



**BURNPUR CEMENT LIMITED**

**ANNUAL REPORT 2010-11**

**BOARD OF DIRECTORS**

Mr. Prem Prakash Sharma, *Chairman*, Mr. Ashok Gutgutia, *Vice-Chairman & Managing Director*

Mr. Keshab Chandra Das Mr. Subrata Mookerjee

Mr. Manoj Kumar Agarwal

Mr. Bal Krishan Ladha Mr. Ansul Agarwal

**SECRETARY**

Mr. Sudhansu Sekhar Panigrahi

**AUDITOR**

M/s N. K. Agarwal & Co.

**BANKERS**

State Bank of India

Axis Bank Ltd.

State Bank of Hyderabad

**CORPORATE OFFICE**

14, Bentricks Street, "Gujarat Mansion", 2nd Floor, Kolkata - 700 001  
Tel No. (033) 22623168, 22623167, 30250826

**REGISTERED OFFICE & PLANT**

Village: Palasdiha, Panchgachia Road  
P.O. Kanyapur, Assansol - 713 341, Dist. Burdwan, West Bengal, Tel No. (0341) 2250-454, 2252-965  
Email: info@burnpurcement.com, investors@burnpurcement.com, Website: www.burnpurcement.com

**PROPOSED PLANT**

Plot No. A-8P,9,10,11, B-38, 39, 40, C - 7P, 8,9,10 & XP  
Block-D and Block-E, Patratu Industrial Area, Jharkhand

**REGISTRAR AND SHARE TRANSFER AGENT**

**Niche Technologies Pvt. Ltd.**

D-511, Bagree Market, 71, B. R. B. Road, Kolkata - 700 001  
Tel No. +91 332235-7270 / 7271, 2235-5236, Fax No. +91 33 2215-6823  
Email: nichetechpl@nichetechpl.com, Website: www.nichetechpl.com

---

**CONTENTS**

Notice \*\* Directors' Report \*\* Corporate Governance Report \*\*  
Auditor's Report \*\* Balance Sheet \*\* Profit & Loss Account \*\* Cash Flow Statement \*\*  
Schedule to Balance Sheet and Profit & Loss A/c \*\* Notes on Balance Sheet and Profit & Loss A/c \*\*



## **NOTICE**

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held at 11.00 A.M. on Wednesday, the 30th day of November 2011, at Asansol Club Limited, Court Compound, P.O.-Asansol Dist-Burdwan, West Bengal, Pin. -713304 to transact the following Business:

### **Ordinary Business :**

1. To consider and adopt the audited accounts of the Company for the year ended 31st March 2011, together with the Report of the Directors and Auditors.
2. To appoint a director in place of Mr. Subrata Mookerjee, who retires by rotation and being eligible offers himself for re-appointment.
3. Mr. Keshab Chandra Das, who retires by rotation and though being eligible for re-appointment has requested to be relieved from directorship of the company and vacancy caused by retirement will not be filled up.
4. To appoint Statutory Auditors and to fix their remuneration.

The present Statutory Auditors, M/S N. K. Agarwal & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

