

steps, initiatives from the top levels and with proactive approaches, your Company is winning that challenge successfully.

In 2013 various sessions with the Contractors were arranged to engage them in the safety policy of the Company. The Fifth Annual Health and Safety Month with the theme of "AT HOME, AT WORK, MAKE THE LINK" was organized and held from May 20, 2013 to June 30, 2013. Elaborate programs were also taken up in order to improve the safety awareness among the employees and contractors, with special emphasis on the behavioral aspects of a safety culture.

Production Performance

In 2013, Nongtrai Limestone mine produced 1.96 million tons of limestone and dispatched 2 million tons to the Plant.

Financial Performance

The financial results of the Company are as follows:

Particulars	Rupees in Lakhs	
	Year ended 31 st December 2013	Year ended 31 st December 2012
Gross Revenue	19,968.70	17,208.60
Expenditure	13,048.58	10,225.36
EBITDA	6,920.12	6,983.24
Interest and finance charges	3,269.90	2,820.09
Depreciation	1,273.39	1,256.79
Profit / (Loss) before Taxation	2,376.83	2,906.36
Provision for tax	-	-
Profit / (Loss) After Taxation	2,376.83	2,906.36
Earning/(loss) per Share :	5.78	7.07

The net profit earned after tax during the year was Rs. 23.76 crores. The Gross Revenue increased by 16.00% but the devaluation of the Rupee versus the US Dollar had an adverse impact on the profitability of your Company. The accumulated loss as on December 31, 2013 was Rs. 119.43 crores (representing 290% of paid up capital) as compared to accumulated loss of Rs. 143.19 crores as on December 31, 2012. With better business and financial performance in the current year the accumulated loss has declined by 16.00% and there has been a reduction in the net worth erosion of your Company.

The quarry team made continuous efforts to improve their performance, skills and efficiency. For improving performance, efficiency and reliability, your Company implemented 17 good practices.

The Key Performance Indicators show that with the quality improvements in safety and technical efficiency by blasting optimization, the MMD crusher's reliability and Belt Conveyor performance have been improved significantly. As a result of such relentless efforts, the crusher reliability improved to 78%. Your Company made self-challenges and through an innovative and Out of the Box thinking approach, your Company optimized the costs without allowing any compromise to the quality and standard. This was done by initiatives like refurbishing Rotor Shaft for the Crusher and preventive maintenance.

However, the limestone requirement of the Plant is consistent and it is expected that your Company will also be able to export its required quantity in the future and shall recover the accumulated losses.

Environment

Your Company is conscious that utilization of natural resources has to be in a way that is consistent with the principles of sustainable development and intergeneration equity. Your Company is fully committed to implement the most stringent environmental standards, complying not only with



local legislation but also with international standards applied by the Sponsor Groups. The environmental studies for the implementation of the project were carried out by third party experts in the relevant fields to identify and measure the environmental impact. Your Company continues to be committed to the implementation of the Environment Management Plan as suggested by the experts and approved by the regulatory authorities. In addition, the Company adopted a wide range of ingenious solutions aimed at sustainable development and protecting the Environment. Besides working closely with the Village Durbar of Nongtrai for protection of the biodiversity of the surrounding areas, the year 2013 witnessed the installation of a 2 km long automated water sprinkling system along the Mine's haul road. Your Company also installed a fogger system at the Crusher Hopper to help mitigate dust hazard.

Your Company continues to adopt scientific mining methods to ensure full respect to the protection of the environment, ecology, local biodiversity and preservation of caves in the surrounding areas. To ensure full compliance of all the environmental standards for mining, your Company is continuously working towards up-gradation of mining techniques so that the impact on surrounding areas is fully mitigated.

Corporate Social Responsibility

For your Company, Corporate Social Responsibility (CSR) encompasses much more than social outreach programs and is an integral part of the way the Company conducts its business. Your Company has taken various initiatives that clearly depict its dedication towards its Corporate Social Responsibility mission. Your Company truly realizes its agenda and thus has formalized strategic areas of focus for the accomplishment of its corporate social goals. Your Company is running a full-fledged CSR Program to benefit the villages surrounding the mining site, especially the villages of Nongtrai and Shella, by sponsoring the projects related to development of critical socio-economic sectors.

The Nongtrai Secondary School is fully sponsored by your Company. In addition, 48 bright students selected from the local communities were provided scholarships. As part of your Company's mandate in providing community health services, 370 people benefited from the General Health Camp at Nongtrai Village, 8 people received cataract surgical

operations, 8,200 patients received health services from the mobile clinics and 147 patients received vehicle support for medical emergencies. In the area of skill development, 17 women were provided training on weaving at the Nongtrai Weaving Center. Your Company also organized an Entrepreneur Development Program, (EDP) which was attended by 49 individuals from Nongtrai Village. Additionally, a Self Help Group (SHG) capacity training session was conducted at Shella Village, which was attended by 10 women.

The commitment of your Company towards Corporate Social Responsibility generated not only short term social and economic developments, but also long term developments by enrolling more students in high schools, creating employment opportunity and improving livelihood, skill development and health conditions. In addition, infrastructure improvement projects like construction of village footpath, drains, hand rails, drinking water supply, community halls, environment protection education programmes etc., have improved the living conditions in the surrounding villages.

The Hon'ble Supreme Court of India by its Judgment and Order mandated that a Special Purpose Vehicle (SPV) be constituted for the project area under the Chairmanship of the Chief Secretary, Government of Meghalaya, the Regional Chief Conservator of Forests, MoEF and the Principal Chief Conservator of Forests as members. Your Company deposits Rs. 90/- per tonne of limestone produced to the SPV. As of December 2013, your Company deposited Rs.81.02 crores in the SPV. The welfare projects mandated upon the SPV include the development of health, education, economy, irrigation and agriculture in the project area of 50 kms solely for the local community and welfare of the tribals. The SPV started implementing various schemes for the project area and for the year 2013-2014, plans have been made with budget of about Rs. 48 crores. Your Company is confident that with the vision of the SPV, there will be a substantial amount of improvement in the welfare of the people in the areas surrounding the project.

Whether it is healthcare, education, skill development or infrastructure development, your Company is committed to serve the community and people, to develop their potential and contribute to make their lives better.



Human Resources

Your Company always believes that human resource is the most important resource and thus continues to work for its development. The functioning and activities were further aligned to Company's business objectives. Your Company initiated aims at creating a blueprint for building adequate personnel in order to meet current and future requirements, through systematic investment in internal resources by Talent Development and Succession Planning for critical positions. These initiatives will ensure retention of talent to take over future positions, thus ensuring a long term career for them.

An extensive recruitment process is being followed to recruit the right talent for the right position from the market. Local tribal talents from the surrounding villages are being identified for training and taking over suitable positions at the quarry.

Your Company continues to create benchmarks in the market with its compensation and benefits. It also offers competitive packages in order to attract new talent and keep the internal resources motivated.

Auditors' Report

The notes to accounts forming part of the financial statements are self-explanatory and need no further explanation.

There are no qualifications in the Auditors' Report which require any clarification/explanation.

In the Audit Report to the shareholders, the Auditors without qualifying their report have drawn attention to Note 22 to the financial statement, regarding financial statements being prepared on a going concern basis, in spite of full erosion of net worth of the Company as at the year end considering the fact that it has received an undertaking from its Holding Co. Lafarge Surma Cements Ltd regarding continued support for its operations.

In this regard, the Board of Directors of the Company would like to draw your attention to the relevant statements made above with regard to the state of the Company's affairs and financial performance. The net profit earned after tax during the year was Rs. 23.76 crores and this has resulted in improvement in net worth erosion. The excellent business and financial performance in the current year resulted in the accumulated loss to decline by 16.00%. With sustained limestone production and export sales in

coming years, your Company is confident that net worth erosion will improve substantially.

Directors

The Company has 8 Directors on the Board. The Directors are not liable to retire by rotation.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

1. That in preparation of the annual accounts for the year ending December 31, 2013; the applicable Accounting Standards have been followed along with proper explanations provided for material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year.
3. That the Directors had 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 had prepared the accounts for the financial year ending December 31, 2013 on a going concern basis.

Auditors

The Statutory Auditors M/s RKP Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that (i) their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956; (ii) that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

Particulars of employees

The particulars as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, are set out in Annexure "A" included in this report.



Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars as required under section 217(1) (e) of the Indian Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in Annexure "B" to this report.

Fixed deposits

During the year under review, the Company has not accepted any deposit from the public.

Acknowledgements

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from the Government of India,

Government of Meghalaya, the Durbars of Nongtraï and Shella villages, LSC, the lenders, banks and project consultants. Your Directors also place on record their appreciation for the contribution of the employees of the Company, their commitment, dedication and hard work.

For and on Behalf of the Board



Directors

Place: Dhaka
Date: April 1, 2014



Annexure “A” to the Directors’ Report-

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors’ Report for the year ended December 31, 2013.

Employed throughout the year and was in receipt of remuneration aggregating not less than Rs. 24 lakhs per annum.

