

## DIRECTORS' REPORT

### TO THE MEMBERS OF BARGARH CEMENT LIMITED

The Directors take pleasure in presenting the Eleventh Annual Report of your Company with the audited Accounts for the year ended March 31, 2004.

#### 1. FINANCIAL RESULTS

	2003-2004 Rs. Lakhs	2002-2003 Rs. Lakhs
Sale of products and other income .....	15558.01	17093.14
Profit / (Loss) before depreciation, interest and tax .....	(1328.71)	(640.58)
Depreciation .....	1101.03	1084.76
Interest .....	201.26	358.58
	<u>1302.29</u>	<u>1443.34</u>
Profit / (Loss) before tax .....	(2631.00)	(2083.92)
Provision for current Tax .....	—	—
Profit / (Loss) after tax .....	(2631.00)	(2083.92)
Balance brought forward from previous year .....	(14447.94)	(12364.02)
Balance carried forward to next year's account ..	(17078.94)	(14447.94)

#### 2. DIVIDEND

As reported, your company has not earned any operating profit during the year under review. Therefore, the Board of Directors have not recommended payment of any dividend for the year 2003 – 2004.

#### 3. PERFORMANCE REVIEW

Production and Sales of the Company during the year under review were lower than the previous year as under:

	2003 - 2004	2002 - 2003
Clinker Production (MT)	5,50,710	5,88,590
Cement Production (MT)	7,72,282	8,51,531
Clinker Sale (MT)	68,793	—
Cement Sale (MT)	7,69,627	8,69,690
Sale Value (Rs. Lakhs)	15,422.89	17,075.91

#### 4. TURNOVER AND PROFIT

4.1 Performance during the year was affected mostly in the monsoon months resulting in lower production, sale and turnover compared to the previous year.

4.2 On a review of the outstandings, considering the doubtful status of a portion of debtors, appropriate provision has been created during the year under review. Similarly, provision has also been made towards a portion of non-moving stores & spares lying in stock. As a result of the above factors, the loss during the year amounted to Rs.2,631 lakhs as compared to Rs.2,083.92 lakhs during the previous year.

#### 5. OUTLOOK

The Cement Industry is expected to show an improvement in its growth during the year 2004 – 2005 due to increase in infrastructure spending and continued focus on housing/road construction. The Management is committed to tap the opportunities available by establishing its new brand image in the market place. The management is also focused on furthering capacity utilisation and bringing about improvement in operating efficiencies and cost competitiveness. Despite competition in the market, your Directors are optimistic about the prospects for the current year.

#### 6. COST AUDIT

As per orders of the Central Government, the Company's cost records for the financial year 2003-04 are being audited by M/s Y.N.Pradhan, Cost Auditors.

#### 7. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In pursuance 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, the desired particulars are set out in the Annexure forming part of this report.

#### 8. PERSONNEL

Industrial relations during the year under review continued to be by and large satisfactory and cordial.

#### 9. PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration envisaged in the Companies (Particulars of Employees) Rules, 1975.

#### 10. MANAGEMENT

10.1 The Associated Cement Companies Ltd., Mumbai (ACC) acquired the entire equity stake of The Industrial Development Corporation of Orissa Ltd.(IDCOL) held in the Company aggregating to 23.00 crore Equity Shares of Rs.10/- each (confirming to 86.79% of the total paid-up capital of the Company) from the closing hours of December 22, 2003 in pursuance of a Share Purchase Agreement executed among IDCOL, IDCOL Cement Limited (ICL) and ACC on December 22, 2003. Consequently, the Company ceased to be a Government Company and also a subsidiary of IDCOL and became a subsidiary of ACC with effect from December 22, 2003.

10.2 The Company changed its name from "IDCOL Cement Ltd." to "Bargarh Cement Ltd." as per fresh Certificate of Incorporation issued by the Registrar of Companies, Cuttack, Orissa on January 22, 2004.

10.3 On March 29, 2004, ACC acquired the entire equity stake of Rs. 3.50 crore Equity Shares of Rs.10/- each from Unit Trust of India (UTI) and its associates held in the Company. Consequently the Company became a "wholly-owned" subsidiary of ACC from the above date.

#### 11. DIRECTORS

11.1 Mr. Mohadev Midya ceased to be a Director on withdrawal of his nomination by UTI with effect from March 29, 2004 consequent to purchase of entire equity stake of UTI by ACC.

11.2 The Directors of the Company namely Mr. M.L.Narula, Mr. A.K.Jain, Mr. Naveen Chadha, Mr. N.H.Italia and Mr. T.N. Tiwari who were appointed as additional Directors of the Company on December 22, 2003, are due to retire at the forthcoming Annual General Meeting. The above named Directors have given their consent for re-appointment. Appropriate resolutions appear in the Notice of the Annual General Meeting and your Directors recommend their adoption.

## 12. AUDITORS

M/s.K.S.Aiyar & Co., Mumbai, retire as auditors of the Company and have given their consent for re-appointment. The shareholders are requested to appoint auditors for the current year and to authorise the Directors to fix their remuneration.

As required under the provisions of Section 224 (1B) of the Companies Act, 1956 the Company has obtained written confirmation from the above auditors proposed to be reappointed that the re-appointment if made would be in conformity with the limits specified in the said Section.

## 13. DIRECTORS' RESPONSIBILITY

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 217(2AA) of the Companies Act, 1956:

- i) that in the preparation of Annual Accounts for the year ended March 31, 2004 the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- ii) that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2004 and of the loss of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

## 14. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Government of Orissa, IDCOL, The Associated Cement Companies Ltd. and its bankers. Your Directors also thank all the shareholders for their continued support and all the employees of the Company for their valuable services during the year.

For and on behalf of the Board,  
M.L.Narula  
CHAIRMAN

Mumbai : April 27, 2004.

