

*Annual Report  
&  
Accounts  
2010 - 2011*



**NIRMAN CEMENTS LIMITED**

## **BOARD OF DIRECTORS**

Sri Gopal Prasad Agarwal, Chairman  
Sri Sunil Kumar Khemka, Mg. Director  
Sri Sushil Kumar Khemka  
Sri Banarsi Prasad Jhunjunwala  
Sri Ramawatar Poddar

## **AUDITORS**

M/s Alok Jain & Co.  
Gr.Floor, Chandrakanta Apartment,  
Pandui Kothi,  
Oppo. Boring Road Bata,  
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

## **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 five Directors. The composition is as under: -

Name of the Director	Category
Mr. Gopal Prasad Agarwal	Non Executive chairman
Mr. Sunil Kumar Khemka	Managing Director
Mr. Sushil Kumar Khemka	Director
Mr. Banarsi Prasad Jhunhunwala	Independent Director
Mr. Ramawatar Poddar	Independent 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: -

Name of the Director	Number of board Meeting (s) Attended out of 8 held	Attendance at the last Annual general Meeting
Mr. Gopal Prasad Agarwal	8	Present
Mr. Sunil Kumar Khemka	8	Present
Mr. Sushil Kumar khemka	8	Present
Mr. Kashi Nath khemka	7	Present
Mr. Banarsi Prasad Jhunhunwala	8	Present
Mr. Ramawatar Poddar	8	Present

During the year, eight meeting were held on 15<sup>th</sup> May 2010, 30<sup>th</sup> June 2010, 16<sup>th</sup> August 2010, 30<sup>th</sup> September 2010, 21<sup>st</sup> November 2010, 28<sup>th</sup> December 2010, 16<sup>th</sup> February 2011 and 30<sup>th</sup> March 2011 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 executives 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, Banarsi Prasad Jhunjhunwala and Mr. Ramawatar Poddar. The audit committee consists mainly 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 2011 had five meeting on 15<sup>th</sup> May 2010, 16<sup>th</sup> August 2010, 21<sup>st</sup> October 2010, 16<sup>th</sup> February 2011 and 30<sup>th</sup> March 2011 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 company has constituted a Remuneration committee to decide on the Director's remuneration policy .The details of remuneration paid to the Directors during fiscal 2010-2011 are as under: -

Directors Remuneration	Rs. 124800/-
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### 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 investor complaints such as transfer of shares, non-receipt of balance sheets, non-receipt of notices etc. The members of this committee are Sri Gopal Prasad Agarwal, Chairmain, Sri Banarasi Lal Jhunjhunwala and Sri Ramawatar Poddar.

As of 31<sup>st</sup> March 2011 there is no complaint pending. There was also no share transfer pending for registration as on the said date.

### 6. GENERAL BODY MEETING

Details of Annual General Meeting held in last 3 years are as under: -

Annual General Meeting	Day, Date & Time	Venue
13 <sup>th</sup> Annual General Meeting	Monday 30th September 2008 at 3.00 P.M.	Registered Office
14 <sup>th</sup> Annual General Meeting	Monday 30th September 2009 at 3.00 P.M.	Registered Office
15 <sup>th</sup> Annual General Meeting	Wednesday 30 <sup>th</sup> June 2010 at 3.00 P.M	Registered Office

### 7. DISCLOSURES

- a) There are no materially significant Transactions with the related parties viz. promoters, Directors or the Management their Subsidiaries of relatives conflicting with company's interest.
- b) No penalties of strictures have been imposed on the company by stock Exchange or SEBI or any statutory on any matter related to capital markets.
- c) The company has duly appointed two (2) independent director as per the requirement of Clause 49 (I) (A) (iii) of the Listing Agreement of SEBI.

### 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 financial 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.

## 9. GENERAL SHAREHOLDERS INFORMATION

### a) Registered office

501 B Ashiana chambers Exhibition Road Patna – 800001

### b) Annual General Meeting

Date :- 30<sup>th</sup> September 2011

Time :- 3.00 P.M.

Place :- 501 B Ashiana chambers Exhibition Road Patna.

### c) Book Closure Date: - 23 to 29 Sep. 2011

### d) Dividends pay out Date: - NA

### e) Listing of Shares: -

The Stock Exchange of Bombay - Stock Code – 531954

### f) Market Price Data: -

There was 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	122	57700	1.39
5001- 10000	19	18200	0.44
10001 – 20000	99	187200	4.49
20001 - 30000	193	495000	11.88
30001 - 40000	115	439900	10.56
40001 - 50000	7	33400	0.80
50001 - 100000	15	144000	3.46
100000 and above	45	2790500	66.98
	<b>615</b>	<b>4165900</b>	<b>100.00</b>

### h) Shareholding Pattern

Promoter & Promoters Group 46.95%

Others 53.05 %

### i) Dematerialization of Shares

The shares of the Company have been dematerialized – 2366800 shares.

### j) Share Transfer System: -

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

k) Financial calendar 2010- 2011

First Quarterly Results : - By end of July 2010  
Second Quarterly Results : - By end of October 2010  
Third Quarterly Results : - By end of January 2011  
Fourth Quarterly Results : - By end of April 2011

L) Location - The Company has successfully started commercial production at its new project site at Paunta Saheb at Himachal Pradesh during the financial year 2010-11.

**By order of the Board  
For Nirman Cements Limited**

**Place : Patna  
Date : 04.06.2011**

**Sd  
S. K. Khemka  
Director**

**NOTICE**

Notice is hereby given that 16<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 – 800 001 at 3 P.M. on Tuesday the 30<sup>th</sup> Sep, 2011 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 2011 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 **Sunil 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.

Place: Patna  
Date: 04.06.2011

Sd  
S.K.Khemka  
Director

**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 23.09.2011 to 29.09.2011.
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.

**DIRECTOR'S REPORT**

To  
The Members,  
Nirman Cements Limited

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We hereby present the tenth Annual Report of the company together with the Audited Statements of Account for the year ended 31<sup>st</sup> March 2011.

**FINANCIAL HIGHLIGHT:**

The Financial and operational results of the company for the year under review as compared to the previous year are furnished here under:-

	Rs. In Lacs For the year Ended 31.03.11	Rs. In Lacs for the year ended 31.03.10
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Turnover	182.56	295.59
Other Income	83.69	11.52
Profit before interest, Dep. Tax	90.21	89.13
Less: Interest	18.53	31.07
Depreciation	38.86	37.39
Income Tax & FBT	--	--
Profit for the year	32.81	20.68
Add: Balance b/f from previous year	(-) 79.93	(-) 100.61
Balance Carried to Balance Sheet	(-) 47.12	(-) 79.93

**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.

**PROSPECTUS**

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**

Sri Sunil 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 deposit from public during the year under reviews.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Your directors would like to inform members that the audited accounts containing the financial statements for the year 2010-11 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.

Based on the same and as per section 217 (2AA) 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.