### **Special Business:**

1. To Consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:  
"RESOLVED THAT Mr. Bal Krishan Ladha, who was appointed as an additional director by the board and who holds such office upto the date of this Annual General Meeting and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Bal Krishan Ladha as a candidate for the office of the director, be and is here by elected and appointed as director of the company, liable to retire by rotation".
2. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT Mr. Ansul Agarwal, who was appointed as an additional director by the board and who holds such office upto the date of this Annual General Meeting and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Ansul Agarwal as a candidate for the office of the director, be and is here by elected and appointed as director of the company, liable to retire by rotation".
3. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
RESOLVED that the consent of the Company as required under the provision of Section 293 (1)(a) of the Companies Act, 1956, and other relevant or applicable provisions of the said act, if any, be and is hereby accorded to the disposal by the Board of Directors of the Company's undertaking(s) or a part of the undertaking, and of the immovable properties comprising lands, buildings and structures and plant and machinery, fixtures and all other movable assets including outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights of the Company situated at Asansol in the state of West Bengal or wherever else the same may be to the Banks in the manner following, that is to say, by way of first legal mortgage in English form or by way of equitable mortgage by deposit of title deeds and / or by way of hypothecation, pledge, floating charge, lien or any other charge with powers of sale, appointment of receivers, taking over of management and business of the Company in case of default and such other powers as the Directors may consider necessary or advisable for securing the various credit facilities granted or to be granted in future by the various Bank to the Company for sums not exceeding in the aggregate at any one time the sum of Rs. 225 Crore (Rupees two thousand twenty five only) with interest thereon, commitment charges, costs, charges and expenses and all other moneys as stipulated in the Agreement of Loan-cum-Hypothecation dated the ..... day of ..... entered into between the Company and the said Bank.
4. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:  
RESOLVED that pursuant to section 146 of the Companies Act, 1956 and any other applicable provision if any, the registered office of the Company be and is hereby shifted from "Palashdiha" Panchgachia Road, Kanyapur, Asansol 713 341 to 14, Bentinck Street, Gujarat Mansion, 2nd Floor, Kolkata 700 001 with effective from 1st December, 2011.
5. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from present Rs. 70,00,00,000/- divided into 7,00,00,000 Shares

of Rs. 10/- each to Rs. 77,00,00,000/- divided into 7,70,00,000 Shares of Rs. 10/- each and consequently, Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place and stead, the following new **Clause V** :

V. The Authorised Share capital of the company is Rs.77,00,00,000 (Rupees Seventy Seven Crores only) divided into 7,70,00,000 (Seven Crore seventy lacs) Equity Shares of Rs.10/-(Rupees Ten) each with power to increase or reduce, consolidate or sub-divide the capital for the time being into several classes and to attach thereto respectively such preferential or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and with power to issue Redeemable Preference Shares.

6. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to provision of section 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 (including any amendment thereto and any re-enactment thereof) (herein after referred to as “the Act”) and subject to enabling provisions of the Memorandum and Article of Associations of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and in accordance with the applicable Guidelines/Regulations issued by the Securities and Exchange Board of India (“SEBI”) , the Reserve Bank of India (“RBI”) , Government of India (“GOI”) or any other relevant authority and clarifications thereon issued from time to time , if any , and subject to all such Statutory, Regulatory and Government approval and subject to such conditions and modifications as may be prescribed and imposed by any of them while granting such approvals, permissions or sanctions, which may be agreed to by the Board of Directors or any committee thereof (herein after referred to as the “Board”) , the consent of the Shareholders be and is hereby accorded to the Board to offer and / or allot upto 12550000 (One Crore Twenty Five Lakh Fifty Thousand) Convertible Warrants (**Convertible Warrants No. 2**) with an option to subscribe upto 12550000 (One Crore Twenty Five Lakh Fifty Thousand) equity shares of Rs. 10/- each of the Company by way of Preferential Allotment basis to the persons mentioned in the following table Viz:

Serial No.	Persons	Number of Convertible Warrants No.2	Category of the Investor
1	Chhatisgarh Biri Patta Private Ltd.	87,00,000	Non Promoter
2	Imtihan Distributors Private Ltd.	85,000	Non Promoter
3	Jai Prakash Agarwal	10,00,000	Non Promoter
4	Manoj Kumar Agarwal	50,000	Promoter
5	Ram Prasad Agarwal	50,000	Promoter
6	Ram Prasad Agarwal (HUF)	50,000	Promoter
7	Shakuntala Agarwal	50,000	Promoter
8	Suchitra Agarwal	50,000	Promoter
9	Kavita Bhalotia	2,40,000	Promoter
10	Dalhousi Datamatics Pvt. Ltd.	4,75,000	Promoter
11	Bharat Cements Pvt. Ltd.	18,00,000	Promoter

whether or not such person (s) are members of the company in such manner and upon such conditions as are hereinafter contained:

- i. The options to the persons as aforesaid may be offered by way of Convertible Warrants No-2 which would be convertible into an exchangeable with Equity Shares of Rs. 10/- (Rupees Ten Only) each of the Company at a price of Rs. 10.00 (Rupees Ten Only) determined as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended till date.
- ii. The issue on subscription price of equity shares arising out of exchange against such Convertible Warrants No. 2 shall be of Rs. 10.00 (Rupees Ten Only) face value per share. On allotment of the Convertible Warrants No. 2 the Allottees of Convertible Warrants No. 2 shall be liable to pay Rs.2.50 (Rupees Two and Fifty Paise Only) per Convertible Warrants No. 2 being not less than 25% of the price fixed for the shares arising out of / exchanged with such Convertible Warrants No. 2. The amount so collected shall be adjusted against the price payable subsequently for subscribing the shares by exercising the options.
- iii. The holder of each Convertible Warrant No. 2 shall before the respective date of conversion, pay the balance 75% of the consideration towards subscription to each Equity Share.



- iv. The relevant date for the purpose of pricing of issue of shares in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended till date be fixed as 28th October, 2011 (31st October being the 30th day prior to 30th November, 2011 ) i.e. the 30 days prior to the date on which the meeting of the general body of shareholder is held, in terms of section 81(1A) of the Companies Act, 1956 to consider the proposed issue.)
- v. The holder of each such Convertible Warrant No. 2 shall be entitled to apply for and obtain at their sole discretion one Equity Shares of Rs. 10.00 (Rupees Ten Only) each at a price of Rs. 10.00 (Rupees Ten Only) per share on the date or date(s) within 18 months from the date of allotment of Convertible Warrants No. 2 as may be decided by the Board. If such option is not exercised in the manner prescribed within the aforesaid period. The Convertible Warrants No. 2 shall be lapsed to the extent of the shares not so taken and the amount paid on the allotment of such Convertible Warrant No. 2 shall be forfeited.
- vi. The option attached to the Convertible Warrant No. 2 shall not be transferred or otherwise disposed off to any other person/third party.
- vii. The aggregate of warrants to be subscribed by the persons mentioned in the above table shall not exceed 12550000 (One Crore Twenty Five Lakh Fifty thousands).
- viii. The Equity Shares allotted pursuant to exercise of options attached to the Warrants No. 2 shall be locked in for a period of three years in case of Promoters and one year in case of non-promoters from the date of their allotment.

The new Equity Shares arising out of or exchanged with the Convertible Warrant No. 2 shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respect with the existing issued and subscribed Equity Shares of the Company.

#### RESOLVED FURTHER THAT

- a) the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Convertible Warrant No. 2 and/or shares and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notifications, rules and regulations. The offer, issue & allotment of the aforesaid Convertible Warrant No. 2 shall be completed within fifteen days from the date of passing of Special Resolution or receipt of approval from the Regulatory Authority, if any, whichever is later.
- b) The Board be and is hereby authorized to accept any amendments, modifications, variations and alterations as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf.
- c) The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors of the Company to give effect to the aforesaid resolution.
- d) For the purpose of giving effect to this Resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to this resolution and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the shares and utilization of the issue proceeds of the shares, to prescribe the forms of application, enter into any agreements or other instruments, and to take such actions or give directions as they may consider as being necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary and desirable, as they may deem fit."

#### Notes:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the items of Special Business to be transacted at the meeting is annexed herewith.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**
3. The instrument appointing Proxies should be deposited at the Registered Office of the Company not less than **48 hours** before the time fixed for the commencement of the meeting i.e. **by 11:00 A. M. on 28th November, 2011.**
4. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
5. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
6. The Register of Members and Share Transfer Registers of the Company will remain closed from **23rd November 2011 to 30th November, 2011 (both days inclusive).**
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. A Member desirous of getting any information on the accounts or operations of the Company is requested to send his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
9. Pursuant to provisions of Section 109A of the Companies Act, 1956 Shareholders are requested to file nominations forms (Form 2B) in respect of their shareholding to the Registrar and Share Transfer Agent or directly to the company

