

*Annual Report*  
&  
*Accounts*  
*2001-2002*

**NCL**

**NIRMAN CEMENTS LIMITED**

**BOARD OF DIRECTORS**

**SRI GOPAL PRASAD AGARWAL**  
**SRI SUNIL KUMAR KHEMKA, MG. DIRECTOR**  
**SRI SUSHIL KUMAR KHEMKA**  
**SRI KASHI NATH KHEMKA**

**AUDITORS**

**M/S ALOK JAIN & CO.**  
**MAURYA LOK COMPLEX**  
**PATNA- 800 001**

**BANKERS**

**PUNJAB NATIONAL BANK**  
**EAST GANDHI MAIDAN, PATNA**

**REGISTERED OFFICE**

**501 B, ASHIANA CHAMBERS**  
**EXHIBITION ROAD**  
**PATNA- 800 001**

**WORKS**

**N.H. -30**  
**BIHTA**  
**DIST. -PATNA**

**NOTICE**

Notice is hereby given that 7th Annual General Meeting of Members of the company will be held at the Registered Office of the company at 501-B, Ashiana Chambers, Exhibition Road, Patna-800001 at 3 P.M. on Thursday the 26th September, 2002 to transact the following business.

**AS ORDINARY BUSINESS**

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that Date and Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Sri Sushil Kumar Khemka who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

By Order of the Board  
For Nirman Cements Ltd.

**Sunil Kumar Khemka**  
**(Managing Director)**

Patna  
28<sup>th</sup> August 2002

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**NIRMAN CEMENTS LIMITED****ANNUAL REPORT 2001-2002****DIRECTORS' REPORT**

Dear Shareholders,

We hereby present the seventh Annual Report of the company together with the Audited Statements of Accounts for the year ended 31st March 2002.

**FINANCIAL HIGHLIGHT**

The Financial and Operational result of the company for the year under review as compared to the previous year are furnished hereunder :-

	Rs. In Lacs	
	For the year ended 31.03.2002	For the year ended 31.03.2001
Turnover	636.21	552.88
Other Income	31.77	25.32
Profit before Interest & Depreciation	05.03	35.87
Less : Interest	14.27	17.78
Depreciation	22.41	23.23
Profit for the Year	(31.65)	(5.14)
Add: Balance Brought Forward	(46.56)	(41.42)
From previous Year		
Balance Carried to Balance Sheet	(78.21)	46.56)

**DIVIDEND**

Considering the overall performance of the company and the market outlook for the coming year, your directors express their inability to recommend any dividend.

**REVIEW OF PERFORMANCE**

The result of the current year has been unsatisfactory due to the factors details below :-

- i) Over supply cement position and weak sentiment in cement market.
- ii) Increase in cost of clinker and electricity.
- iii) Economic slow down in the country affecting all areas of operation.

**PROSPECTS**

The coming year may be emerging to be the most difficult and challenging for the cement industries of Bihar. There was drought during the month of April & May 02 followed by hail damages in few district and during the month of July there was flood in the North Bihar that affected the whole business in the Bihar worstly. In addition to natural calamities Bihar also faces the man made hurdles i.e. transport strike of many days. Transport strike has affected the business of Bihar to 25% and your company is also affected from the same. Additionally, with the increase in cost of production has reduced the gap of margin in cost and realization. However, company has taken several steps to face the challenge.

**NIRMAN CEMENTS LIMITED****ANNUAL REPORT 2001-2002****DIRECTORS**

Sri Sushil Kumar Khemka, whose office expires on the date of ensuing Annual General Meeting but has offered himself for appointment.

**PUBLIC DEPOSITS**

The company has not accepted any deposits from the public during the year under review

**DIRECTORS RESPONSIBILITY STATEMENT**

Your directors would like to inform members that the audited accounts containing the financial statements for the year 2001-2002 are in conformity with the requirements of the Companies Act and they believe that the financial statement reflect fairly, the form and substance carried out during the year, and reasonably present the company's financial condition and results of the operations. These financial statements have been audited by the statutory auditors. M/s Alok Jain & Co. Chartered Accountants, Patna.

Based on the same, and as per section 217 (2AA) of the companies Act, 1956 your Directors State -

- (i) That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and no material departure have been made from the same
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company for that period.
- (iii) That the Directors had taken proper & sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors had prepared the annual accounts on a going concern basis

**AUDITORS**

M/s. Alok Jain & Co. Chartered Accountants retires at the forthcoming Annual General Meeting and being eligible, offers themselves for reappointment for the year 2002-2003 which we recommend.

**PARTICULARS OF EMPLOYEES**

Pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended, particulars of employees have not been given as no employee was in receipt of remuneration exceeding the limits specified thereunder

**NIRMAN CEMENTS LIMITED****ANNUAL REPORT 2001-2002****PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the Reports of the Board of Directors) Rules, 1988 with respect to energy consumption is appended hereto and forms part of this report. The company has neither earned nor spent foreign exchange during the year. No new technology has been imported. Company has not undertaken any research and development activities. Due to some modification in operation and precautionary measures electricity consumed per M.T. of production has been reduced and however no expenditure has been incurred on the same.

**ANNEXURE TO DIRECTORS REPORT****Power & Fuel Consumption**

	<b><u>2001-2002</u></b>	<b><u>2000-2001</u></b>
Electricity (Purchased)		
Units (KWH)	2534367	27,43,105
Amount (Excluding AMG)	14273260	12495696
Rate per Unit (Rs.)	Rs. 5.63	Rs. 4.55
Production (M. T.)	23063.15	20,091
Consumption Unit/M.T.	109.89	136.53

**LISTING**

Equity shares of the company are listed with Magadh and Mumbai Stock Exchange and listing fees have been paid to above stock exchange and trading of shares has not been suspended anytime during the year under review.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation of the assistance and co-operation extended to the company by Commercial Banks, Government of India, Bihar Government, Shareholders and all others whose continued support has been a source of strength to the company. Your Directors also wish to place on records their appreciation for sincere contribution and high level commitment of employees of all levels.

For and on behalf of Board of Directors

**Sunil Kumar Khemka**  
Managing Director

**Sushil Kumar khemka**  
Director

Patna 10th August, 2002

**NIRMAN CEMENTS LIMITED****ANNUAL REPORT 2001-2002****AUDITOR'S REPORT TO THE MEMBERS OF NIRMAN CEMENTS LIMITED**

We have audited the attached Balance Sheet of NIRMAN CEMENTS LIMITED, as at 31st March 2002 and the Profit & Loss Account for the year ended on that date annexed thereto. The financial statements are the responsibility of the Company's management. Our responsibility to express an opinion on these financial statements is based on our audit and report that:

- 1 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2 As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 3 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 as far as appears from our examination of such books.
  - c The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
  - d In our opinion the Profit & Loss Account and the Balance Sheet comply with Accounting Standards referred to in Sub-section (3C) of the section 211, of the Companies Act, 1956.
  - e On the basis of the written representations received from the directors as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2002, and
    - ii in the case of Profit & Loss Account of the Loss of the company for the year ended on that date.

**For ALOK JAIN & CO.**  
Chartered Accountants

Place: Patna  
Date: 10.08.2002

**(A. K. JAIN)**  
Partner