## ANNEXURE TO THE DIRECTORS' REPORT :

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

- |  |   |
|--|---|
| a) Energy conservation measures taken:   | <p>The Company has taken measures for conservation of electrical energy by adopting the followings:-</p> <ul style="list-style-type: none"> <li>• Putting power saving devices like SPRS etc.</li> <li>• Replacement of higher capacity motors with the required capacity.</li> <li>• Maintenance of average power factor above 0.98.</li> <li>• Providing run through inter-locks.</li> <li>• Providing reverse inter-locks to avoid idle operation.</li> <li>• Installation of Sonic ear system for optimising the loading to Ball Mills.</li> <li>• Installation of VVVF drives to fans to reduce power consumption by regulating the RPM in place of Damper control.</li> </ul> <p>Besides, measures are being taken on a continuing basis for reduction of loss, improved maintenance system, usage of optimum mix of coal etc. Further, the recommendation of National Council for Cement and Building Material made during Energy Audit are being examined for implementation.</p> |
| b) Additional investments and proposals being implemented for reduction of energy consumption. | <p>We propose to implement various schemes like modification to Raw Mill and Coal Mill separators, retrofitting of low efficiency fans with high efficiency ones, preheater cyclone modification, cooler and burner modification for reducing specific energy consumption.</p>  |
| c) Impact of measures of (a) and (b) above.  | <p>Particulars are given in Form – A.</p>   |
| d) Total energy consumption and energy consumption per unit of production.                     |   |

## FORM – A POWER AND FUEL CONSUMPTION

	Current Year			Previous Year		
	Lakh Units (KWH)	Total Cost (Rs. Lakhs)	Rs./Unit	Lakh Units (KWH)	Total Cost (Rs. Lakhs)	Rs./Unit
1. Electricity						
a) Purchased	847	2799	3.30	905	2935	3.24
b) Own Generation						
c) Through Diesel generator	0.96	6.72	7.07	1.31	8.51	6.50
	Current Year			Previous Year		
	Quantity (Lakh Tonnes)	Total Cost (Rs. Lakhs)	Average Rate (Rs./Tonne)	Quantity (Lakh Tonnes)	Total Cost (Rs. Lakhs)	Average Rate (Rs./Tonne)
2. Coal (For Kiln)	1.36	1261	924	1.45	1300	898
	Consumption per unit of production					
	Current Year			Previous Year		
a) Electricity(KWH/MT Cement)	93.75			94.70		
b) Coal (K.Cal./Kg Clinker)	853			854		

## FORM – B

(Disclosure of particulars with respect to Technology absorption)

### TENCHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

There was no Research and Development (R & D ) activity nor any absorption, adaptation and innovation in technology carried out by the Company during the year.

### FOREIGN EXCHANGE EARNINGS AND OUTGO :

There was no foreign exchange earnings or usage by the company during the year.

For and on behalf of the Board,

M.L.Narula

Chairman

Mumbai : April 27, 2004.

### AUDITORS' REPORT

TO THE MEMBERS OF BARGARH CEMENT LIMITED

- We have audited the attached Balance Sheet of Bargarh Cement Limited (formerly IDCOL Cement Limited), as at 31st March, 2004 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of

Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

- Further to our comments in the Annexure referred to above, we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 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.
- The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- On the basis of written representations received from the Directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2004 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- Previous year's figures relating to Cash Flow, Transactions with Related Parties, Earnings Per Share were not reported in the previous audited accounts and as such, were incorporated in the accounts under report certified by the management.
- In our opinion and to the best of our information and according to the explanations given to us, read with paragraph (vi) above and Note No. 5 of Schedule 'N' regarding non provision of royalty liability as described therein, the impact of which on the profitability and net assets position is not determinable at this stage, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
- in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K.S. Aiyar & Co.  
Chartered Accountants

Santanu Ghosh

Partner

Place : Mumbai

Date : 27th April, 2004

Membership No. 50927

### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

- The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - We have been given to understand that the present management has verified major portion of the Fixed Assets after take over, both by themselves and also through an external agency, during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - During the year, the Company has not disposed off any major part of the Fixed Assets.
- The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the

- size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company needs to improve the quality of the inventory records to be commensurate with the size and nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has not taken or granted any loan from/to companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956. Therefore, sub clauses b,c and d are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the internal control procedure needs to be strengthened in order to be commensurate with the size of the Company and the nature of its business with regard to purchases of Inventory, Fixed Assets and with regard to the sale of goods, Debtors. This being the first year of our audit, we are not in a position to report whether the weaknesses noticed are of continuing nature as no adverse qualification was made in the audit report of earlier year, in this regard.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Sub Clause (b) is not applicable.
- (vi) The Company has not accepted any deposit within the meaning of Section 58A or 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system but it needs to be strengthened both in terms of coverage and periodicity to be commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not however made any detailed examination of the same.
- (ix) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2004 for a period of more than six months from the date on which they became payable.
- (b) According to the records of the Company, there are no dues of income-tax, customs tax/wealth-tax, excise duty/cess which have not been deposited on account of any dispute except the following:-  
(Rs. in Lacs)

Name of Statute/ (Nature of dues)	Period to which the amount relates	Forum where dispute is pending			Total amount disputed but not paid
		Commissionerate	Appellate authorities & Tribunal	High Court	
Central Sales Tax & Orissa State Sales Tax (Tax/Penalty/Interest)	1986-87	—	0.80	—	0.80
	1989-90	5.22	—	—	5.22
	1990-91	—	0.20	—	0.20
	1992-93	—	0.49	—	0.49
	1993-94	0.24	—	140.62	140.86
	1994-95	0.56	93.66	—	94.22
	1995-96	—	80.40	—	80.40
	1996-97	—	314.23	—	314.23
	1997-98	—	96.29	—	96.29
	1999-00	6.68	—	—	6.68
	2001-02	4.24	—	—	4.24
Total		16.94	586.07	140.62	743.63

