


### **NOTICE**

Notice is hereby given that 9<sup>th</sup> 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 Tuesday the 28th September, 2004 to transact the following business.

### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2004 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 Gopal Prasad Agarwal 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.

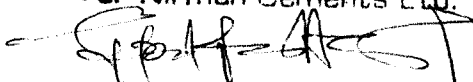
  
Sunil Kumar Khemka  
(Managing Director)

Patna  
3rd August 2004

### **NOTES**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY INSTEAD OF HIMSELF/ HERSELF TO ATTEND AND TO VOTE AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2 The Register of Members and the Share Transfer Books of the company will remain closed from 24.09.2004 to 27.09.2004.
- 3 Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting and also their copies of the Annual Report.

For Nirman Cements Ltd.

  
Director

**CERTIFIED TO BE TRUE COPY**

**NIRMAN CEMENTS LIMITED**  
**501 ASHIANA CHAMBERS**  
**EXHIBITION ROAD, PATNA**

**Directors' Report**

We hereby present the ninth Annual Report of the company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2004

**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 31.03.2004	Rs in lacs For the year ended 31.03.2003
Turnover	400.04	635.58
Other Income	86.99	33.77
Profit before Interest ,Depreciation & Tax	55.54	48.30
Less: Interest	12.06	14.35
Depreciation	21.04	20.99
Income Tax	1.15	—
Profit for the year	19.79	12.96
Add: Balance Brought Forward	(65.25)	(78.21)
From previous year		
Balance Carried to Balance Sheet	(45.46)	(65.25)

**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 not been satisfactory due to the factors details given below:-

1. Over supply cement position and weak sentiment in cement market.
2. Increase in cost of clinker and electricity.
3. Cut throat competition by large scale company.

For Nirman Cement Ltd.

  
 Director

CERTIFIED TO BE TRUE COPY

**PROSPECTS:**

The coming year may be emerging to be the bright as the Central Government as well as State Government is focusing on the development of the infrastructure that will in turn boost up the cement market.

**DIRECTORS:**

Shri Gopal Prasad Agarwal, Director whose office expires on the date of ensuing Annual General Meeting but has offered himself for reappointment.

**PUBLIC DEPOSITS:**

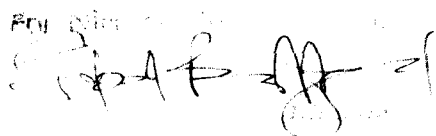
The company has not accepted any deposits from the public during the year under review.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Your directors would like to inform members that the audited accounts containing the financial statements for the year 2003-2004 are in conformity with 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 company's financial condition and result of the operations. These financial statements have been audited by the statutory auditors, M/s K.N.JAIN & CO., Chartered Accountants, Patna.

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

1. That in the preparation of Annual Accounts, the applicable Accounting standards have been followed and no material departure has been made from the same.
2. That the Directors had selected such accountings policies and applied them consistently and made judgments 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.
3. That the Directors had taken proper and 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.
4. The Directors had prepared the annual accounts on a going concern basis.



CERTIFIED TO BE TRUE COPY

**PROSPECTS:**

The coming year may be emerging to be the bright as the Central Government as well as State Government is focusing on the development of the infrastructure that will in turn boost up the cement market.

**DIRECTORS:**

Shri Gopal Prasad Agarwal, Director whose office expires on the date of ensuing Annual General Meeting but has offered himself for reappointment.

**PUBLIC DEPOSITS:**

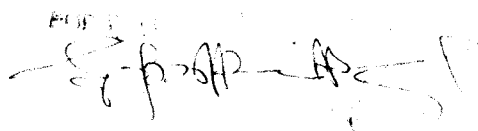
The company has not accepted any deposits from the public during the year under review.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Your directors would like to inform members that the audited accounts containing the financial statements for the year 2003-2004 are in conformity with 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 company's financial condition and result of the operations. These financial statements have been audited by the statutory auditors, M/s K.N. JAIN & CO., Chartered Accountants, Patna.