Name & age	Designation & nature	Remuneration received	Qualification & Experience	Date of Joining	Particulars of last employment
Narayan Prasad Sharma	VP & Director	82.10	B.E. (Mech.) & MBA 22 years	1.10.1999	Engineer, Lafarge Asia Pacific, PTE. Ltd.

Note:

1. Mr. Sharma is not related to any of the Directors of the Company and does not hold any shares in the Company.
2. The appointment is contractual and the conditions of employment are governed by individual terms and conditions of service.

Annexure “B” to the Directors’ Report

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, as amended and forming part of the Directors’ Report for the year ended December 31, 2013

I. Conservation of Energy

(a) Energy conservation measures taken:

1. Since the commencement of the mining operation, the Company’s core principle with respect to equipment selection, operation and maintenance of the crushing plant and DG set has been based on the best engineering practices which are energy efficient and environment friendly, with no compromise in the quality of the final product. Today your Company is proud to state that since the beginning of the operations, there has been no compromise on this basic philosophy along with the commitment to adhere to it in the future.
2. Emphasizing on equipment selection as a guiding factor has not only improved our Company’s performance in energy consumption but has also increased the production. This has been achieved by continuous monitoring of the equipment parameters from the aspect of both crushing and engineering in order to increase output and bring down energy consumption.

3. To keep pace with the developments taking place, international HRD activities are a regular feature at the mining unit. This has not only drastically improved the knowledge, skills and analytical ability of our company team but also helped in bringing in new ideas which paves the way for modifications, adoption of latest developments in engineering and technology for overall improvement in efficiency of the quarry team and improvement in work culture.

(b) Additional Investment and proposals for energy conservation:

1. Automation of DG operation, control of parameters, installation of online fuel filtration plant etc.
2. Two (2) new RECON engines procured for overhauling of old DG set. This will help in reduction of fuel consumption per MWH power generation.
3. Utilization of power saving light i.e. CFL, solar light etc.

(c) Impact of the measure of (a) and (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods:

As these measures have been implemented recently, all the positive effects will be reflected in the coming days.



Form A

A. Power and Fuel Consumption	(Jan1, 2013 - Dec 31, 2013)	(Jan1, 2012 - Dec 31, 2012)
1. Electricity		
(a) Purchased		
Unit (KWH)	199,726	162,988
Total Amount (Rs)	932,720	716,750
Rate/unit (Rs)	4.67	4.39
(b) Own Generation :		
(i) Through diesel Generator Units (KWH)	3,487,155	3,316,516
(ii) Units/litre of diesel oil	2.67	2.76
Cost /Unit (INR/Unit)	18.15	12.68
(iii) Through steam turbine/generator Units	N.A	N.A
Units per litre of fuel oil/gas	N.A	N.A
Cost/Units	N.A	N.A
2. Coal (specify quality and where used)		
Quantity (tonnes)	N.A	N.A
Total cost	N.A	N.A
Average rate	N.A	N.A
3. Furnace oil		
Quantity (k. ltrs.)	N.A	N.A
Total amount	N.A	N.A
Average rate	N.A	N.A
4. Others/internal generation (please give details)		
Quantity	N.A	N.A
Total cost	N.A	N.A
Rate/unit	N.A	N.A

B. Consumption per unit of production

2011- 2.19 KWH /MT

2012- 1.67 KWH /MT

2013- 1.74 KWH /MT

II. Technology Absorption:

The Efforts made in technology absorption as per Form B hereunder:

FORM B

A. Research and Development (R and D)

1. Specific areas in which R and D was carried out by Company: As it is new unit, hence no such action taken.
2. Future plan of action: NA
3. Expenditure on R & D (INR) NIL
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R & D Exp. as a % of total
 - (e) turnover



B. Technology absorption, adaptation and innovation

As it is a new unit, no such action has been taken.

III. Foreign Exchange earnings and outgo during the period:

The particulars relating to Foreign Exchange Earnings/Expenditure:

a) Expenditure in foreign currency:

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
i) Professional and Consulting fees	20.73	39.73
iii) Interest	322.97	297.79
Total	343.70	337.52

b) Earnings in foreign currency:

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
i) FOB Value of Exports	19,953.72	16,844.26
Total	19,953.72	16,844.26

For and on Behalf of the Board



Directors

Place: Dhaka
Date: April 1, 2014



INDEPENDENT AUDITOR’S REPORT

To
The Members
Lafarge Umiyam Mining Private Limited
Hotel Polo Towers,
Polo Ground, Oakland Road
Shillong – 793 001
Meghalaya

We have audited the accompanying financial statements of LAFARGE UMIAM MINING PRIVATE LIMITED. (“the Company”), which comprise the Balance Sheet as at 31st December, 2013, 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 and financial performance of the company in accordance with 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 the 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 the affairs of the Company as at 31st December, 2013.
- ii) In case of Statement of Profit & Loss, of the profit for the year ended on 31st December, 2013.
- iii) In case of the Cash Flow Statement, of the cash flow for the year ended on 31st December, 2013.

Emphasis of Matter

Without qualifying our report, we invite attention to Note 22 to the financial statements, regarding financial statements being prepared on a going concern basis, in spite of full erosion of net worth of the Company as at the year end considering the fact that it has received an undertaking from its Holding Co. Lafarge Surma Cement Ltd regarding continuing support for its operations.

Report on 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 Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the 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 purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement referred to in this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 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.
- e. On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For R K P Associates
Chartered Accountants



(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E



Dated at Silchar
The 18th of February, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph (I) under the heading of Report on other legal and regulatory requirements of the Auditors' Report of even date to the members of LAFARGE UMIAM MINING PRIVATE LIMITED on the financial statements of the Company for the year ended as on 31st December, 2013.

I) Having regard to the nature of the Company's business/activities/results, matters specified in clauses (vi), (xii), (xiii), (xiv), (xviii), (xix), (xx) of Paragraph 4 of CARO, 2003 does not apply to the Company.

II) In Respect of Its Fixed Assets :-

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, no Fixed Assets has been disposed off during the year.

III) In Respect of Its Inventory :-

- a) As explained to us, the inventory has been physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of inventories. No material discrepancy was noticed on physical verification of stocks as compared to stock records.

IV) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

V) In our opinion and According to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory & fixed assets and for the sale of goods. During the course of our audit, we did not come across any significant instance of continuing failure to correct major weaknesses in the internal control system. The company does not have any sale of services.

VI) Based on our audit procedure and according to the information and explanation given to us, there are no contracts or arrangements to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.

VII) In our opinion, the company has an Internal Audit System commensurate with the size of the company and nature of its business.

VIII) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

IX) According to the information and explanations given to us in respect of statutory dues:-

a) The company has generally been regular in depositing undisputed dues with the appropriate authorities, including dues to Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

b) The unpaid undisputed dues in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st December, 2013 for a period of more than six months from the date they became payable, are:-

Name of the Statute	Nature of Dues	Due Date	Period to which the amount relates	Amount involved (Rs in lacs)
Meghalaya Stamp Act, 1993	Stamp Duty	January 30, 2002	January 2002	3.39

c) According to the information and explanations given to us, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st December, 2013 on account of disputes.

X) The accumulated losses of the company have exceeded fifty percent of its net worth as at the end of this year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

XI) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that, the company has not defaulted in repayment of dues to any financial institution or bank.

XII) In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were obtained.

XIII) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis aggregating to Rs 13,351.00 lacs have, prima facie, been used for long-term investment

XIV) Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.

IN TERMS OF OUR REPORT OF EVEN DATE

For R K P Associates
Chartered Accountants



(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E



Dated at Silchar
The 18th of February, 2014

LAFARGE UMIAM MINING PRIVATE LIMITED


Balance Sheet

as at 31st December 2013

	NOTES	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	4,113.31	4,113.31
(b) Reserves and surplus	04	(11,943.14)	(14,319.97)
		(7,829.83)	(10,206.66)
(2) Non-current liabilities			
(a) Long-term borrowings	05	8,500.54	12,266.08
(b) Long term trade payables	08	108.77	174.32
(c) Long-term provisions	06	73.67	59.84
		8,682.98	12,500.24
(3) Current liabilities			
(a) Short-term borrowings	07	10,652.16	10,984.93
(b) Trade payables	08	1,381.18	1,216.14
(c) Other current liabilities	09	9,205.78	8,080.48
(d) Short-term provisions	06	1.68	1.58
		21,240.80	20,283.13
TOTAL EQUITY AND LIABILITIES		22,093.95	22,576.71
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10 A	10,532.04	10,919.08
(ii) Intangible assets	10 B	6,279.82	6,636.06
(iii) Capital work-in-progress	11	443.62	303.91
		17,255.48	17,859.05
(b) Long-term loans and advances	12	2,225.27	1,406.52
		19,480.75	19,265.57
(2) Current assets			
(a) Inventories	13	1,057.81	969.03
(b) Trade receivables	14	876.99	1,658.03
(c) Cash and cash equivalents	15	14.98	46.24
(d) Short-term loans and advances	12	663.42	637.84
		2,613.20	3,311.14
TOTAL ASSETS		22,093.95	22,576.71

See accompanying notes forming part of the financial statements
In terms of our report attached

