

*Annual Report
&
Accounts
2011 - 2012*



NIRMAN CEMENTS LIMITED

BOARD OF DIRECTORS

Sri Sunil Kumar Khemka, Mg. Director
Sri Sushil Kumar Khemka
Sri Banarsi Prasad Jhunjhunwala
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

REGISTRAR & TRANSFER AGENT

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B.R.B.B. Road
Kolkata – 700 001

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	Director
Mr. Sunil Kumar Khemka	Managing Director
Mr. Sushil Kumar Khemka	Director
Mr. Banarsi Prasad Jhunjunwala	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	4	Not Present
Mr. Sunil Kumar Khemka	8	Present
Mr. Sushil Kumar khemka	8	Present
Mr. Banarsi Prasad Jhunjunwala	8	Present
Mr. Ramawatar Poddar	8	Present

During the year, eight meeting were held on 19th April 2011, 4TH June 2011, 18th July 2011, 16th August 2011, 20th October 2011, 21st November 2011, 19th January 2012, and 30th March 2012 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 , Banarsi Prasad Jhunjunwala 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 31st March 2012 had five meeting on 19th April 2011, 18th July 2011, 20th October 2011, 19th January 2012 and 30th March 2012 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 2011-2012 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 Jhunjunwala and Sri Ramawatar Poddar.

As of 31st March 2012 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
14 th Annual General Meeting	Monday 30 th September 2009 at 3.00 P.M.	Registered Office
15 th Annual General Meeting	Wednesday 30 th June 2010 at 3.00 P.M	Registered Office
16 th Annual General Meeting	Wednesday 30 th September 2011 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 :- 30th June 2012

Time :- 3.00 P.M.

Place :- 501 B Ashiana chambers Exhibition Road Patna.

c) Book Closure Date: - 23 to 29 June. 2012

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	37	2790500	66.98
	607	4165900	100.00

h) Shareholding Pattern

Promoter & Promoters Group 51.74%

Others 48.26 %

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 2011 2012

First Quarterly Results : - By end of July 2011
Second Quarterly Results : - By end of October 2011
Third Quarterly Results : - By end of January 2012
Fourth Quarterly Results : - By end of April 2012

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

**Place : Patna
Date : 04.06.2012**

**Sd
S. K. Khemka
Director**

NOTICE

Notice is hereby given that 17th 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 30th June, 2012 to transact the following business.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 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: 04.06.2012

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 23.06.2012 to 29.06.2012.
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

We hereby present the eleventh Annual Report of the company together with the Audited Statements of Account for the year ended 31st March 2012.

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 31.03.12	Rs. In Lacs for the year ended 31.03.11
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Turnover	141.99	182.56
Other Income	22.73	83.69
Profit before interest, Dep. Tax	32.78	90.21
Less: Interest	39.01	18.53
Depreciation	42.85	38.86
Income Tax & FBT	1.35	--
Profit for the year	(-) 50.42	32.80
Add: Balance b/f from previous year	(-) 47.12	(-) 79.93
Balance Carried to Balance Sheet	(-) 97.54	(-) 47.12

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 201-12 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.

2. That your Directors have selected such accounting policies and applied them consistently and made judgment 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 ALOK JAIN & CO., Chartered Accountants retires at the forthcoming Annual General Meeting and being eligible, offers themselves for reappointment for the year 2012-13 which we recommend.

CASH FLOW STATEMENT

A cash flow statement for the period ended 31-03-2012 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 employee 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 spend 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

Electricity (Purchased)

Units (KWH)

Amount (Rs.)

AS PER ANNEXURE

Rate per Unit (Rs.)

Production (Bags)

LISTING

Equity shares of the company are listed with Bombay 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.

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 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 the Board of Directors

Place: Patna
Date: 04.06.2012

Sd
(S.K.Khemka)
Director

DECLARATION OF CODE OF CONDUCT

To
The Members of Nirman Cements Limited

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the company.

It is further confirmed that all the directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2012 as envisaged in Clause 49 of the listing agreement with Stock Exchange.

Place: Patna
Date: 4th June 2012

Sd/-
Sunil Kumar Khemka
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Nirman Cements Limited
Patna

I have examined the compliance of the conditions of Corporate Governance by Nirman Cements Limited for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange, Mumbai.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the 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 of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that generally no investor grievances are pending for a period of exceeding one month against the Company as per the records maintained by the Company.

I 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

For Alok Jain & Co.
Chartered Accountants

Place: Patna
Date: 4th June 2012

Sd/-
Alok Jain
Proprietor