- (x) In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth as on 31<sup>st</sup> March, 2004. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company had long term sources funds amounting to Rs. 20,611.38 lacs and the long term application of funds was Rs. 22,369.96 lacs. Hence funds raised on short term basis aggregating to Rs. 1758.94 lacs have been used for long term investment including accumulated losses.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued debentures.
- (xx) The Company has not made any public issue.
- (xxi) According to the information and explanations given to us we report that no fraud on and by the Company has been noticed or reported during the course of our audit

For K.S. Aiyar & Co.  
Chartered Accountants

Santanu Ghosh  
Partner  
Membership No. 50927

Place : Mumbai  
Date : 27th April, 2004

## BALANCE SHEET AS AT MARCH 31, 2004

	Schedules	Rs. Lac	Rs. Lac	Previous Year Rs. Lac
<b>I SOURCES OF FUNDS:</b>				
1. SHAREHOLDERS' FUNDS				
Share Capital .....	A		26500.00	26500.00
2. LOAN FUNDS				
(a) Secured Loans .....	B	2120.32		1538.06
(b) Unsecured Loans .....	C	564.62		—
			2684.94	1538.06
			1368.41	684.64
3. DEFERRED PAYMENT LIABILITY (Due to Industrial Development Corporation of Orissa Ltd) - See Note 12				
4. STOCKISTS' DEPOSITS (Unsecured)			276.69	288.48
5. TOTAL FUNDS .....			30830.04	29011.18
<b>II APPLICATION OF FUNDS:</b>				
1. FIXED ASSETS				
(a) Gross Block .....	D	22369.96		22338.44
(b) Less : Depreciation .....		9608.37		8507.34
(c) Net Block .....		12761.59		13831.10
(d) Capital work-in-progress ..		—		4.97
			12761.59	13836.07
2. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories .....	E	2171.64		1887.25
(b) Sundry Debtors .....	F	1801.43		2824.30
(c) Cash & Bank Balances ....	G	1463.47		1007.24
(d) Other Current Assets .....	H	7.37		6.38
(e) Loans & Advances .....	I	1138.26		1130.57
			6582.17	6855.74
3. LESS : CURRENT LIABILITIES & PROVISIONS				
(a) Sundry Liabilities .....	J	5572.05		6111.33
(b) Provisions .....	K	84.12		107.15
			5656.17	6218.48
4. NET CURRENT ASSETS .....			926.00	637.26
5. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	L		63.51	89.91
6. PROFIT & LOSS ACCOUNT	M		17078.94	14447.94
7. TOTAL ASSETS (NET) .....			30830.04	29011.18
8. NOTES ON ACCOUNTS .....	N			

As per our Report of even date  
For K.S. Aiyar & Co.  
Chartered Accountants

For and on behalf of the Board,

M.L.NARULA  
Chairman

K.R.DESAI  
Managing Director

Santanu Ghosh  
Partner

G.K. KAR  
Company Secretary

N.H. ITALIA  
Director

Place : MUMBAI  
Date : APRIL 27, 2004

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004

	Schedules	Rs Lac	Rs Lac	Previous Year Rs.Lac
<b>INCOME:</b>				
1 SALE OF PRODUCTS .....		18250.87		19236.58
(See Note 23(A))				
Less: Excise Duty .....		2996.47		2329.94
			15254.40	16906.64
2 OTHER INCOME .....	1		303.61	186.50
			15558.01	17093.14
<b>EXPENDITURE:</b>				
3 MANUFACTURING AND OTHER EXPENSES .....	2	16886.72		17733.72
4 DEPRECIATION .....		1101.03		1084.76
(See Note 16)				
5 INTEREST .....	3	201.26		358.58
			18189.01	19177.06
<b>PROFIT/(LOSS) FOR THE YEAR</b>				
			(2631.00)	(2083.92)
6 BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR .....			(14447.94)	(12364.02)
7 <b>BALANCE CARRIED TO BALANCE SHEET</b> .....			(17078.94)	(14447.94)
8 NOTES ON ACCOUNTS .....	N			
<b>9 EARNINGS PER SHARE (See Note 9 )</b>				
<b>BASIC &amp; DILUTED EARNINGS PER SHARE</b> .....				
		Rupees	(0.99)	(0.78)

As per our Report of even date  
For K.S. Aiyar & Co.  
Chartered Accountants

For and on behalf of the Board,

M.L.NARULA  
Chairman

K.R.DESAI  
Managing Director

Santanu Ghosh  
Partner

G.K. KAR  
Company Secretary

N.H. ITALIA  
Director

Place : MUMBAI  
Date : APRIL 27, 2004

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE - A, SHARE CAPITAL

AUTHORISED —  
26,50,00,000 Equity Shares of Rs.10/- each.

ISSUED, SUBSCRIBED AND PAIDUP—

26,50,00,000 Equity shares of Rs.10/- each fully paid up, held by The Associated Cement Companies Ltd, The Holding Company and its nominees - See Note 2 (a) & (b) (Previous Year:23,00,00,000 Equity Share held by Industrial Development Corporation of Orissa Ltd and 3,50,00,000 Equity share held by UTI and its associate companies)

TOTAL.....

Rs. Lac	Previous Year Rs. Lac
26500.00	26500.00
26500.00	26500.00
26500.00	26500.00

### SCHEDULE - B, SECURED LOANS

AMOUNTS DRAWN AGAINST CASH CREDIT  
FROM STATE BANK OF INDIA , BARGARH

Secured by hypothecation of current assets including Raw Materials and Component, Stores & Spares, Work-in-Process,Finished Goods, other Merchandise and Book Debts and guaranteed by the Company and Corporate guarantee of the Holding Company- The Associated Cement Companies Ltd.

TOTAL.....

Rs. Lac	Previous Year Rs. Lac
2120.32	1538.06
2120.32	1538.06
2120.32	1538.06

### SCHEDULE - C, UNSECURED LOANS

i) From Holding Company  
The Associated Cement Companies Ltd,  
(Previous year Rs. Nil)

TOTAL.....