For R K P Associates
Chartered Accountants


CA. RAVI KUMAR PATWA
PARTNER
MRN. 056409
FRN. 322473E

Place: Silchar
Date: February 18, 2014

For and on behalf of the Board of Directors


Masud Khan
Director


Narayan Sharma
Director


Manjuree Rai
Company Secretary

Place: Dhaka
Date: February 16, 2014



LAFARGE UMIAM MINING PRIVATE LIMITED

Statement of Profit and Loss

for the year ended 31st December 2013

	NOTES	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
I Revenue from operations (gross)	16	19,953.72	16,844.26
Less : Excise duty		-	-
Revenue from operations (net)		19,953.72	16,844.26
II Other Income	17	14.98	364.34
III Total Revenue (I + II)		19,968.70	17,208.60
IV EXPENSES			
(a) Cost of extracted limestone	18	3,814.38	3,288.55
(b) Employee benefits expense	19	712.59	607.66
(c) Finance costs	20	3,269.90	2,820.09
(d) Depreciation and amortisation expense	10	1,273.39	1,256.79
(e) Other expenses	21	8,521.61	6,329.15
Total Expenses		17,591.87	14,302.24
V Profit / (Loss) before tax (III-IV)		2,376.83	2,906.36
VI Tax Expense			
Current tax		-	-
Total tax expense		-	-
VII Profit/ (Loss) for the year (V - VI)		2,376.83	2,906.36
VIII Earning/ (Loss) per equity share (Rupees):			
Basic and Diluted		5.78	7.07

See accompanying notes forming part of the financial statements

The Notes referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For R K P Associates
Chartered Accountants



CA. RAVI KUMAR PATWA
PARTNER
MRN. 056409
FRN. 322473E

For and on behalf of the Board of Directors



Masud Khan
Director



Narayan Sharma
Director



Manjuree Rai
Company Secretary

Place: Silchar
Date: February 18, 2014

Place: Dhaka
Date: February 16, 2014



LAFARGE UMIAM MINING PRIVATE LIMITED

Cash Flow Statement

for the year ended 31st December 2013

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
A. Cash Flow from Operating activities:		
Profit / (Loss) before taxes and exceptional item	2,376.83	2,906.36
<i>Adjustments for:</i>		
Depreciation	1,273.39	1,256.79
Unrealised foreign exchange (gain)/ loss	197.23	238.88
Financial Charges	1,520.36	1,801.13
Interest Income	(14.98)	(2.40)
Operating profit before working capital changes	5,352.83	6,200.76
<i>Changes in Working Capital:</i>		
<i>Adjustments for (increase / decrease in operating assets:)</i>	(129.44)	(1,584.70)
Trade receivable	788.61	(1,199.45)
Short term and long term loans and advances	(829.27)	(315.33)
Inventories	(88.78)	(69.92)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>	369.91	189.48
Trade payables and other current and non current liabilities	355.98	166.78
Long and short term Provisions	13.93	22.70
Cash from / (used in) operations	5,593.30	4,805.54
Net cash from/(used in) operating activities	5,593.30	4,805.54
B. Cash Flow from Investing activities:		
Capital Expenditure on fixed assets and capital work in progress	(669.82)	(665.48)
Interest received	0.41	0.24
Net cash used in investing activities	(669.41)	(665.24)
C. Cash Flow from Financing activities:		
Proceed from Short term borrowings	35,600.24	40,773.98
Repayment of short term borrowings	(35,857.42)	(38,750.97)
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	(2,904.89)	(4,093.51)
Financial charges paid	(1,793.08)	(2,058.03)
Net cash from/ (used in) financing activities	(4,955.15)	(4,128.53)
Net increase or (decrease) in cash or cash equivalents	(31.26)	11.77
Cash and cash equivalents as at 1st January	46.24	34.47
Cash and cash equivalents as at 31st December	14.98	46.24



Notes:

1. Include cash and Cheques on hand, balance in current and deposit accounts with banks (refer note - 15).
2. Cash and cash equivalent includes unrealised foreign exchange gain of Rs. Nil [as at 31st December, 2012 Rs.0.12 lakhs]
3. Figures in brackets represent outflows.
4. Previous year figures have been regrouped/restated wherever necessary.

In terms of our reports attached

For R K P Associates

Chartered Accountants



CA. RAVI KUMAR PATWA
PARTNER
MRN. 056409
FRN. 322473E

For and on behalf of the Board of Directors


Masud Khan
Director



Narayan Sharma
Director



Manjuree Rai
Company Secretary

Place: Silchar
Date: February 18, 2014

Place: Dhaka
Date: February 16, 2014



LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

1 Background

Lafarge Umiam Mining Private Ltd (“LUMPL”), a private limited company incorporated under the laws of India, having its registered office in Shillong, Meghalaya, is a 100% subsidiary company of Lafarge Surma Cement Ltd. (“LSC”), a public limited company incorporated under the laws of Bangladesh.

LUMPL owns and operates the limestone and shale mine located at Nongtraï and Shella area of East Khasi Hills District, Meghalaya. LSC has set up a cement plant at Chattak in Bangladesh promoted by Lafarge SA of France and Cementos Molins of Spain. The project involves supply of limestone and shale from the mines of LUMPL located in the State of Meghalaya to the cement plant in Bangladesh through a continuous cross border elevated belt conveyor. The belt conveyor is the means of export of crushed limestone from the mines to the Cement plant in Bangladesh.

2 Significant Accounting Policies

a) Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (“GAAP”) in India to comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of Companies Act, 1956, as adopted consistently by the Company.

b) Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and useful life of fixed assets and intangible assets. Contingencies are

recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Revenue Recognition

Revenue from sale of products is recognized on the basis of dispatch to customers.

Interest on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d) Fixed Assets

Fixed Assets are stated at original cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation of asset.

Software expected to provide future enduring economic benefits is stated at cost less amortization. All up gradation/enhancements are charged off as revenue expenditure unless they bring significant additional benefits.

e) Development of Quarry

Cost as listed below incurred in relation to quarry where the future economic benefits associated with those cost flows are capitalized and amortized over the mining lease rights period.

- Cost for development of quarry for commercial exploration.
- Cost for obtaining definite extraction permit which includes amongst others environmental clearance as per statutory rules and regulations in force from time to time and as imposed by regulatory authorities.
- Cost to expand the capacity of the quarry.

f) Inventory

Extracted Limestone and Shalestone are valued at the lower of cost and net realizable value.

Spare parts, oil & fuel and other supplies are valued at/under cost.

Cost of inventories is ascertained on the weighted average basis.



g) Depreciation/Amortisation

Depreciation is provided on straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or based on useful life whichever is higher. The cases where the rates derived from useful lives of various categories of fixed assets as estimated by the management are higher than the rates prescribed by Schedule XIV to the Companies Act, 1956 are as follows

Building	
Non Factory Building	2.50%
Plant and Machinery	
Technical Facilities	10.00%
Capital Spares	20.00%
Furniture and Fixtures	10.00%
Office & Household Equipments	20.00%
Electronic Data Processing Equipment	33.33%
Vehicles	20.00%

Leasehold Land is amortised over the remaining tenure of the lease. Development of property pertaining to Limestone and Shalestone quarry is amortised over the remaining tenure of legal rights or useful period of the mine whichever is higher.

Intangible assets (other than development of property) are amortised over the best estimate of its useful life ranging from a period of 3 to 5 years.

h) Foreign exchange transaction

a) Foreign currency transactions entered during the year are recorded at the rate of exchange prevailing on the date of transactions.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

c) In case of forward exchange contracts which are entered into to hedge the foreign exchange risks in respect of existing assets/liabilities, the premium or discount on such contracts is recognized over the life of the contract. In case of forward exchange contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable future forecast transactions, mark to market loss, if any, arising in respect of such

outstanding forward contracts at the balance sheet date is recognized in the Statement of Profit and Loss.

i) Employee benefits

Defined Contribution Schemes: Company's contribution towards Provident Fund paid / payable during the year to the Provident Fund Authority are charged to Statement of Profit and Loss.

