

**ANNUAL
REPORT
& ACCOUNTS
1997-98**

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AGM			SHI	
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NIRMAN CEMENTS LIMITED

BOARD OF DIRECTORS

Sri Gopal Prasad Agarwal, Chairman
Sri Sunil Kumar Khemka, Mg. Director
Sri Kashi Nath Khemka
Sri Sushil Kumar Khemka

AUDITORS

M/s Singhania Agrawal & Co.
Chartered Accountants,
New Dak Bunglow Road,
PATNA -- 800 001

BANKERS

Punjab National Bank,
East Gandhi Maidan, Patna.

REGISTERED OFFICE

✓
19/12/1998
501B, Ashiana Chambers,
Exhibition Road,
Patna - 800 001

WORKS

N.H. - 30
Bihta
Dist. Patna

NIRMAN CEMENTS LIMITED**ANNUAL REPORT 1997-98****DIRECTORS' REPORT**

Dear Members,

Your Directors present their report and audited accounts of the Company for the year ended March 31, 1998.

FINANCIAL PERFORMANCE

	For the year ended	
	March 31, 1998	March 31, 1997
Profit before Depreciation & Tax	27,55,054	41,20,089
Less: Interest	24,36,337	28,19,165
Less: Depreciation	19,12,900	18,47,686
Loss during the year	15,94,183	5,46,762

DIRECTORS

Sri Gopal Prasad Agrawal. Director of the Company retires by rotation, but being eligible, offer himself for reappointment.

PARTICULARS OF EMPLOYEES

There was no employee, who received remuneration of Rs.3 lakhs or more during the year, hence no particulars have been given.

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

Pursuant to provisions of Sec. 217(1) of the Companies Act, 1956 read with the (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 statement showing particulars of conservation of Energy has been annexed hereto and forms part of this report. Neither the company has earned nor spent foreign exchange during the year.

AUDITORS

Singhania Agrawal & Co., Chartered Accountants, Patna, retire at the ensuing Annual General Meeting of the company but are being eligible for reappointment.

APPRECIATION

Your Directors wish to place on record their appreciation for the support and contribution made by the employees towards the operations of the company. The Board also place on record their appreciation for co-operation extended by Punjab National Bank, Patna.

Patna
31st August, 1998

For and on behalf of Board of Directors
Gopal Prasad Agrawal
Chairman

ANNEXURE TO DIRECTORS' REPORT**POWER & FUEL CONSUMPTION**

	Current Year	Previous Year
Electricity		
Purchased (Units)	30,59,670	27,59,175
Total Amount	80,22,432	77,97,771
Rate per unit	Rs. 2.62	Rs. 2.82

CONSUMPTION PER UNIT OF PRODUCTION

Production (M. T.)	12292	19717
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AUDITORS' REPORT**To the Members of Nirman Cements Limited**

We have audited the attached Balance Sheet of Nirman Cements Limited as at 31st March, 1998 and the Profit & Loss A/c for the year ended on that date annexed thereto and we report that :

1. As required by the manufacturing and other companies (Auditors' Report) order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) the Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to note no. 2(B) relating to not providing depreciation on addition of fixed assets, note no. 2(C) relating to non charging of turnover tax to Profit & Loss Account, note no. 2(D) relating to non provision of interest on debentures, note no. 2(E) relating to non conversion of debentures into equity shares and read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view :-
 - (i) In the case of the Balance Sheet of the State of affairs of the company as at 31st March, 1998, and
 - (ii) In the case of Profit and Loss Account of the Loss of the company for the year ended on that date.

For Singhania Agrawal & Co.
Chartered Accountants
S.C. Agrawal
Partner

Patna
The 31st day of August, 1998

ANNEXURE 1 OF AUDIT REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) The stock of finished goods and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- iv) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- vi) On the basis of our examination of stock records, we were of the opinion that the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles.
- vii) The Company has not taken any loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from Companies, firms or other parties under the same management within the meaning of section 370 (1B) of the Companies Act,