

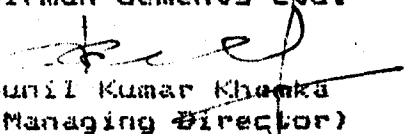
NOTICE

Notice is hereby given that 10th Annual General Meeting of members of the company will be held at the Registered office of the company at 101-B, Ashiana Chambers, Exhibition Road, Patna 800001 at 3 P.M. on Tuesday the 10th September 2005.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 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 reappoint ALOK JAIN & CO., Chartered Accountants as auditors and fix their remuneration.

By order of the Board
For Nirman Cements Ltd.


Sunil Kumar Khemka
(Managing Director)

Place : Patna

Date : 2nd September 2005

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 MEMBER OF THE COMPANY.
2. The Register of Members and the share Transfer Books of the company will remain closed from 25.09.2005 to 29.09.2005.
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.

NIRMAN CEMENTS LIMITED
501, ASHTANA CHAMBERS
EXHIBITION ROAD, PATNA

Directors Report

To
The Members,
Nirman Cements Limited

We hereby present the Tenth Annual Report of the company together with the Audited Statements of Account for the year ended 31st March 2005.

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 31.3.05	Rs. in Lacs for the year ended 31.3.04
Turnover	96.44	400.04
Other Income	111.30	86.49
Profit before Interest, Dep. Tax	11.06	55.54
Less : Interest	11.20	12.06
Depreciation	21.02	21.04
Income Tax	—	1.19
Profit for the year	(-)17.78	19.79
Add : Balance Brought Forward	(-)45.46	(-) 69.25
Form previous year		
Balance Carried to Balance Sheet	(-)63.25	(-) 49.46

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 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.

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 Sushil Kumar Khemka, 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 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 2004-05 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, ALOK JAIN & CO., Chartered Accountants, Patna.

(2)

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

1. That in the preparation of the annual accounts, the applicable Accounting standards have been followed and no material departure has been made from the same.
2. That your Directors have selected such accounting policies and applied them consistently and made judgement 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 and of the profit or loss of the Company for that period;
3. That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. That your Directors have prepared the annual accounts on a going concern basis.

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 had resigned in the last General meeting and the members had appointed M/S ALOK JAIN & CO., Chartered Accountants as Auditors of the company for 2004-05 and being eligible they offer themselves for reappointment for the year 2005-06 which we recommend.

CASH FLOW STATEMENT:

A cash flow statement for the period ended 31.03.2005 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 spent 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

	2004-05	2003-04
Electricity (Purchased):		
Units (KWH)	909452	1823042
Amount (Ru.)	7769933	11801489
Rate per Unit (Rs.)	8.54	6.47
Production (M.T)	3887	14229
Consumption Unit/M.T	238.89	120.17

(3)

LISTING

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

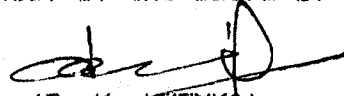
APPOINTMENT OF COMPANY SECRETARY

During the year under review, the company secretary Mr. A.K. Saradgi has resigned on 31.01.2005. The company has advertised for appointment of a new company secretary but no one has turned up till now. However, with a view to comply with the Provisions of Section 383 A of companies Act, 1956, the company has obtained a compliance certificate from a practising company secretary.

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



(S. K. KHEMKA)
Director

Place : Patna
Date : 28.06.2005

ALOK JAIN & Co.
Chartered Accountants

Ph-2524736, 9334284660
Gr. Floor, Chandrakanta
Apartment, Panduikothi
F/o BataShop, Boring Rd,
Patna - 800001

ANNEXURE TO THE REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 2005

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

To The Members of NIRMAL CEMENTS LIMITED

1. We have reviewed the implementation of Corporate Governance procedure by NIRMAL CEMENT LTD. for the year ended on 31st march 2005, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions 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 conditions of corporate Governance. It is neither an audit nor an expression on 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 or 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 explanations given to us the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the stock Exchanges have been complied with in all material respect by the Company and that no investor grievances are pending for a period exceeding one month against the Company as on 30th June 2005 as per the records maintained by Shareholders/ Investor Grievance Committee.

For ALOK JAIN & CO.
Chartered Accountants

Place : Patna
Date : 28.06.2005



(A. K. JAIN)
Partner

NIRMAN CEMENTS LIMITED **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:-

<u>Name of the Director</u>	<u>Category</u>
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 :-

<u>Name of the Director</u>	<u>Number of Board Meeting(s) attended out of 8 held</u>	<u>Attendance at the last Annual General Meeting</u>
Mr. Gopal Prasad Agarwal	8	Present
Mr. Sunil Kumar Khemka	8	Present
Mr. Sushil Kumar Khemka	8	Present
Mr. Kashi Nath khemka	8	present

During the year eight meeting were held on 12th April 2004, 19th May 2004, 26th July 2004, 28th Sept. 2004, 20th Nov. 2004, 22nd Jan. 2005 23rd Feb. 2005 & 31st Mar. 2005 respectively.

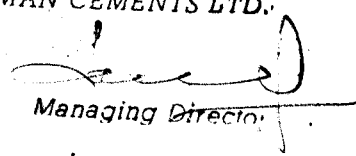
c) BOARD PROCEDURE

The meeting of the Board of Directors are 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 executives are invited to attend the Board meetings 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.

For NIRMAN CEMENTS LTD.


Managing Director

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- b) The audit committee during the year ended on 31st march 2005 had five meeting on 28th April 2004, 28th July 2004, 28th October 2004 and 27th January 2005 and all the members attended the same.
- c) The board 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 executives as it considers appropriate to be present at the meeting of the committees.