Defined Benefit Schemes: Company's liabilities towards Gratuity are defined benefit scheme. All liability of Defined Benefit Schemes is ascertained by independent actuarial valuations as per the requirements of Accounting Standard- 15 on "Employee Benefits".

j) Borrowing Cost

Borrowing costs to the extent / attributed to the acquisition / construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized as an expense in the period in which they are incurred.

k) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

l) Impairment of Fixed Assets

An impairment loss is recognized wherever the carrying amount of fixed assets of cash generating unit exceeds the recoverable amount i.e. net selling price or value in use, whichever is higher.

m) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



3 Share Capital

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
Authorised:		
42,000,000 (as at 31st December, 2012: 42,000,000) equity shares of Rs. 10 each	4,200.00	4,200.00
	4,200.00	4,200.00
Issued, Subscribed and Fully Paid up:		
41,133,099 (as at 31st December, 2012: 41,133,099) equity shares of Rs. 10 each	4,113.31	4,113.31
	4,113.31	4,113.31

3.1 Share Capital Reconciliation of Number of shares

	As at 31.12.2013		As at 31.12.2012	
	No. of Shares	Amount	No. of Shares	Amount
		(Rs. in Lakhs)		(Rs. in Lakhs)
Issued, Subscribed and Fully paid				
At the beginning of the year	41,133,099	4,113.31	41,133,099	4,113.31
At the end of the year	41,133,099	4,113.31	41,133,099	4,113.31

3.2 Details of shareholders holding more than 5% of outstanding shares

Shareholder	As at 31.12.2013		As at 31.12.2012	
	No. of Shares	%	No. of Shares	%
(1) Lafarge Surma Cement Ltd, Bangladesh, the holding company	41,133,098	100%	41,133,098	100%
	41,133,098	100%	41,133,098	100%

3.3 Rights, preferences and restrictions attached to the equity shareholders

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4 Reserves and Surplus

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	(14,319.97)	(17,226.33)
Add: Profit / (Loss) for the year	2,376.83	2,906.36
Closing Balance	(11,943.14)	(14,319.97)



5 Long-term Borrowings

	As at 31.12.2013			As at 31.12.2012		
	(Rs. in Lakhs) Current Maturities	(Rs. in Lakhs) Long Term	(Rs. in Lakhs) Total	(Rs. in Lakhs) Current Maturities	(Rs. in Lakhs) Long Term	(Rs. in Lakhs) Total
	(a) Term loans from related parties (Secured) External commercial borrowing from Lafarge Surma Cement Ltd, Bangladesh (1)	2,019.39	4,543.63	6,563.02	1,787.11	5,808.11
(b) Loans from banks (Unsecured) (2)	3,256.91	3,956.91	7,213.82	2,714.66	6,457.97	9,172.63
	5,276.30	8,500.54	13,776.84	4,501.77	12,266.08	16,767.85

Additional information

- (1) For security and other disclosure refer note 23
 (2) Based on autonomous guarantee from Financiere Lafarge S.A.S, France - Group Company
 (3) Terms of repayment and interest rate of borrowings as at 31st December 2013 are as follows :

Particulars	Currency	INR Equivalent ('lakhs)	Installment amount in lakhs	No. of Installment paid	No. of Installment due	Start date of loan repayment	Maturity date	Remarks
External commercial borrowing (ECB)	USD	INR 6,563.02	USD 8.16	7 (quarterly)	13	June 15, 2012	March 15, 2017	Refer note
Term loan from Citi Bank	USD	INR 3,713.82	USD 6.00	10 (quarterly)	10	June 30, 2011	March 31, 2016	
Term loan from Standard Chartered Bank	INR	INR 3,500.00	INR 350.00	10 (quarterly)	10	September 30, 2011	June 30, 2016	

- (4) Terms of repayment and interest rate of borrowings as at 31st December 2012 are as follows

Particulars	Currency	INR Equivalent ('lakhs)	Installment amount in lakhs	No. of Installment paid	No. of Installment due	Start date of loan repayment	Maturity date	Remarks
External commercial borrowing (ECB)	USD	INR 7,595.22	USD 8.16	3 (quarterly)	17	June 15, 2012	March 15, 2017	Refer note
Term loan from Citi Bank	USD	INR 4,272.63	USD 6.00	7 (quarterly)	13	June 30, 2011	March 31, 2016	
Term loan from Standard Chartered Bank	INR	INR 4,900.00	INR 350.00	6 (quarterly)	14	September 30, 2011	June 30, 2016	

Note: As per the fourth amendment of the loan agreement dated March 20, 2012, the borrower and the lender have agreed to a revised repayment schedule for repayment of outstanding principal loan amount along with interest thereon in 20 equal quarterly installments starting from June 15, 2012.

6 Provisions

	As at 31.12.2013 (Rs. in Lakhs)		As at 31.12.2012 (Rs. in Lakhs)	
	Long Term	Short Term	Long Term	Short Term
(a) Provision for employee benefits				
Post-employment Defined Benefits	-	-	-	-
Retiring Gratuity	51.09	0.91	44.81	0.75
(b) Provision for stock appreciation right	22.58	-	15.03	-
(c) Provision for Wealth Tax ⁽⁰²⁾	-	0.77	-	0.83
Total Provisions	73.67	1.68	59.84	1.58

Additional information

(1) Net of Advance Taxes Rs.2.57 lakhs (as at 31st December, 2012 Rs. 1.97 lakhs)

7 Short-term borrowings

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
Loans from banks Unsecured		
(1) From Citibank NA, Mumbai :		
Working capital demand loan	6,468.24	7,515.95
Overdraft	110.04	-
(2) From Standard Chartered Bank, Mumbai :		
Working capital demand loan	3,594.85	2,845.55
Overdraft	236.27	623.43
(3) From State Bank of India, Shillong :		
Overdraft	242.76	-
	10,652.16	10,984.93

8 Trade Payables

	As at 31.12.2013 (Rs. in Lakhs)		As at 31.12.2012 (Rs. in Lakhs)	
	Long Term	Short Term	Long Term	Short Term
Creditors for supplies / services	108.77	1,284.24	174.32	1,120.32
Creditors for accrued wages and salaries	-	96.94	-	95.82
Total Trade Payables	108.77	1,381.18	174.32	1,216.14

9 Other Current Liabilities

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
(a) Current maturities of long-term debt (Refer Note 5)	5,276.30	4,501.77
(b) Creditors for capital liability	227.87	265.05
(c) Creditors for other liabilities		
(1) Interest accrued but not due on borrowings	1,777.84	2,068.67
(2) Interest accrued and due on borrowings	2.73	-
(3) Statutory Dues	1,335.51	1,022.65
(4) Other credit balances	585.53	222.34
Total Other current liabilities	9,205.78	8,080.48



10 Fixed assets

Particulars	Gross Block - At Cost			Depreciation / Amortisation			Net Block	
	As at 1st January, 2013	Additions during the year	As at 31st December, 2013	As at 1st January, 2013	Additions during the year	As at 31st December, 2013	As at 31st December, 2013	As at 1st January, 2013
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
10 A. Tangible Assets								
Freehold Land	204.90	-	204.90	-	-	204.90	204.90	204.90
Leasehold Land	138.85	-	138.85	38.96	6.49	93.40	99.89	99.89
Building	696.74	88.71	785.45	78.96	19.62	686.87	617.78	617.78
Plant and Machinery	12,545.81	400.95	12,946.76	3,529.32	791.05	8,626.39	9,016.49	9,016.49
Development of property	1,073.62	-	1,073.62	253.26	43.57	776.79	820.36	820.36
Furniture and Fixtures	49.32	4.41	53.73	19.66	4.70	29.37	29.66	29.66
Office & Household Equipments	70.45	19.04	89.49	46.15	10.37	32.97	24.30	24.30
Electronic Data Processing Equipment	82.65	17.00	99.65	61.15	13.18	25.32	21.50	21.50
Vehicles	246.72	-	246.72	162.52	28.17	56.03	84.20	84.20
Total	15,109.06	530.11	15,639.17	4,189.98	917.15	10,532.04	10,919.08	10,919.08
Previous year	14,572.21	536.85	15,109.06	3,290.16	899.82	10,919.08		
10 B. Intangible Assets								
Software (acquired)	36.05	-	36.05	32.96	1.77	1.32	3.09	3.09
Development of property	7,132.14	-	7,132.14	499.17	354.47	6,278.50	6,632.97	6,632.97
Total	7,168.19	-	7,168.19	532.13	356.23	6,279.82	6,636.06	6,636.06
Previous year	7,165.59	2.60	7,168.19	175.16	356.97	6,636.06		

11 Capital work-in-progress

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
(a) Development of property ⁽¹⁾	171.39	136.88
(b) Building	67.84	41.08
(c) Plant & Machinery	204.39	101.44
(d) Others	-	24.51
Total capital work-in-progress	443.62	303.91

Additional information

(1) Development of property includes expenditure incurred on account of development of quarry

12 Loans and Advances

Loans and advances (Unsecured, considered good)	As at 31.12.2013 (Rs. in Lakhs)		As at 31.12.2012 (Rs. in Lakhs)	
	Long Term	Short Term	Long Term	Short Term
(a) Capital advances	27.70	-	57.02	-
(b) Security deposits	18.23	-	17.21	-
(c) Interest accrued on deposits	0.73	20.43	6.33	0.26
(d) Advance income tax ⁽¹⁾	919.06	-	403.06	-
(e) Other loans and advances				
(1) Prepayments	327.49	68.44	381.57	66.26
(2) Advances to suppliers	705.00	266.72	399.07	556.70
(3) Deposit account ⁽²⁾ & ⁽³⁾	17.32	303.62	23.62	2.79
(4) Others	209.74	4.21	118.64	11.83
	1,259.55	642.99	922.90	637.58
Total Loans and advances	2,225.27	663.42	1,406.52	637.84

Additional information

1. Represents Income tax on Minimum Alternate Tax.

2. Represents deposit with banks that are restricted from being exchanged or used to settle a liability for more than 12 months.