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

1. That in the preparation of Annual Accounts, the applicable Accounting standards have been followed and no material departure has been made from the same.
2. That the Directors had selected such accountings policies and applied them consistently and made judgments 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.
3. That the Directors had taken proper and 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.
4. The Directors had prepared the annual accounts on a going concern basis.



CERTIFIED TO BE TRUE COPY

**CORPORATE GOVERNANCE REPORT:**

A separate Report on " Corporate Governance " is annexed herewith forming a part of Annual Report of the Company in terms of compliance of requirement of clause 49 of the Listing Agreement of Stock Exchange

**AUDITORS:**

M/s K. N. Jain & Co, Chartered Accountants retires at the forthcoming Annual General Meeting and being eligible, offers themselves for reappointment for the year 2004-2005 which we recommend.

**CASH FLOW STATEMENT:**

A Cash Flow Statement for the period ended 31.03.2004 is annexed herewith forming a part of Annual Report in compliance with the requirement of Clause 32 of the Listing Agreement of Stock Exchanges.

**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 employees was in receipt of remuneration exceeding the limits specified there under.

**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 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 spends foreign exchange during the year. No new technology has been imported. Company has not undertaken any research and development activities.

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

	<u>2003-04</u>	<u>2002-2003</u>
Electricity (Purchased):		
Units (KWH)	1823842	2018194
Amount (Rs.)	11801489	11042445
Rate per Unit (Rs.)	Rs. 6.47	Rs. 5.47
Production (M.T)	14229	23286
Consumption Unit/M.T.	128.17	86.66

For Nirman Cements Co.

Director

CERTIFIED TO BE TRUE COPY

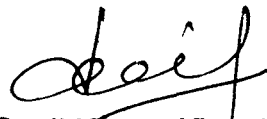
## **LISTING**

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.

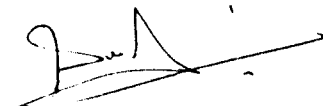
## **ACKNOWLEDGEMENTS**

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, Shareholders and all other 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 the Board of Directors



Sunil Kumar Khemka  
Managing Director

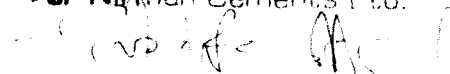


Sushil Kumar Khemka  
Director

Patna  
30.06.2004

Report  junction.com

For Nipman Cements Ltd.

  
Director

CERTIFIED TO BE TRUE COPY

**K.N.JAIN & CO.**  
Chartered Accountants

Chandrakanta Apartment  
Pandui Kothi, Boring Road  
Patna – 800001  
Phone No:- 2524736 (O),  
3101724 (M)

**ANNEXURE TO THE REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004**

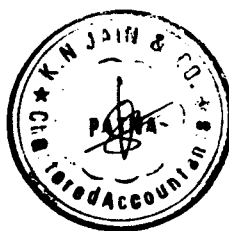
**Auditor's Certificate on Compliance with the Conditions of Corporate Governance  
under Clause 49 of the Listing Agreement(s)**

**To The Members of NIRMAN CEMENTS LIMITED**

1. We have reviewed the implementation of Corporate Governance procedure by NIRMAN CEMENT LTD, for the year ended on 31<sup>st</sup> March 2004, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate on Governance as approved by the Board of Directors.
2. The compliance of condition of Corporate Governance is the responsibility, of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of the financial statements of the company.  
We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency of effectiveness with which the management has conducted the affairs of the company.
3. On the basis of our review and according to the information and explanation given to us the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchange have been complied with in all material respects by the Company and that no investor grievance are pending for a period exceeding one month against the Company as on 30<sup>th</sup> June 2004 as per the records maintained by Shareholders/ Investors Grievance Committee.