Rs. Lac	Previous Year Rs. Lac
564.62	—
564.62	—
564.62	—

### SCHEDULE - E, INVENTORIES — (As Certified by the Management)

- i) Raw Materials .....
- ii) Stores & Spares .....
- iii) Finished Goods .....
- iv) Work-in-Process .....

Less: Write off of obsolete &  
unserviceable stocks .....

TOTAL.....

Rs. Lac	Previous Year Rs. Lac
387.21	104.84
1001.79	800.04
635.94	534.89
351.16	447.48
2376.10	1887.25
(204.46)	—
2171.64	1887.25

### SCHEDULE - F, SUNDRY DEBTORS

(Unsecured in respect of which the Company holds no security other than debtors personal security)

- i) Debts outstanding for a period exceeding six months
- a) Considered good .....
- b) Considered doubtful .....
- c) Railway & Insurance Claims .....

Less : Provision for doubtful debts .....

- ii) Other Debts
- a) Considered good .....
- (includes due from Holding Company -  
The Associated Cement Companies Ltd  
Rs. 289.27 Lac - Previous year Rs. Nil)

TOTAL.....

Rs. Lac	Previous Year Rs. Lac
250.10	902.50
924.08	113.08
22.44	15.33
1196.62	1030.91
924.08	113.08
272.54	917.83
1528.89	1906.47
1801.43	2824.30

### SCHEDULE - G, CASH AND BANK BALANCES

- i) Cash on hand .....
- ii) Stamps in hand .....
- iii) Cheques/Demand drafts in hand .....
- iv) Balance with Scheduled Banks
- In Current Account .....
- In Deposit Account(Against Margin Money) ...
- v) With Post Office Saving Account .....
- (Maximum Balance Rs 0.06 Lac —  
(Previous Year Rs 0.06 Lac)

TOTAL.....

Rs. Lac	Previous Year Rs. Lac
2.27	15.70
0.06	0.06
550.60	819.75
858.97	141.85
51.51	29.82
0.06	0.06
1463.47	1007.24

### SCHEDULE - H, OTHER CURRENT ASSETS

Accured Interest .....

TOTAL.....

Rs. Lac	Previous Year Rs. Lac
7.37	6.38
7.37	6.38

## SCHEDULES FORMING PART OF BALANCE SHEET

### SCHEDULE - D, FIXED ASSETS

RS. Lac

FIXED ASSETS	GROSS BLOCK AT COST				DEPRECIATION BLOCK			NET BLOCK	
	As at March 31, 2003	Additions during the Year	Deletions during the Year	As at March 31, 2004	As at March 31, 2003	For the Year 2003-04	Upto March 31, 2004	As at March 31, 2004	As at March 31, 2003
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1 Freehold Land	65.79	—	—	65.79	—	—	—	65.79	65.79
2 Leasehold Land	361.39	—	—	361.39	48.12	6.07	54.19	307.20	313.27
3 Buildings	2513.97	2.12	—	2516.09	587.01	66.18	653.19	1862.90	1926.96
4 Plant and Machinery	16355.92	20.16	0.09	16375.99	6708.36	872.32	7580.68	8795.31	9647.56
5 Roads, Bridges and Culverts	299.26	—	—	299.26	47.34	4.89	52.23	247.03	251.92
6 Water Supply installation	67.15	1.13	—	68.28	24.07	7.73	31.80	36.48	43.08
7 Railway Line and Sidings	44.38	—	—	44.38	13.45	2.35	15.80	28.58	30.93
8 Electrical Installations	2244.20	—	—	2244.20	936.16	118.81	1054.97	1189.23	1308.04
9 Locomotive and Rolling Stock	277.63	—	—	277.63	97.14	14.70	111.84	165.79	180.49
10 Vehicles	27.69	7.29	—	34.98	14.05	2.69	16.74	18.24	13.64
11 Furniture and Fittings	81.06	0.91	—	81.97	31.64	5.29	36.93	45.04	49.42
TOTAL	22338.44	31.61	0.09	22369.96	8507.34	1101.03	9608.37	12761.59	—
PREVIOUS YEAR	22290.69	53.56	5.81	22338.44	7422.58	1084.76	8507.34	—	13831.10
12 Capital Work-in-Progress (See Note nos.4,11a,b,13,14,15,16)	—	—	—	—	—	—	—	—	4.97



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE - I, LOANS & ADVANCES

(Unsecured, Considered Good, unless otherwise Stated)

#### LOANS

	Rs. Lac	Rs. Lac	Previous Year Rs. Lac
a) Loans and Advances to Employees			
Considered Good .....	14.44		16.63
Considered Doubtful .....	1.51		—
(Includes due from Ex- Director Rs.0.75 Lac — Previous year Rs. 0.75 Lac). (Maximum balance during the year Rs.0.75 Lac — Previous year Rs. 0.75 Lac)	15.95		16.63
Less: Provision for Doubtful Advances .....	1.51		—
		14.44	16.63
b) Deposits :(Considered good)			
Sales Tax, Excise Authority etc., .....	854.78		843.43
Others .....	32.88		33.95
		887.66	877.38
c) Advances to Suppliers .....		136.18	100.28
Considered good (Advances recoverable in cash or in kind or value to be received)			
d) Advances to Others			
Considered good .....	51.31		92.16
Considered doubtful .....	63.88		4.76
	115.19		96.92
Less : Provision for doubtful advances .....	63.88		4.76
		51.31	92.16
e) Prepaid Expenses .....		42.28	38.97
f) Income tax deducted at source .....		6.39	5.15
<b>TOTAL.....</b>		<b>1138.26</b>	<b>1130.57</b>