3. Includes Rs. 6.50 lakhs (as at 31st December, 2012 Rs. 6.50 lakhs) pledged with the Office of Commissioner of Central Excise, Meghalaya; Rs. 17.32 lakhs (as at 31st December, 2012 Rs. 2.79 lakhs) pledged in respect of Bank Guarantee issued by State Bank of India, Shillong in favour of Indian Bureau of Mines; Rs. 280.00 lakhs (as at 31st December 2012 Rs Nil lakhs) pledged in respect of Bank overdraft facility availed from State Bank of India, Shillong.

13 Inventories

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
(a) Extracted Limestone	398.94	501.52
(b) Extracted Shalestone	12.12	12.12
Less : Provision for Obsolescence	(12.12)	(12.12)
(c) Oil and Fuel	30.44	20.43
(d) Stores and Spare parts	628.43	447.08
Total Inventories	1,057.81	969.03



14 Trade receivables

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
Current trade receivable Unsecured, considered good unless otherwise stated Outstanding for a period exceeding six months, from the date they were due for payment.	-	-
Others	876.99	1,658.03
Total current trade receivable	876.99	1,658.03

15 Cash and cash equivalents

	As at 31.12.2013 (Rs. in Lakhs)	As at 31.12.2012 (Rs. in Lakhs)
(a) Cash on hand	0.82	0.50
(b) Balances with banks In Current Accounts	14.16	45.74
Total cash and cash equivalents	14.98	46.24
Out of above, the balances that meet the definition of Cash and cash equivalents as per Accounting Standard 3 Cash Flow Statement	14.98	46.24

16 Revenue from operations

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
Revenue from operations (gross)	19,953.72	16,844.26
Less : Excise duty on revenue from operations	-	-
Revenue from operations (net)	19,953.72	16,844.26

16.1 Revenue from operations (net)

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
Particulars		
Sale of lime stone ⁽¹⁾	19,953.72	16,844.26
	19,953.72	16,844.26

Additional information

(1) Sales of limestone represent 100% export sales to holding company, Lafarge Surma Cement Ltd, Bangladesh

17 Other Income

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
(a) Interest Income from bank deposits	14.98	2.40
(b) Gain on foreign exchange fluctuation (net)	-	361.94
Total Other Income	14.98	364.34



18 Cost of extracted limestone

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
Extracted Limestone		
Opening stock	501.52	431.19
Add:- Cost of extraction	3,711.80	3,358.88
Less : Closing stock	398.94	501.52
Extracted Limestone Consumed	3,814.38	3,288.55

19 Employee Benefits Expenses

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
(a) Salaries and wages, including bonus	671.67	567.30
(b) Contribution to provident and other funds	40.92	40.36
Total Employee Benefits Expense	712.59	607.66

20 Finance Cost

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
(a) Interest expenses		
Interest on External Commercial Borrowings	244.06	297.79
Interest on working capital demand loan and overdraft	503.92	560.14
Interest on term loan from banks	677.91	931.89
(b) Bank charges	15.56	11.31
(c) Other borrowing costs	78.91	-
(d) Net loss on foreign currency transactions and translation (considered as finance cost)	1,749.54	1,018.96
Total Finance Cost	3,269.90	2,820.09

21 Other Expenses

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
Consumption of stores, spare parts and loose tools	219.63	249.94
Fuel for power generation	632.90	420.44
Cost of operation and maintenance of DG Sets for power generation	124.19	117.38
Rent	26.82	21.37
Repairs to buildings	7.65	8.76
Repairs to machinery	100.32	92.77
Repairs to others	157.30	137.88
Insurance	48.18	43.64
Rates & taxes [Wealth tax - Rs 0.54 lakhs (Previous year: Rs.0.67 lakhs)]	0.54	0.67
Royalty and Cess ⁽¹⁾	1,634.22	1,660.05



	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
Welfare Cess ⁽²⁾	20.00	19.83
Lease rent for limestone mining surface rights ⁽³⁾	310.00	203.33
LBC and mining operation support & assistance by local bodies & others	195.60	184.57
Contribution to Special Purpose Vehicle ⁽⁴⁾	1,771.99	1,800.00
Business Promotion & Public Relations	57.57	49.34
Study, reports and consultancy fees	80.79	71.29
IT Cost	49.81	65.10
Security cost	446.62	400.07
Loss on foreign exchange fluctuation (net)	1,990.65	-
Communication charges	9.68	8.99
Community Development	93.37	105.71
Environmental cost	161.21	158.54
Gas, Water & Electricity	76.58	50.16
Legal fees	37.56	41.22
Travelling and conveyance	134.43	144.86
Safety expense	18.36	22.12
Site restoration cost	25.42	150.10
Deputation of custom officials at site	11.75	33.70
Auditors remuneration and out-of-pocket		
(i) Statutory Auditors	8.43	8.43
(ii) Tax Audit related matter	3.15	3.15
(iii) For other services	0.45	3.08
(iv) Reimbursement of Expense	-	0.07
Miscellaneous expenses	66.44	52.59
Total Other Expenses	8,521.61	6,329.15

Additional information

(1) Represents royalty payable under Mines and Minerals (Development and Regulation) Act, 1957 and mineral cess payable under Meghalaya Mineral Cess Act, 1988 in respect of mining rights secured under Mining Lease from State Government of Meghalaya.

(2) Represents welfare cess payable to Office of the Welfare & Cess Commissioner, under the The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972.

(3) Represent the lease rent payable to local body under the terms of lease deed in respect of surface rights to carry mining of limestone for which mining rights is secured under Mining Lease from State Government of Meghalaya.

(4) Represents the contribution payable to Special Purpose Vehicle (SPV) based on Rs 90/- per tonne of limestone production from the Company's mines. The SPV was set up in terms of the directions of the

Ministry of Environment and Forests (MoEF), Government of India, vide its letters No. F.No.8-64/2007-F.C. dated 22nd April, 2010 and 29th February 2012 vis-à-vis Orders of the Supreme Court of India dated 12th April, 2010 and the Order and Judgement dated 6th July, 2011. The contribution payable to SPV based on limestone production for year ending 31st December 2013 was Rs. 1,771.99 lakhs (as at 31st December 2012 Rs. 1,800 lakhs). The Company has deposited the contribution payable to SPV till 31st December 2013 a total amount of Rs. 8,102.91 Lakhs (as at 31st December, 2012 Rs. 6,522.41 lakhs) from the date of commencement of mining and this amount so deposited by the Company to SPV is meant for various welfare projects mandated upon the SPV including the development of health, education, irrigation and agriculture in the mining project area (i.e 50 kms) of the Company solely for the local community and welfare of Tribals.



22 The net worth of the Company as at 31st December 2013 has been fully eroded primarily due to unavoidable interruptions of production for environmental regulatory issues relating to quarry operations in the earlier years. From year 2012 onwards the Company has been earning net profit which has contributed towards gradual reduction of eroded net worth. The Company has received an undertaking from the parent Company Lafarge Surma Cement Ltd (LSC) holding 100% equity in the Company that it will provide support to the extent that the company requires if any, to continue with its operations. Further the Company's long term and short term borrowing facility arrangement from Citibank NA, Mumbai and Standard Chartered Bank, Mumbai is based on autonomous guarantee from Financiere Lafarge S.A.S, France - Group Company. Accordingly the management considers that the going concern assumption is not vitiated. In view of this the financial statements have been prepared on the assumption that the Company is going concern despite its net worth being fully eroded.

23 The Company has availed an "offshore loan" from Lafarge Surma Cement Limited (LSC), Bangladesh, holding 41,133,098 shares of the Company (as at 31st December 2012: 41,133,098

shares) to fund its limestone and shale mining project development and operation. The outstanding balance as on 31st December, 2013 was Rs. 6,563.02 lakhs (as at 31st December 2012 Rs. 7,595.22 lakhs) towards principal loan amount, Rs. Nil (as at 31st December, 2012 Rs. Nil) towards interest accrued and due and Rs. 1,745.95 lakhs (as at 31st December, 2012 Rs. 2,023.24 lakhs) towards interest accrued but not due. The said loan has been granted by LSC out of an aggregate loan availed by LSC from certain "offshore lenders".

As per the terms of the offshore loan, Lafarge Surma Cement Ltd and all its associates are required to create security of their respective assets in favour of the offshore lenders. The same is classified as secured loan, having charge against the over all present and future movable and intangible assets, contracts, investments and insurance policies of the Company except for stock in trade and receivable under a composite security agreement in favour of secured offshore lenders.

24 Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 401.35 lakhs (as at 31st December, 2012 Rs. 452.70 lakhs).

25 Deferred tax

The break-up of deferred tax is as under	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
Deferred Tax Liabilities		
Timing difference on account of:-		
- Depreciation	1,608.44	1,106.12
Gross Deferred Tax Liabilities (A)	1,608.44	1,106.12
Deferred Tax Assets		
- Unabsorbed depreciation (restricted to the extent of deferred tax liability on depreciation)	1,608.44	1,106.12
Gross Deferred Tax Assets (B)	1,608.44	1,106.12
Deferred Tax Assets (Net) (A-B)	NIL	NIL

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.



26 Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures if any, relating to amounts unpaid as at the year end together with interest paid/payable are required under the said act have not been given.

