Report of event dated annexed
For ALPS & Co.
Chartered Accountants
 Firm's ICAI Regn. No. 313132E



Ashok K. Khetawat
Partner
 (Membership No. 052751)
 Place : Kolkata
 Dated : 5th May, 2014



For and on behalf of the Board



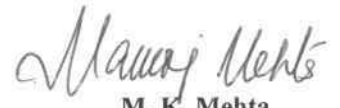
B. R. Nahar



G. Jayaraman



A. Saraogi



M. K. Mehta

BIRLA CEMENT (ASSAM) LIMITED
CASH FLOW STATEMENT for the year ended 31st March, 2014

(Amount in ₹)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. Cash Flow from Operating Activities:		
Profit/(Loss) before Tax	(9,405)	(13,100)
Operating Profit before Working Capital Changes	(9,405)	(13,100)
Adjustments for:		
Other Current Liabilities	-	-
Cash Generated from Operations	(9,405)	(13,100)
Net Cash flow from Operating Activities	(9,405)	(13,100)
B. Cash Flow from Investing Activities:		
Net Cash used in Investing Activities	-	-
C. Cash Flow from Financing Activities:		
Net Cash used in Financing Activities	-	-
Net increase/(decrease) in Cash & Cash Equivalents	(9,405)	(13,100)
Cash & Cash Equivalents (Opening Balance)	406,369	419,469
Cash & Cash Equivalents (Closing Balance)	3,96,964	4,06,369

Notes:

1. Above statement has been prepared in indirect method.
2. Cash and Cash Equivalents consist of Bank Balance.
3. Figures for the previous year have been re-grouped wherever considered necessary.

As per our Report of event dated annexed

For ALPS & Co.

Chartered Accountants

Firm's ICAI Regn. No. 313132E



Ashok K. Khetawat

Partner

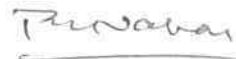
(Membership No. 052751)

Place : Kolkata

Dated : 5th May, 2014



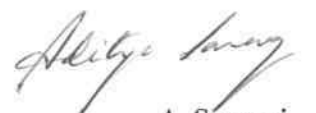
For and on behalf of the Board



B. R. Nahar



G. Jayaraman



A. Saraogi



M. K. Mehta

BIRLA CEMENT (ASSAM) LIMITED

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

1. Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention, except stated otherwise, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, read with general circular No 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

The financial statements had been prepared and presented as per the requirement of Revised Schedule VI as notified under Companies Act 1956.

1.2 Use of Estimates

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialised.

1.3 Recognition of Income and Expenditure

All Income and Expenditure are accounted for on accrual basis.

1.4 Taxation

Provision for Current Income Tax is made in accordance with the Income Tax Act, 1961. The Deferred Tax charge or credit is recognised using substantively enacted tax rates subject to consideration of prudence on timing differences between book and tax profits.



BIRLA CEMENT (ASSAM) LIMITED

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

(Amount in ₹)

		As at 31st March,2014	As at 31st March,2013
2.1 : SHARE CAPITAL			
	Authorised		
1,00,000	Ordinary Shares of ₹10/- each	1,000,000	1,000,000
		<u>1,000,000</u>	<u>1,000,000</u>
	Issued,Subscribed and Paid-up		
50,000	Ordinary Shares of ₹10/- each fully paid-up	500,000	500,000
		<u>500,000</u>	<u>500,000</u>

- a) The company has one class of issued shares i.e. ordinary shares having par value of ₹10 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restriction on distribution of dividend and repayment of capital is attached to the above shares. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.
- b) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- c) All Ordinary Shares of the company are being held by Birla Corporation Ltd. - the Holding Company and its nominees
- d) No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.
- e) No shares have been allotted or has been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- f) No convertible securities has been issued by the company during the year.
- g) No calls are unpaid by any Director and Officer of the Company during the year.

	As at 31st March,2014	As at 31st March,2013
2.2 : RESERVES AND SURPLUS		
Surplus/ (Deficit)		
As per last Financial Statements	(100,373)	(87,273)
Add: Profit/(Loss) for the year	(9,405)	(13,100)
Net Surplus/(Deficit)	<u>(109,778)</u>	<u>(100,373)</u>



BIRLA CEMENT (ASSAM) LIMITED

(Amount in ₹)

	As at 31st March,2014	As at 31st March,2013
2.3 : OTHER CURRENT LIABILITIES		
Others	6,742	6,742
	<u>6,742</u>	<u>6,742</u>
2.4 : CASH AND BANK BALANCES		
Balances With Bank In Current Account	396,964	406,369
	<u>396,964</u>	<u>406,369</u>
	For the Year ended	
	<u>31st March,2014</u>	<u>31st March,2013</u>
2.5 : OTHER EXPENSES		
Selling and Administration Expenses		
Auditors' Remuneration - Statutory Auditors - Audit Fees	6,742	6,742
Issue of Certificates	-	2,022
Other Expenses Bank Charges	550	550
General Charges	2,113	3,786
	<u>9,405</u>	<u>13,100</u>



2.6 Dues to Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006, within the appointed date during the year and no MSMEs to whom the Company owes dues on account of principal amount together with interest at the Balance Sheet date, hence no additional disclosures have been made.

2.7 Segment Reporting

The Company has not yet commenced its commercial operations in view of which there are no reportable segments of the Company as per Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

2.8 Related Party Disclosure

- (a) As defined in Accounting Standard -18 the Company has a related party relationship in the nature of control with it's Holding Company namely Birla Corporation Limited.
- (b) During the year, the Company entered into related party transactions with Birla Corporation Limited, the Holding Company:

Particulars	For the year ended	For the year ended
	31st March,2014	31st March,2013
Advance Received	614	918
Advance Repaid	614	918
	As at	As at
Balance Outstanding :	31st March,2014	31st March,2013
Advance Receivable	NIL	NIL

2.9 Earning per Share:

Profit/(Loss) for the period as per Profit and Loss Account	(9,405)	(13,100)
Weighted average number of equity shares outstanding	50,000	50,000
Basic and Diluted earning per share (Face Value - ₹10)	(0.19)	(0.26)

2.10 In accordance with Accounting Standard - 22, the Company has Deferred Tax Assets of ₹33283/- as on 31st March, 2014 (Previous Year ₹31016/-) representing business loss which has not been recognised in the accounts in view of accounting policy specified above.

2.11 Figures for the previous year have been re-grouped wherever considered necessary.

Signatures to Note 1 to 2.11

As per our Report of event dated annexed

For ALPS & Co.

Chartered Accountants

Firm's ICAI Regn. No. 313132E



Ashok K. Khetawat

Partner

(Membership No. 052751)

Place : Kolkata

Dated : 5th May, 2014



For and on behalf of the Board



B. R. Nahar



G. Jayaraman



A. Saraogi



M. K. Mehta