### SCHEDULE - J, SUNDRY LIABILITIES

#### 1 SUNDRY CREDITORS

i) For Goods Supplied .....	363.81		419.39
(Due to Holding Company - The Associated Cement Cos. Ltd. Rs 9.98 lac — Previous year Rs. Nil) (See Note 7)			
ii) For Expenses - (See Note 19, 25) .....	4143.56		4627.41
(Due to Holding Company - The Associated Cement Cos. Ltd. Rs 3.49 lac — Previous year Rs. Nil)		4507.37	5046.80
2 ADVANCE FROM CUSTOMERS .....		623.90	584.92
3 SECURITY DEPOSIT FROM CONTRACTORS .....		383.99	407.20
4 SECURITY DEPOSIT FROM OTHERS .....		14.75	5.05
5 EXCISE DUTY PAYABLE .....		42.04	67.36
<b>TOTAL.....</b>		<b>5572.05</b>	<b>6111.33</b>

### SCHEDULE - K, PROVISIONS

	Rs. Lac	Previous Year Rs. Lac
i) Gratuity .....	39.20	70.46
ii) Bonus .....	0.28	0.18
iii) Leave encashment .....	44.64	36.51
<b>TOTAL.....</b>	<b>84.12</b>	<b>107.15</b>

### SCHEDULE - L, MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted) ..

	Rs. Lac	Previous Year Rs. Lac
i) Compensation under Voluntary .....	21.51	32.26
Retirement Scheme .....		
ii) Preliminary Expenses .....	42.00	57.65
<b>TOTAL.....</b>	<b>63.51</b>	<b>89.91</b>

### SCHEDULE - M, PROFIT & (LOSS) ACCOUNT

	Rs. Lac	Previous Year Rs. Lac
a) Balance brought forward .....	(14447.94)	(12364.02)
b) Profit/(Loss) for the year. ....	(2631.00)	(2083.92)
<b>TOTAL.....</b>	<b>(17078.94)</b>	<b>(14447.94)</b>

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

### SCHEDULE - 1, OTHER INCOME

	Rs. Lac	Previous Year Rs. Lac
(a) Liabilities / Provision written back .....	178.63	67.53
(b) Sale of Scrap .....	24.13	40.60
(c) House rent recoveries .....	8.34	8.51
(d) Miscellaneous receipt .....	91.20	69.55
(e) Profit on sale of Fixed Assets .....	1.31	0.31
<b>TOTAL.....</b>	<b>303.61</b>	<b>186.50</b>

### SCHEDULE - 2, MANUFACTURING AND OTHER EXPENSES

	Rs. Lac	Rs. Lac	Previous Year Rs. Lac
1 RAW MATERIALS, BOUGHT-OUTS, COAL AND OIL FOR KILNS - (See Note 6) .....		4296.19	4772.20
2 PAYMENTS TO AND PROVISION FOR EMPLOYEES			
(a) Salaries, Wages, Dearness Allowance and Bonus .....	958.67		943.96
(b) Contributions to Provident and Other Funds .....	86.89		77.40
(c) Workmen and Staff Welfare Expenses .....	28.73		19.40
		1074.29	1040.76
3 PACKING MATERIALS .....		899.65	973.99
4 OPERATION AND OTHER EXPENSES			
(a) Stores & Spares Consumed .....	365.59		342.98
(b) Purchased Power and Fuel .....	2788.82		2925.93
(c) Repairs to Building .....	17.85		25.81
(d) Repairs to Machinery .....	259.65		246.67
(e) Repairs to Other items .....	177.47		136.40
(f) Rent .....	8.20		4.42
(g) Rates and Taxes .....	1.70		2.34
(h) Royalties - (See Note 5) .....	1634.47		2145.38
(i) Insurance .....	50.16		45.80
(j) Loading, Transportation and Other Charges .....	605.26		1403.10
(k) Discount, Rebates and Allowances .....	380.70		334.44
(l) Commission on Sales .....	325.20		293.60
(m) Other Expenses .....	243.91		201.01
(n) Provision for Bad and Doubtful Debts .....	1076.16		—
(o) Advertisement Charges .....	16.03		26.47
(p) Compensation under Voluntary Retirement Scheme - (See Note 3) .....	15.27		—
		7966.44	8134.35
5 OUTWARD FREIGHT CHARGES .....		2582.96	2638.42
6 EXCISE DUTY .....		42.02	67.36
7 PAYMENT TO AUDITORS			
Audit fees to Statutory Auditors .....	2.00		0.37
Audit fees to Tax Auditors .....	0.50		0.60
Audit fees to Cost Auditors .....	0.15		—
Reimbursement of Expenses .....	0.85		1.58
		3.50	2.55
8 MISCELLANEOUS EXPENDITURE WRITTEN OFF			
Preliminary Expenses .....	15.65		14.00
VRS Compensation .....	10.75		10.75
		26.40	24.75
9 NET VALUE OF DISCARDED CAPITAL ASSETS AND COST OF DISMANTLING .....		—	3.85
10 REDUCTION/ (ACCRETION) TO STOCK-IN-TRADE			
(a) Closing Stocks-			
Stock in Trade .....	635.94		534.89
Work-in-Progress .....	351.16		447.48
	987.10		982.37
(b) Opening Stocks-			
Stock in Trade .....	534.89		957.73
Work-in-Progress .....	447.48		100.13
	982.37		1057.86
		(4.73)	75.49
<b>TOTAL.....</b>	<b>16886.72</b>	<b>17733.72</b>	

### SCHEDULE - 3, INTEREST

	Rs. Lac	Rs. Lac	Previous Year Rs. Lac
1. Government of Orissa .....	—		50.40
2. Cash Credit .....	135.65		222.88
3. Term Loan .....	9.15		2.53
4. On Security deposits & others .....	59.02		83.60
		203.82	359.41
5. Less: Interest Received .....		2.56	0.83
<b>TOTAL.....</b>	<b>201.26</b>	<b>358.58</b>	

## SCHEDULE - N, NOTES ON ACCOUNTS

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (A) Sales:

- (i) Sales are accounted on despatch of products.

#### (B) Excise Duty:

Excise Duties recovered are included in the Sale of Products (Gross). Excise Duty in respect of Finished Goods lying at factory premises are shown separately as an item of Manufacturing and Other Expenses and included in the valuation of finished goods.