27 Expenditure/Earnings in foreign currency

a) Value of imports calculated on CIF basis:	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
i) Stores and Spare parts	427.31	51.82
ii) Capital goods	220.38	327.69
Total	647.69	379.51

b) Expenditure in foreign currency:	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
i) Professional and Consulting fees	20.73	39.73
ii) Interest and other borrowing cost	322.97	297.79
Total	343.70	337.52

c) Earnings in foreign currency:	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
i) FOB Value of Exports	19,953.72	16,844.26
Total	19,953.72	16,844.26

d) Details of consumption of imported and indigenous items :	Year ended 31.12.2013		Year ended 31.12.2012	
	Rs. in Lakhs	%	Rs. in Lakhs	%
i) Imported				
Raw materials	nil	nil	nil	nil
Stores and Spares	72.07	33%	146.62	59%
ii) Indigenous				
Raw materials	3,814.38	100%	3,288.55	100%
Stores and Spares	147.56	67%	103.32	41%

28 Contingent Liability not provided for

Bank Guarantee amounting to Rs. 16.13 lakhs (as at 31st December, 2012 Rs. 2.00 lakhs) issued by State Bank of India, Main Branch Shillong and Rs. Nil (as at 31st December, 2012 Rs. 10.77 lakhs) issued by Standard Chartered Bank, Mumbai Branch on behalf of the Company favoring Indian Bureau of Mines as financial assurance for the progressive mines closure plan.

29 Being 100% Export Oriented Unit (EOU), the Company is entitled to claim refund of taxes and duties incurred in relation to procurement of certain goods and raw materials. The Company filed refund claim for taxes and duties paid in relation to construction of Long Belt Conveyor and Crusher. On January 6, 2009 the Board of Approval (BOA), Department of Commerce, Government of India decided that the long belt conveyor of the company



is installed outside the EOU premises for transportation of goods and is not eligible for duty free import/procurement under EOU scheme. The Company had filed an appeal against the order of the BOA before the Shillong Bench, Guwahati High Court on July 30, 2009 and the Hon'ble High Court vide its order dated 13th August 2010 had passed its judgment whereby the order of BOA not to grant approval to the Company's long belt conveyor as a part of EOU premise was quashed. The judgment passed by Hon'ble High Court which was subject to further appeal by the respondent party has been filed by the respondent party and if the appeal filed by the respondent party is successful at a later stage, the Company shall not be entitled to obtain the refund of Rs. 293.22 lakhs (as at 31st December, 2012 Rs. 293.22 lakhs) from the authorities. However the amount of taxes and duties paid in relation to the long belt conveyor have been included in the cost of assets and has been presented in the financial statements accordingly.

30 LEA (Lafarge 2009 and 2011 international employee) share ownership plan

The Company pursuant to Lafarge S.A.'s global human resource policy has established the Lafarge Group stock bonus rights plan ("LEA 2009" and "LEA 2011" or "the Plans") whereby the employees have been granted Stock Appreciation Rights on 9th December, 2009, and on 28th July, 2011 respectively under the two plans. On account of the Plans the Company has created a provision of Rs. 22.58 lakhs (as at 31st December, 2012 Rs. 15.03 lakhs) towards Stock Appreciation Rights.

31 The Company is under a legal obligation to restore the mines in terms of final mines closure plan submitted to Indian Bureau of Mines at the end of mining operations. Based on the tenure of the current mining lease, estimated cost of site restoration has been provided during the year.

The details of provisions for site restoration cost are summarized below:

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
Opening balance	158.86	8.76
Additions*	25.42	150.10
Reversals	Nil	Nil
Closing balance	184.28	158.86

* During the previous year, the Company had reassessed the basis of estimate and adjusted the provision accordingly.

32 The Company is recognizing the provision for the employee retirement benefits as per Accounting Standard 15 "Employee Benefits".

Independent Actuarial Valuation of all employee benefit scheme was made on 31st December, 2013 which is in the nature of unfunded gratuity benefit.

The following tables set out the details of amount recognised in the financial statements in respect of defined benefit scheme for unfunded gratuity as per the actuarial valuation under the Projected Unit Credit Method.

I. Component of Expenses recognized in the Statement of Profit and Loss

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
01. Current Service cost	9.80	9.18
02. Interest cost	4.10	2.56



	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
03. Expected return on plan assets	-	-
04. Curtailment cost/(credit)	-	-
05. Settlement cost/(credit)	-	-
06. Amortization of Past Service Cost	-	-
07. Actuarial Losses/(Gains)	(5.66)	2.79
08. Total expense recognized in the Statement of Profit & Loss	8.24	14.53

The Gratuity expenses have been recognized under “Contribution to provident and other funds” in Note 19

II. Net Asset/(Liabilities)

	Current Year	As on 31 st Dec 12	As on 31 st Dec 11	As on 31 st Dec 10	As on 31 st Dec 09
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
01. Present value of Defined Benefit Obligation	52.00	45.56	31.03	20.26	7.75
02. Fair value of plan assets	-	-	-	-	-
03. Funded status [Surplus/(Deficit)]	(52.00)	(45.56)	(31.03)	(20.26)	(7.75)
04. Effect of balance sheet asset limit	-	-	-	-	-
05. Unrecognized Past Service Costs	-	-	-	-	-
06. Net asset/(liability) recognized in balance sheet	(52.00)	(45.56)	(31.03)	(20.26)	(7.75)
07. Experience (Gain)/Loss adjustments on plan liabilities	(1.87)	1.26	4.84	-	-

III. Reconciliation of opening and closing balance of the Present Value of the Defined Benefit Obligation (DBO)

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
01. Present Value of DBO at beginning of period	45.56	31.03
02. Current Service cost	9.80	9.18
03. Interest cost	4.10	2.56
04. Curtailment cost/(credit)	-	-
05. Settlement cost/(credit)	-	-
06. Employee contribution	-	-
07. Plan amendments	-	-
08. Acquisitions	-	-
09. Actuarial (gains)/ losses	(5.66)	2.79
10. Benefits paid	(1.80)	-
11. Present Value of DBO at the end of period	52.00	45.56



IV. Actuarial Assumptions

	Year ended 31.12.2013	Year ended 31.12.2012
01. Discount Rate per annum Compound	9.00%	8.25%
02. Rate of increase in salaries	8.00%	8.00%
03. Rate of return on Plan Assets	Not Applicable	Not Applicable
04. Expected Average remaining working lives of employees (years)	21.90	22.79

Note:

(i) The estimate of future salary increase takes into account seniority, promotion and other relevant factors.

(ii) Experience (Gain)/Loss adjustment arising on plan liabilities - Rs (1.87 lakhs) [as at 31st December, 2012 Rs. 1.26 lakhs].

Contribution to Defined Contribution Plan recognized as expense for the year and disclosed under "Contribution to provident and other funds" in Note 19:

	Year ended 31.12.2013 (Rs. in Lakhs)	Year ended 31.12.2012 (Rs. in Lakhs)
1 Employer's Contribution to recognized Provident Fund	32.67	25.84

33 Related party disclosure as per Accounting Standard -18

a) Key Managerial Personnel (KMP):

Name	Nature of relationship	Transactions for the year ended		Nature of transaction
		31 st December, 2013	31 st December, 2012	
		(Rs. in Lakhs)	(Rs. in Lakhs)	
Mr. Shivesh Kumar Sinha	Chairman	20.00	15.00	Remuneration
Mr. Tarek Samir Ahmed Elba	Director	Nil	Nil	---
Mr. Masud Khan	Director	Nil	Nil	---
Mr. Asim Chattopadhyay	Director	Nil	Nil	---
Mr. Jose Maria Fontdecaba	Director	Nil	Nil	---
Mr. Narayan Prasad Sharma	Director	82.10	75.10	Remuneration
Mr. Mohammed Arif Bhuiyan	Director	Nil	Nil	---
Mr. Ashim Kr. Chattopadhyay	Director	4.38	1.80	Remuneration
Ms. Sayeda Tahya Hossain (Ceased to be KMP w.e.f 11.09.2013)	Director	Nil	Nil	---

b) Holding Company :

Ultimate Holding Company: Lafarge Surma Cement Ltd, Bangladesh
Surma Holdings B.V, Netherland

i) Secured External Commercial Borrowings (ECB)

	31 st December 2013 (Rs. in Lakhs)	31 st December 2012 (Rs. in Lakhs)
Closing balance	6,563.02	7,595.22
Interest accrued and due as on	Nil	Nil
Interest accrued but not due as on	1,745.95	2,023.24



	31 st December 2013 (Rs. in Lakhs)	31 st December 2012 (Rs. in Lakhs)
Interest charged during the year ended	244.06	297.79
Loan availed during the year	Nil	Nil
Foreign exchange fluctuation [(gain)/ loss] on ECB loan	920.73	236.23
Foreign exchange fluctuation [(gain)/ loss] on outstanding interest	248.98	66.19
Loan repaid during the year	1,952.93	1,330.03
Interest paid during the year including withholding tax	770.33	610.58

ii) Interest on External Commercial Borrowing (ECB)	31 st December 2013 (Rs. in Lakhs)	31 st December 2012 (Rs. in Lakhs)
Interest charged during the year	244.06	297.79

iii) Export sales transaction	31 st December 2013 (Rs. in Lakhs)	31 st December 2012 (Rs. in Lakhs)
Closing balance of export sales receivables as at	876.99	1,658.03
Total value of export sales transaction during the year ended	19,953.72	16,844.26

c) Fellow Subsidiary Company	31 st December 2013 (Rs. in Lakhs)	31 st December 2012 (Rs. in Lakhs)
Name of the related party: Lum Mawshun Minerals Pvt Ltd		
Transactions:		
Closing balance as at	2.66	2.22
Expense paid by the Company on behalf of the fellow subsidiary company during the year ended	0.44	1.30