**Place : Patna**  
**Date :30.06.2004**

**For K N JAIN & CO.**  
**Chartered Accountants**



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

**For Nirman Cements Ltd.**

  
**Director**

**CERTIFIED TO BE TRUE COPY,**



## **CORPORATE GOVERNANCE**

### **1.INTRODUCTION**

#### **Company's Philosophy on Corporate Governance**

Nirman's Philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interaction with its stakeholders, including shareholders, employees, the government and bankers. Nirman is committed to achieving the standards of corporate governance.

### **2. BOARD OF DIRECTORS**

#### **a) Composition of the Board of Directors**

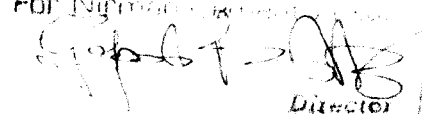
The Board of Directors comprises of four Directors. The composition is as under: -

<b>Name of the Director</b>	<b>Category</b>
Mr. Gopal Prasad Agarwal	Non Executive chairman
Mr. Sunil Kumar Khemka	Managing Director
Mr. Sushil Kumar Khemka	Non Executive Director
Mr. Kashi Nath Khemka	Non Executive Director

#### **b) Directors Attendance**

The Attendance of each of the Directors at the Board of Directors Meeting and the last Annual General Meeting is as under: -

<b>Name of the Director</b>	<b>Number of board Meeting (s) Attended out of 8 held</b>	<b>Attendance at the last Annual general Meeting</b>
Mr. Gopal Prasad Agarwal	8	Present
Mr. Sunil Kumar Khemka	8	Present
Mr. Sushil Kumar khemka	8	Present
Mr. Kashi Nath khemka	5	Present

FOR Nirman  
  
 Director

**CERTIFIED TO BE TRUE COPY**



During the year, eight meeting were held on 28<sup>th</sup> April 2003, 23<sup>rd</sup> May 2003, 30<sup>th</sup> June 2003, 11<sup>th</sup> July 2003, 29<sup>th</sup> July 2003, 29<sup>th</sup> October 2003, 27<sup>th</sup> November 2003 and 29<sup>th</sup> January 2004 respectively.

#### c) BOARD PROCEDURE

The meeting of the Board of Directors is Generally held at the company's registered office in Patna. The meetings are generally scheduled well in advance. The Board meets at least once in a quarter to review the quarterly performance and the financial results. The agenda of the meeting is prepared in consultation of the Managing Director and the board papers are circulated in advance. The members of the board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executive are invited to attend the board meeting and provide clarification as and when required.

#### 3.AUDIT COMMITTEE

- a) The members of the Audit committee are Mr. Gopal Prasad Agarwal, Mr.Sushil Kumar Khemka and Mr. Kashi Nath Khemka . The audit committee consists entirely of independent non-executive directors. who have knowledge of finance accounts and company law.
- b) The audit committee during the year ended on 31<sup>st</sup> March 2004 had five meeting on 27<sup>th</sup> April 2003, 28<sup>th</sup> July 2003, 28<sup>th</sup> October 2003 and 27<sup>th</sup> January 2004 and all the members attended the same.
- c) The broad function of the Audit committee includes approving and implementing the Audit procedures reviewing financial reporting system internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The audit committee also invited senior executive as it considers appropriate to be present to be present at the meeting of the committees

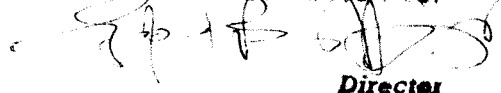
#### 4. REMUNERATION COMMITTEES

The Managing Director is appointed by Board of Director on 7<sup>th</sup> August 2000 for a term of 5 years and are being paid remuneration as per the terms of their appointment. The company therefore has not constituted a Remuneration committee to decide on the Director's remuneration policy .The details of remuneration paid to the Directors during fiscal 2003-2004 are as under: -

Directors Remuneration

Rs. 3.00 Lakhs

For Nirman Cements Co.

  
Director

CERTIFIED TO BE TRUE COPY