#### (C) Accounting of Claims:

- (i) Claims receivable are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.
- (ii) Insurance Claims on Machinery Breakdown Policy are accounted for on settlement of claim.
- (iii) Claims raised by Government Authorities regarding Taxes and Duties, which are disputed by the Company, are accounted based on the merits of each claim.

#### (D) Retirement Benefits:

- (i) Company's contribution paid/payable during the year to Gratuity Fund is charged to Profit and Loss Account based on Actuarial Valuation.
- (ii) Leave Encashment on retirement is provided on the basis of Actuarial Valuation.

#### (E) Fixed Assets:

- (i) Fixed Assets are stated at cost of acquisition or construction, including attributable interest and financial costs till such assets are put to use, less specific grants received.
- (ii) Depreciation is provided on Straight Line Method at the rates prescribed by Schedule XIV to the Companies Act, 1956, on prorata basis to the original cost of all assets acquired during the year.

#### (F) Inventories:

- (i) Raw materials, Stock-in-Trade and Work-in-Progress are valued at cost or net realisable value whichever is lower. Coal, Packing Material, Other Inventories, Stores and Spares are valued at cost.
- (ii) Cost is determined on a weighted average basis.

#### (G) Miscellaneous Expenditure:

- (i) Compensation payable under Voluntary Retirement Scheme during the year have been charged to Profit and Loss Account.
- (ii) The accumulated compensation payable under Voluntary Retirement Scheme upto March 31, 2003 has been deferred, to be written off over a period of five years.
- (iii) Preliminary expenses are deferred over a period of five years.

#### (H) Taxation :

Income-tax expense comprises current tax and deferred tax charge or credit. The deferred tax charge or credit is recognised using current tax rate. Where there is unabsorbed depreciation or carried forward losses, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of assets. Other Deferred Tax Assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred Tax Assets/Liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case law, to reassess realisation / liabilities.

#### (I) Contingent Liabilities:

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

### 2 Bargarh Cement Limited (erstwhile IDCOL Cement Limited) became a 100% subsidiary of The Associated Cement Companies Limited in pursuance of:

- (a) The Associated Cement Companies Limited having acquired 23,00,00,000 Equity Shares of the Company from Industrial Development Corporation of Orissa Limited in terms of the Share Purchase Agreement dated December 22, 2003 between Industrial Development Corporation of Orissa Limited, IDCOL Cement Limited (now Bargarh Cement Limited) and The Associated Cement Companies Limited.

- (b) 3,50,00,000 Equity Shares held by UTI and its Associate Companies were offered for sale to The Associated Cement Companies Limited, which were purchased pursuant to such offer on March 29, 2004.

### 3 Compensation under Voluntary Retirement Scheme amounting to Rs.15.27 Lac has been debited to Profit & Loss Account. Had this change not been made, the loss would have been lower by Rs.12.21 Lac.

### 4 Pending finalisation of Lease Deeds and its terms and conditions by the Government of Orissa in respect of 55.25 acres of land adjoining the Factory Premises which is in possession of the company, no provision for premium and annual rents etc. have been made in the accounts as being not quantifiable.

### 5 Royalty includes a sum of Rs.320.12 Lac (*Previous Year: Rs 520.86 Lac*) towards Royalty for use of Brand name i.e. IDCOL upto December 22, 2003. The liability for the balance period upto March 31, 2004 is not provided nor determined.

### 6 Limestone consumption includes a sum of Rs. 0.34 Lac (*Previous Year: Rs 29.67 Lac*) towards Agency Fee on limestone raised during the year from IDCOL Mines.

### 7 Sundry Creditors includes an amount of Rs.3.72 Lac (*Previous Year:Rs. 6.64 Lac*) payable to Small Scale Industrial Units on the Balance Sheet date. Amount outstanding for more than thirty days in excess of Rs.1.00 Lac:

Proton Steel Ltd :Rs. 3.72 Lac (*Previous Year Rs. 5.20 Lac*)

### 8 Taxation-

#### (a) Current Tax:

No Provision for Income Tax (current tax) is made in the current year in view of the computation of income resulting in a loss in accordance with the Provisions of the Income Tax Act, 1961, and further, there is no "book profit" as envisaged in Section 115 JB of the Income Tax Act, because of brought forward losses as per books of account.

#### (b) Deferred Tax:

The company has unabsorbed depreciation and carried forward losses available for set off under the Income Tax Act, 1961. However, in view of present uncertainty regarding generation of sufficient future taxable income, net Deferred Tax Assets at the year end including related credit for the year have not been recognised in this accounts on prudent basis.

### 9 Earnings Per Share:

	2003-04 Rs.Lac	2002-03 Rs.Lac
(i) Loss after Tax as per Profit and Loss Account.....	2631.02	2083.92
(ii) Weighted Average Number of Equity Shares (Numbers) .....	26,50,00,000	26,50,00,000
(iii) Basic and diluted Earnings Per Share in Rupees (Face Value: Rs.10 per share) .....	(0.99)	(0.78)



10 Cement despatched under Indira Abas Yojana are exempted from payment of Excise Duty and Sales Tax on submission of Utilisation Certificate. Such certificate in respect of 20639.28 MT are yet to be received. However estimated liability on account of Excise Duty and Sales Tax amounting to Rs 82.56 Lac (*Previous Year: Rs.354.12 Lac*) and Rs.41.59 Lac (*Previous Year: Rs.198.13 Lac*) respectively have not been provided pending receipt of the utilisation certificates.

11 a) Mining lease rights in respect of Behera Banjipali and Damapala mines are in the name of Industrial Development Corporation of Orissa Ltd. and await transfer to the Company. Company's investment in Fixed Assets and other assets valued at Rs.23.34 Lac (*Previous Year: Rs.18.96 Lac*) continues to appear in the books of the Company pending such transfer.

b) The Assets and Liabilities of IDCOL Mines has been merged in the account as the Assets and Liabilities have been created by erstwhile IDCOL Cement Ltd. (now known as Bargarh Cement Ltd.). As per Article clause 5. 5.4(x) of the Share Purchase Agreement the Govt. of Orissa will transfer the mining lease of Damapala Mines (IDCOL Mines) and grant of mining lease of Jampali Mines in favour of the Company subject to availability of mineable limestone reserve with a view to expand the capacity.