34 Earnings per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted EPS:

	31 st December 2013	31 st December 2012
a) Net Profit / (Loss) after Tax available for Equity Shareholders (Rs. in Lakhs)	2,376.83	2,906.36
b) Weighted average number of equity shares of nominal value of Rs. 10 /- each (Nos.)	41,133,099	41,133,099
c) Basic and diluted Earnings/(Loss) per Share including exceptional item (a ÷ b) (Rupees)	5.78	7.07

35 None of the Company's fixed assets are considered impaired as on the Balance Sheet Date.

36 During the year the Company had entered into certain forward exchange contracts which are not intended for speculation purpose but only for hedging currency related risks. The Company has provided

foreign exchange loss of Rs. 336.79 lakhs (as at 31st December, 2012 Rs. 45.71 lakhs) due to fluctuation in foreign exchange rates in respect of all outstanding forward contracts at the balance sheet date not backed by any underlying existing assets/liabilities by marking them to the market.



Forward contracts outstanding as on 31st December, 2013 are as follows:

As at	No. of Contracts	Amount (USD in lakhs)	Amount (Rs. in Lakhs)
31 st December 2013	8	68.00	4,202.74
31 st December 2012	2	16.00	879.92


37 The year end foreign currency exposures that are not hedged by a derivative Instrument or otherwise are given below:


Particulars	Currency	Convertible amount as at			
		31 st December 2013		31 st December 2012	
		Foreign Currency in lakhs	Rs. in lakhs	Foreign Currency in lakhs	Rs. in lakhs
Secured Loan	USD	106.03	6,563.02	138.66	7,595.22
Interest on Secured loan	USD	28.21	1,745.95	36.94	2,023.24
Working capital loan	USD	154.50	9,563.09	128.00	7,011.49
Interest on Working capital loan	USD	0.27	17.10	0.26	14.29
Unsecured loan	USD	60.00	3,713.82	78.00	4,272.63
Interest on Unsecured loan	USD	0.17	10.38	0.25	13.66
Sundry Creditors	USD	1.18	95.08	0.36	19.78
Sundry Receivables	USD	14.17	876.99	30.27	1,658.03
	GBP	0.19	19.35	Nil	Nil


38 The Company has no reportable segment as the company is primarily engaged in the mining activities and the entire sales are export sales.

39 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors


 Masud Khan
 Director


 Narayan Sharma
 Director


 Manjuree Rai
 Company Secretary

Place: Dhaka
Date: February 16, 2014



REPORT & FINANCIAL STATEMENTS OF LUM MAWSHUN MINERALS PRIVATE LIMITED

For the year ended December 31, 2013



LUM MAWSHUN MINERALS PRIVATE LIMITED

Directors' Report

Dear Shareholders

Your Directors have the pleasure in presenting the Annual Report of Lum Mawshun Minerals Private Limited (the "Company"), together with the audited balance sheet and the profit and loss account for the year ended December 31, 2013.

Review of the Activities

Your Company had been set up as a subsidiary of Lafarge Surma Cement Limited ("LSC") to obtain the land rights and mining leases for the mining project in Meghalaya, India. The Company with due approval of the Government of Meghalaya, transferred all lands acquired for the project to Lafarge Umiam Mining Private Limited ("LUMPL"), the operating company for the Mining project. Your Company is now exploring new opportunities for development of future business.

Financial Highlights

The net loss for the year 2013 was Rs. 82,749/-.

Directors

The Company has six (6) Directors on the Board. The Directors are not liable to retire by rotation.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

1. That in the preparation of the annual accounts for the year ended December 31, 2013, the applicable Accounting Standards have been followed along with proper explanations were provided for material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provi-

sions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.

4. That the Directors had prepared the accounts for the financial year ended on December 31, 2013 on a going concern basis.

Auditors

The Statutory Auditors M/s RKP Associates, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that (i) their reappointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956; (ii) that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

Auditors Report

The notes to accounts forming part of the financial statements are self-explanatory and need no further explanation.

There is no qualification in the Auditors' Report which requires any clarification/explanation.

In the Audit Report to the shareholders, the Auditors without qualifying their report have drawn attention to Note 11 to the financial statement, regarding financial statements being prepared on a going concern basis, in spite of full erosion of net worth of the Company as at the year end, taking into account the continued financial support from its parent Company.

Particulars of employees

As there was no employee drawing the remuneration more than the limit prescribed under Section



217(2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules 1975 as amended from time to time, statement under section 217(2A) is not annexed.

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars as required under section 217(1) (e) of the Indian Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, are set out in Annexure "A" to this report

Fixed deposits

During the year under review, the Company has not accepted any deposit from the public.

Acknowledgements

Your Directors wish to express their grateful appreciation for the valuable support and cooperation received from LSC, LUMPL, lenders, project consultants and the Durbars of Nongtraï and Shella for their continued support.

For and on Behalf of the Board



Directors

Place: Dhaka
Date: April 1, 2014



Annexure "A" to the Directors' Report

Particulars furnished pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988.

- A. Conservation of Energy : The Company is not a manufacturing Company and hence the details in respect of Conservation of Energy are not applicable.
- B. Technology absorption : NIL
- C. Foreign Exchange earnings & outgo during the period : NIL

For and on Behalf of the Board



Directors

Place: Dhaka

Date: April 1, 2014



INDEPENDENT AUDITOR’S REPORT

To
The Members
Lum Mawshun Minerals Private Limited
Hotel Polo Towers,
Polo Ground, Oakland Road
Shillong – 793 001
Meghalaya

We have audited the accompanying financial statements of LUM MAWSHUN MINERALS PRIVATE LIMITED (“the Company”), which comprise the Balance Sheet as at 31st December, 2013 and the Statement of Profit & Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements 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 and financial performance of the company in accordance with Accounting Standards notified under the Companies Act, 1956 (“the Act”) read with 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 judgement, 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 the affairs of the Company as at 31st December, 2013.
- ii) In case of Statement of Profit & Loss, of the loss for the year ended on 31st December, 2013.

Emphasis of Matter

Without qualifying our report, we invite attention to Note 11 to the financial statements, regarding financial statements being prepared on a going concern basis, in spite of full erosion of net worth of the Company as at the year end, taking into account the continued financial support from its parent company.

Report on 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 Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the 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 purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
 - c) The Balance Sheet and the Statement of Profit and Loss referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and the Statement of Profit & Loss comply with the Accounting Standards notified under the Companies Act, 1956 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.
 - e) On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on December, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For R K P Associates
Chartered Accountants



(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E



Dated: Silchar
The 18th of February 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in para (1) under the heading of “Report on Other Legal and Regulatory Requirements” of the Auditors' Report of even date on the financial statements of LUM MAWSHUN MINERALS PRIVATE LIMITED for the year ended 31st December, 2013.

I) Having regard to the nature of the Company's business/activities/results, matters specified in clauses (i), (ii), (iv), (vi), (viii), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix), (xx) of Paragraph 4 of CARO,2003 does not apply to the Company.

II) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

III) Based on our audit procedure and according to the information and explanations given to us, there are no contracts or arrangements to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.

IV) According to the information and explanations given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed dues with the appropriate authority, including dues to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st December, 2013 for a period of more than six months from the date they became payable, applicable to it with the appropriate authorities.

c) There are no dues of Income Tax, Sale Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st December 2013 on account of disputes.

V) The accumulated losses of the company have exceeded fifty percent of its net worth as at the end of this year. The company has incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.

VI) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that, the company has not defaulted in repayment of dues to any financial institution or bank.

VII) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis aggregating to IRS 594,520 have, prima facie, been used for long-term investment.

VIII) Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.