4. **REMUNERATION COMMITTEES**

The Managing Director was appointed by Board of Director on 7th 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 2004-2005 are as under :-

Directors Remuneration

Rs. 3.00 Lakhs

5. **SHAREHOLDERS COMMITTEES**

The Company has constituted a committee of the Board under the chairmanship of the non-executive director to specifically look in to the redressing of shareholders and investors Complaints such as transfer of shares, non receipt of balance sheets, non receipt of notices etc. The member of this committee are Sri Gopal Prasad Agarwal, Chairmain, Sri Sushil Kumar Khemka, and Sri Sunil kumar khemka.

As of 31st March 2005 there is no complaint pending. There were also no share transfer pending for registration as on the said date.

6. **GENERAL BODY MEETINGS**

Details of Annual General Meeting held in last 4 years are as under :-

<u>Annual General Meeting</u>	<u>Day, Date & Time</u>	<u>Venue</u>
5 th Annual General Meeting	Friday 29 th September, 2000 at 3.00 P.M	Registered Office
6 th Annual General Meeting	Tuesday 25 th September, 01 at 3.00 P.M	Registered Office
7 th Annual General Meeting	Thursday 26 th September, 02 at 3.00 P.M	Registered Office
8 th Annual General Meeting	Monday 29 th September, 03 at 3.00 P.M	Registered Office
9 th Annual General Meeting	Tuesday 28 th September, 04 at 3.00 P.M	Registered Office

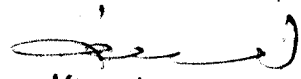
7. **DISCLOSURES**

- a) There are no materially significant Transaction with the related parties viz. Promoters, Directors or the Management, Their subsidiaries or relatives conflicting with Company's interest.
- b) No penalties or strictures have been imposed on the Company by Stock Exchange of SEBI or any statutory authority on any matter related to capital markets.

8. **MEANS OF COMMUNICATION**

The company communicates with its shareholders on an annual basis through the Annual Report. The quarterly, half yearly, financial and yearly finance results of the company are sent to the exchanges immediately after the Board approves them. The quarterly and half yearly results are released in leading English and vernacular language newspapers.

For NIRMAN CEMENTS LTD,


Managing Director

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9. GENERAL SHAREHOLDERS INFORMATION**a) Registered Office**

501 B Ashiana Chambers, exhibition Road, Patna - 800001

b) Annual General MeetingDate :- 30th September 2005

Time :- 3.00 P.M

Place :- 501 B Ashiana Chambers, Exhibition Road, Patna

c) Book Closure Date :- 25 -29 September 2005**d) Dividend pay Out date : N.A****e) Listing of Shares :**The stock Exchange of Mumbai
Magadh Stock Exchange associationStock Code
531954**f) Market Price Date :-**

There were no trading of the shares of the company during the last financial year.

g) Distribution of shareholding:-

Nominal Value (Rs.)	No. of Shareholders	No. of Shares	Percentage of Shareholding
Up to- 5000	325	159200	3.82
5001-10000	78	7800	1.87
10001-20000	210	38200	9.17
20001-30000	332	88020	21.13
30001-40000	224	84910	20.38
40001-50000	7	3340	0.80
50001-100000	26	24900	5.98
100000 and above	27	153500	36.85
	1229	416590	100.00

h) Shareholding Patten

Promoters	10.98%
Body Corporates	18.89%
Others	70.13%

i) Dematerialization of share

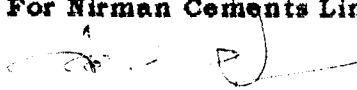
Company has applied for CDSL & NSDL for dematerialization which is still pending at their level.

j) Share Transfer System :-

Share Transfer requests received are registered within an average period of 15... days.

k) Financial calendar 2004-05

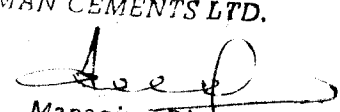
First Quarterly Results	:-	By end of July 2004
Second Quarterly Results	:-	By End of October 2004
Third Quarterly Results	:-	By end of January 2005
Fourth Quarterly Results	:-	By end of April 2005

By Order of the Board
For Nirman Cements Limited

Suni Kumar Khemka
Managing Director

Place : Patna

Date : 28.06.2005

For NIRMAN CEMENTS LTD.


Managing Director

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ALOK JAIN & Co.
Chartered Accountants

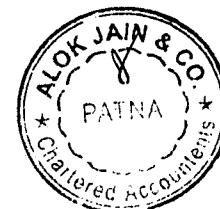
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AUDITOR'S REPORT

To
The Members
Nirman Cements Limited

We have audited the attached Balance Sheet of NIRMAL CEMENTS LIMITED, as at 31st March, 2005 and also the Profit & Loss Account of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and Other Companies (Auditors Report) order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 1 above, We Report that:
 - a. We have obtained all the information and explanation 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 appears from our examination of those books.
 - c. The Balance Sheet and Profit, Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balancesheet, profit and Loss Account & Cash flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. In our opinion and to the best of our information and explanations given to us, none of the directors are disqualified as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



For NIRMAL CEMENTS LTD.

[Signature]
Managing Director

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ALOK JAIN & Co.
Chartered Accountants

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7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i. In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2005 and
- ii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
- iii. In so far as it relates to the cash flow statement, of the cash for the year ended on that date.

For ALOK JAIN & Co.
Chartered Accountants

PLACE : PATNA
DATE : 28.06.2005



(A.K. JAIN)
Partner