12 Deferred Payment Liability represents a sum of Rs.1368.41 Lac (*Previous Year Rs.684.64 Lac*) payable to the Industrial Development Corporation of Orissa Ltd. on account of their dues payable by the Company in eight equal annual instalments without interest or penalty. The first instalment is due for payment after four years from the date of closing i.e. December 22, 2003 in terms of Clause 5.5.4(iv) of the Share Purchase Agreement.

13 Transfer of Mining Lease in respect of Dungri Limestone Quarry for 1241.00 acres is under process of filing with appropriate Authorities.

14 Necessary application / petitions have been filed before the concerned Revenue Authority for change of name in the record of rights in favour of Bargarh Cement Limited with regard to Leasehold Land, Freehold Land and Forest Land of 1090.35 acres. In the case of forest land admeasuring 51.97 acres, the lease deed which is still in the name of Industrial Development Corporation of Orissa Limited also to be transferred in the name of Bargarh Cement Limited.

15 Freehold land of 23.32 acres situated in different locations of Bargarh has been mortgaged by the Industrial Development Corporation of Orissa Limited in favour of Orissa Rural Housing and Development Corporation Ltd by executing a registered mortgage deed dated February 15, 2001 valued at Rs 50.00 Lac as additional security for issue of bonds by The Industrial Development Corporation of Orissa Limited. Though the Original Title Deeds have been released by the mortgagee and the said land have been changed in the Records of Rights in favour of erstwhile IDCOL Cement Limited, the liquidation process is yet to be completed.

16 Due to adoption of the depreciation rates in line with the rates as per Schedule XIV to the Companies Act, 1956, an amount of Rs.12.05 Lac pertaining to earlier years has been charged to the accounts in the current year. As a result, the loss for the year has been shown higher to that extent.

17 Contingent Liabilities:

Claims against the company not acknowledged as debt and not provided for:

(a) Claims by Sales Tax Authorities against which appeal is pending Rs. 49.72 Lac out of which Rs.27.95 Lac has been paid under protest. (*Previous Year Rs.45.05 Lac*)

(b) Labour disputes/other claims pending against Company in courts to the extent not acknowledged as debt Rs.828.41 Lac (*Previous Year Rs. 842.41 Lac*)

(c) Claim of Vizag Steel Plant due to short lifting of Blast Furnace slag not acknowledged as debt Rs.30 Lac. (*Previous Year Rs.30 Lac*)

18 M/s Fuller India Ltd (FIL), who were the main supplier of equipments for the expansion and modernisation project of erstwhile IDCOL

Cement Ltd filed a petition in Orissa High Court submitting a claim of Rs. 385.70 Lac and the Company lodged a counter claim of Rs.19231.62 Lac against M/s FIL before Orissa Arbitration Tribunal and the matter is under adjudication.

19 Estimated amount of contracts remaining to be executed on capital account is Rs. Nil (*Previous Year: Rs. Nil*)

20 Segmental Reporting:

The company is engaged in single segment business of manufacture and sale of cement in and around Orissa and West Bengal.

21 Related Party Disclosure:

(A) Particulars of Related Parties which controls or are common control with the company

Name of the Related party	Nature of Relationship
Industrial Development Corporation of Orissa Limited	Holding Company upto December 22, 2003
The Associated Cement Companies Limited	Holding Company with effect from December 23, 2003
ACC Machinery Company Limited	Fellow Subsidiary
ACC Nihon Castings Limited	Fellow Subsidiary
Damodhar Cement and Slag Limited	Fellow Subsidiary
Cement Marketing Company of India Limited	Fellow Subsidiary
Bulk Cement Corporation (India) Limited	Fellow Subsidiary
Everest Industries Limited (Formerly Eternit Everest Limited)	Fellow Subsidiary
Almatis ACC Limited (Formerly ALCOA ACC Industrial Chemicals Limited)	Associate of the Holding Company

(B) Key Management Personnel:

Name of the Related party	Nature of Relationship
Mr K.R. Desai	Managing Director with effect from December 23, 2003
Mr S. K. Panda	Director Works (ceased to be Director from December 22, 2003)
Mr.J.Chandra	Director Works (ceased to be Director from June 1, 2002)
Mr.A.C.Palai	Director Works (ceased to be Director from January 1, 2003)

(C) Transactions with Related Parties mentioned in (A) above

	Holding Company 2003-04 Rs.Lac	2002-03 Rs.Lac	Fellow Subsidiary 2003-04 Rs.Lac	2002-03 Rs.Lac
(i) Purchase of Stores Materials	15.06	-	-	-
(ii) Sale of Clinker	1309.26	-	56.87	-
(iii) Reimbursement of Expenses	5.43	-	-	-
(iv) Unsecured Loan	564.62	-	-	-
(v) Rendering of Services	1633.52	1636.81	-	-
(vi) Receiving of Services	6.79	-	-	-
(vii) Interest paid on Inter Corporate Deposits	9.15	-	-	-
(viii) Purchase of Fixed Assets	4.67	-	-	-
(ix) Inter Corporate Deposit liquidated during the year	900.00	-	-	-
(x) Outstanding Balance included in Current Assets	289.27	-	-	-
(xi) Outstanding Balance included in Current Liabilities	13.47	-	-	-
(xii) Bank Guarantees/Collateral securities/Indemnities outstanding at the year end	2500.00	-	-	-

**(D) Details of transactions relating to persons referred to in item (B) above.**

Remuneration	2003-04	2002-03
	Rs.Lac	Rs.Lac
	5.18	4.05

- 22 Managerial Remuneration (excluding contribution to gratuity fund, provision for leave encashment on retirement benefits paid / payable to Directors)