IN TERMS OF OUR REPORT OF EVEN DATE

For R K P Associates
Chartered Accountants



(CA. RAVI KR. PATWA)
PARTNER
MRN. 056409
FRN. 322473E

Dated: Silchar
The 18th of February 2014

LUM MAWSHUN MINERALS PRIVATE LIMITED

Balance Sheet

as at 31st December 2013

	NOTES	As at 31.12.2013 (Rupees)	As at 31.12.2012 (Rupees)
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	546,600	546,600
(b) Reserves and surplus	04	(1,118,083)	(1,035,334)
		(571,483)	(488,734)
(2) Current liabilities			
- Trade payables	05	617,907	537,749
- Other current liabilities	06	-	3,371
		617,907	541,120
TOTAL EQUITY AND LIABILITIES		46,424	52,386
(II) ASSETS			
(1) Non-current assets			
- Long-term loans and advances	07	23,037	20,399
		23,037	20,399
(2) Current assets			
(a) Cash and bank balances	08	23,387	31,987
(b) Short-term loans and advances	07	-	-
		23,387	31,987
TOTAL ASSETS		46,424	52,386

See accompanying notes forming part of the financial statements

In terms of our report attached

For R K P Associates
Chartered Accountants



CA. RAVI KUMAR PATWA

PARTNER
MRN. 056409
FRN. 322473E

For and on behalf of the Board of Directors



Masud Khan
Director



Narayan Sharma
Director

Place: Silchar
Date: February 18, 2014

Place: Dhaka
Date: February 16, 2014



LUM MAWSHUN MINERALS PRIVATE LIMITED

Statement of Profit and Loss

for the year ended 31st December 2013

	NOTES	Year ended 31.12.2013 (Rupees)	Year ended 31.12.2012 (Rupees)
I Other Income (interest on bank deposit)		2,638	3,447
II Total Revenue		2,638	3,447
III EXPENSES			
- Other expenses	09	85,387	94,810
Total Expenses		85,387	94,810
IV Profit / (Loss) before tax (II-III)		(82,749)	(91,363)
V Tax Expense		-	-
VI Loss after tax for the year (IV - V)		(82,749)	(91,363)
VII Loss per equity share (Rupees):			
Basic and Diluted	12	(15.14)	(16.71)

See accompanying notes forming part of the financial statements

The Notes referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For R K P Associates
Chartered Accountants



CA. RAVI KUMAR PATWA
PARTNER
MRN. 056409
FRN. 322473E

For and on behalf of the Board of Directors



Masud Khan
Director



Narayan Sharma
Director

Place: Silchar
Date: February 18, 2014

Place: Dhaka
Date: February 16, 2014



LUM MAWSHUN MINERALS PRIVATE LIMITED

Notes to the Financial Statements

1 Background

"Lum Mawshun Minerals Private Limited ("LMMPL"), a private limited company incorporated under the laws of India, having its registered office in Shillong, Meghalaya, is a 100% subsidiary company of Lafarge Surma Cement Ltd. ("LSC"), a public limited company incorporated under the laws of Bangladesh.

The Company was formed for acquisition of mining and land rights to facilitate the mining operation of limestone & shale by Lafarge Umiam Mining Pvt Ltd (LUMPL), another subsidiary of the parent Company and supply of the same to the cement plant being set up by the parent Company at Bangladesh. During the earlier years the Company had transferred the Mining & Land rights as well as freehold & leasehold lands as was acquired to LUMPL along with the preoperative expenses and related account balances pertaining to such lands transferred, after obtaining necessary approval from the Government. Consequently there has been no business during the year as well as in the previous years. However, the Company is exploring new opportunities."

2 Significant Accounting Policies

a). Basis of accounting and preparation of financial statements.

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India to comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of Companies Act, 1956, as adopted consistently by the Company.

b). Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of

such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c). Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

d). Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



3 Share Capital

	As at 31.12.2013 (Rupees)	As at 31.12.2012 (Rupees)
Authorised:		
168,000 (Previous year 168,000) equity shares of Rs 100 each	16,800,000	16,800,000
	16,800,000	16,800,000
Issued, Subscribed and Fully Paid up:		
5,466 (Previous year 5,466) equity shares of Rs. 100 each	546,600	546,600
	546,600	546,600

3.1 Share Capital Reconciliation of Number of shares

	As at 31.12.2013		As at 31.12.2012	
	No. of Shares	Amount (Rupees)	No. of Shares	Amount (Rupees)
Issued, Subscribed and Fully paid				
At the beginning of the year	5,466	546,600	5,466	546,600
Issued during the year	-	-	-	-
At the end of the year	5,466	546,600	5,466	546,600

3.2 Details of shareholders holding more than 5% of outstanding shares

Shareholder	As at 31.12.2013		As at 31.12.2012	
	No. of Shares	%	No. of Shares	%
(1) Lafarge Surma Cement Ltd, Bangladesh, the holding company	4,046	74%	4,046	74%
(1) SG Lyngdoh	710	13%	710	13%
(1) Kitty Doris	710	13%	710	13%
	5,466	100%	5,466	100%

3.3 Rights, preferences and restrictions attached to the equity shareholders

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4 Reserves and Surplus

	As at 31.12.2013 (Rupees)	As at 31.12.2012 (Rupees)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	(1,035,334)	(943,971)
Add: Profit / (Loss) for the year	(82,749)	(91,363)
Closing Balance	(1,118,083)	(1,035,334)



5 Trade Payables

	As at 31.12.2013 (Rupees)	As at 31.12.2012 (Rupees)
Creditors for supplies / services	617,907	537,749
Total Trade Payables	617,907	537,749

6 Other current Liabilities

	As at 31.12.2013 (Rupees)	As at 31.12.2012 (Rupees)
Creditors for other Liabilities		
Statutory dues	-	3,371
Total Other current Liabilities	-	3,371

7 Loans and advances

	As at 31.12.2013		As at 31.12.2012	
	Long Term	Short Term	Long Term	Short Term
	(Rs. in Lakhs)		(Rs. in Lakhs)	
Loans and advances				
(a) Interest accrued on deposits	3,037	-	399	-
(b) Other loans and advances - Deposit account ⁽¹⁾	20,000	-	20,000	-
Total Loans and advances	23,037	-	20,399	-
Classification of loans and advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	23,037	-	20,399	-
Doubtful	-	-	-	-
Gross Loans and advances	23,037	-	20,399	-

Additional information

1. Pledged with the Director of Mineral Resources, Meghalaya

8 Cash and bank balances

	As at 31.12.2013 (Rupees)	As at 31.12.2012 (Rupees)
(a) Cash on hand	274	274
(b) Balances with banks - In Current Accounts	23,113	31,713
Total cash and bank balances	23,387	31,987
Out of above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	23,387	31,987

9 Other Expenses

	As at 31.12.2013 (Rupees)	As at 31.12.2012 (Rupees)
(a) Auditors Remuneration	70,787	70,787
(b) Filing fees	14,500	23,921
(c) Others	100	102
	85,387	94,810



10 Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures if any, relating to amounts unpaid as at the period end together with interest paid/payable are required under the said act have not been given.

12 Earnings per Share (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS:

Particulars	Year ended 31.12.2013 (Rs)	Year ended 31.12.2012 (Rs)
01. Net Profit after tax attributable to Equity Shareholders (Rs) {A}	(82,749)	(91,363)
02. Weighted average number of Equity Shares outstanding during the year (Nos.) {B}	5,466	5,466
03. Nominal Value of Equity per share (Rs.)	100	100
04. Basic/Diluted Earnings per share (Rs.) {A+B}	(15.14)	(16.71)

13 Deferred tax Asset/Liability has not been created during the year, there being no timing difference between the accounting income and taxable income, which is capable of reversing in subsequent periods.

14 Related party disclosure as per Accounting Standard 18

a) Holding Company

Name: Lafarge Surma Cement Ltd, Bangladesh
Ultimate Holding Company: Surma Holdings
B.V, Netherland

11 The net worth of the Company as on 31.12.2013 has been fully eroded and the Company has been incurring losses over the years including the current year. However, the Company enjoys continued supports from its parent company. In view of this, going concern assumption has not been vitiated.

b) Fellow Subsidiary

Name: Lafarge Umiam Mining Pvt Ltd
Transaction: Expense paid by the fellow subsidiary on behalf of the Company Rs. 43,416/- (Previous Year Rs. 130,090/-);
Balance at the year end: Rs.265,827/- (Previous Year Rs. 222,411/-)

15 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board


Masud Khan
Director


Narayan Sharma
Director

Place: Dhaka
Date: February 16, 2014



Lafarge Surma Cement Ltd.

A company of  and 

Form of Proxy

I/We(name)

of(address)

being a shareholder of Lafarge Surma Cement Limited (the "Company") hereby appoint,

Mr./Ms(name)

of(address)

as my/our proxy, to attend on my/our behalf at the 16th Annual General Meeting of the Company to be held on June 10, 2014 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks fit on all Resolutions.

As witness my/our hand this.....day of.....2014.

Signed (Member)

Folio / BO No.(Member)																						
------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Member Phone No.	
------------------	--

Signed (Proxyholder)

Folio / BO No. (Proxyholder)																						
------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Affix revenue stamp

Tk. 20.00

Note:

- The proxy form, duly filled in and stamped, must be submitted with the Registered Office of the Company not less than 72 hours before the time fixed for the meeting.
- Proxy shall be a member of the Company.

Lafarge Surma Cement Ltd.

A company of  and 

Attendance Slip

I hereby record my presence at the 16th Annual General Meeting of Lafarge Surma Cement Limited on June 10, 2014 at 11:00 A.M. at the Harmony Hall, Bangabandhu International Conference Centre, Agargaon, Sher-e-Bangla Nagar, Dhaka 1207.

Name of Member	
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Folio / BO No. of Member																						
--------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of Member

Note:

Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.



Lafarge Surma Cement Ltd.

A company of **LAFARGE** and **CEMENTOS MOLINS**

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