Salaries Perquisites	2003-04	2002-03
	Rs.Lac	Rs.Lac
	4.67	4.05
	0.51	—

- 23 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT,1956:-

A) Sales by class of goods (Net)	Units	2003-2004		2002-2003	
		Qty.	Rs.Lac	Qty.	Rs.Lac
Cement *	MT	838420	15254.40	869690	16906.64

\* Includes sale of 68793.16 tonnes of clinker value Rs.1034.76 Lac (Previous year Rs.Nil)

**(B) Details of Raw Materials and Components Consumed:-**

	2003-2004			2002-2003	
	Units	Qty.	Rs.Lac	Qty.	Rs.Lac
(i) Limestone	MT	803320	1211.15	842558	1451.68
(ii) Slag	MT	257171	1436.75	292677	1701.95
(iii) Gypsum	MT	38053	277.78	37412	257.95
(iv) Others	MT	—	107.11	—	56.70
			3032.79		3468.28

**(C) Licensed and installed capacity, actual production and opening and closing stocks:-**

Production	Units	Installed / Rated capacity per annum		Actual production	
		2003-2004	2002-2003	2003-04	2002-2003
Cement	MT	9,60,000	9,60,000	7,72,282	8,51,531

Opening Stock				Closing Stock			
2003-04		2002-2003		2003-2004		2002-2003	
Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
M.T	Rs.Lac	MT	Rs.Lac	MT	Rs.Lac	MT	Rs.Lac
29502	534.89	47661	957.73	32157	635.94	29502	534.89

- (D) Value of imported and indigenous raw materials, components and spare parts consumed:-

	Raw Materials				Components and spare parts			
	2003-2004		2002-2003		2003-2004		2002-2003	
	Rs.Lac	%	Rs.Lac	%	Rs.Lac	%	Rs.Lac	%
(i) Imported	—	—	—	—	—	—	8.45	2.46
(ii) Indigenous	3032.79	100.00	3468.28	100.00	365.59	100.00	334.53	97.54
	3032.79	100.00	3468.28	100.00	365.59	100.00	342.98	100.00

- 24 Unpaid wages of Rs. 0.26 Lac to be transferred to Government Revenue Account.
- 25 The Company had filed a writ petition in the Hon'ble High Court of Orissa for adjustment of royalty payable to the Government against refund of cess due to the Company in view of the judgment of the Hon'ble Supreme Court and the matter is subjudice.
- 26 Previous year figures have been regrouped / restated wherever necessary to make it comparable with current year's figures.
- 27 Figures have been shown in Rupees Lac only

## Additional information Pursuant to Part IV of Schedule VI to the Companies Act, 1956. Balance Sheet Abstract and Company's General Business Profile

### I. REGISTRATION DETAILS

Registration No.  State Code   
Balance Sheet Date   
Date Month Year

### II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue   
Bonus Issue   
Rights Issue   
Private Placement

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities\*   
SOURCES OF FUNDS  
Paid-up Capital   
Secured Loans   
APPLICATION OF FUNDS  
Net Fixed Assets   
Net Current Assets   
Accumulated Losses   
Total Assets\*\*   
Reserves & Surplus   
Unsecured Loans   
Investments   
Misc. Expenditure

### IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover\*\*\*   
Profit/(Loss) Before Tax   
Earning per Share (in Rs. )\*\*\*\*   
For Shares of Rs. 10.00 each   
Total Expenditure   
Profit/(Loss) After Tax   
Dividend Rate (%)

### V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY ( AS PER MONETARY TERMS )

Item Code No. (ITC Code)   
Product Description

\* Including Share Holders' Fund  
\*\* Including Profit / Loss A/c Debit Balance  
\*\*\* Including Other Income  
\*\*\*\* Refer Note 9

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2004

	Rs.Lac	Previous Year Rs.Lac		Rs.Lac	Previous Year Rs.Lac
<b>A Cash flow from Operating activities</b>			<b>C Cash flow from financing activities</b>		
Net Profit/(Loss) before tax & exceptional item.	(2631.00)	(2083.92)	Loans from companies .....	564.62	—
Adjustment for Depreciation .....	1101.03	1084.76	Increase in Bank borrowings .....	582.26	(41.17)
Miscellaneous Expenditure written off .....	26.40	24.75	Issue of Share Capital .....	—	2486.82
Overburden expenses deferred charged off ...	—	19.08	Increase in deferred liabilities .....	683.77	(555.85)
Provision for Bad & Doubtful Debts .....	1076.16	—	Net cash used in financing activities .....	1830.65	1889.80
Operating profit before working capital Changes	(427.41)	(955.33)			
Adjustment for:			Net increase/(decrease) in cash and cash equivalents	456.23	416.84
Trade receivable .....	211.79	(184.28)	Cash and Cash equivalents — Opening Balance	1007.24	590.40
Inventories .....	(488.85)	202.82	— Closing Balance	1463.47	1007.24
Other receivables .....	(69.30)	(5.60)			
Trade payables .....	(574.10)	(428.78)			
Miscellaneous expenditure -	—	(70.00)			
Share issue expenses deferred .....	(920.46)	(485.84)			
Net cash flow from operating activities .....	(1347.87)	(1441.17)			
<b>B Cash from Investing activities</b>					
Purchase of fixed assets including	(26.55)	(31.79)			
capital work - in - progress .....	(26.55)	(31.79)			
Net cash used in investing activities .....					

Note:  
1 All figures in brackets are outflow.  
2 Previous year's figures have been regrouped/restated wherever necessary.  
3 Cash and Cash equivalents are Cash and Bank Balances as per Balance Sheet.

As per our Report of even date

For and on behalf of the Board,

For K.S. Aiyar & Co.  
Chartered Accountants

M.L.NARULA  
Chairman  
G.K. KAR  
Company Secretary

K.R.DESAI  
Managing Director  
N.H. ITALIA  
Director

Place : MUMBAI  
Date : APRIL 27,2004