10. Mr. Keshab Chandra Das, director of the company is retiring by rotation at the ensuing Annual General Meeting and though being eligible for re-appointment has requested to be relieved from directorship of the company. Mr. Subrata Mookerjee, director of the company is retiring by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment. Mr. Bal Krishan Ladha and Mr. Ansul Agarwal being additional director will hold office upto the date of Annual General Meeting. However they have been recommended to be appointed as director liable to retire by rotation on receipt of notice from members u/s 257 of the Companies Act, 1956. The changes are subject to approval of the shareholders. As required under the listing agreement, the information/ data to be provided for the directors are given below:

Name of The Director	Date of Birth	Date of Original Appointment	Experience in specific functional areas	Qualification	Directorship in other public companies	Membership of Board Committees in other public	Other Information	Remarks
Mr. Subrata Mookerjee	14.06.1946	15.05.2006	Shri Subrata Mookerjee is a minister (Public Health & Engineering) in the current West Bengal Govt and is very well known personality amongst the political and trade union fraternity. An M.A. from the University of Calcutta. Shri Mookerjee has been instrumental in implementing a number of development projects for Kolkata when he was a Mayor. He is a member of the Remuneration Committee of the Company.	M.A	Nil	Nil	N.A.	Retires by rotation at the forth coming Annual General Meeting and offers himself for reappointment.
Mr. Bal Krishan Ladha	18.11.1948	26.01.2011	He joined M/S Satna Cement Works, Satna (M.P. Birla Group of companies) and worked for a period of 4 years. Gained overall exposure of cement plant both on the technical and commercial side. In 1977, He joined Birla International Ltd, Mumbai as Materials Manager, in charge of project purchases both in India and overseas. In 1982, He joined Rajasthan Cement (Aditya Birla Group Company) as a Purchase Manager. Gained experience in project purchases and execution of cement plant which required a lot of international travel to Europe, Far East etc. Completed many projects for Rajasthan Cement including Birla White, Birla Super Cement, Sholapur, Captive Power Plant at Rajasthan Cement etc.	B.E. (Hons), Mechanical, M.B.A	Nil	Nil	N.A.	Holds upto the date of forth coming Annual General Meeting as an additional director and to be appointed as a director liable to retire by rotation at the said meeting.
Mr. Ansul Agarwal	25.03.1981	20.10.2010	He is a successful business man having own business. Have conceived and established India's first kids wear value brand E-Teenz now strongly present across the country in 250 plus format stores, 10 Exclusive Brand outlets. Large format stores include Megamart, ITC, Spencer etc. Presently functioning as Director of Dhananjai Apparels Pvt. Ltd. Which own E-Teenz, employing 200 plus staff at various levels.	B.Com.	Nil	Nil	N.A.	Holds upto the date of forth coming Annual General Meeting as an additional director and to be appointed as a director liable to retire by rotation at the said meeting.



---

---

## **EXPLANATORY STATEMENT**

**Pursuant to Section 173(2) of the Companies Act, 1956**

### **Item No. 1**

Mr. Bal Krishan Ladha was appointed as an additional director of the Company by the Board of Directors at their meeting held on 26th January, 2011 u/s 260 of the Companies Act, 1956 read with Article of Association of the Company and he would hold office upto the date of this Annual General Meeting . The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Bal Krishan Ladha as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting. The said notice is accompanied by a deposit of Rs. 500/- as required by law.

As required under the listing agreement the information to be provided for Mr. Bal Krishan Ladha has been given in the notes to the Notice. Your directors recommend appointment of Mr. Bal Krishan Ladha as director of the Company liable to retire by rotation.

None of the directors in any way concerned or interested in this resolution except Mr. Bal Krishan Ladha.

### **Item No. 2**

Mr. Ansul Agarwal was appointed as an additional director of the Company by the Board of Directors at their meeting held on 20th October, 2010 u/s 260 of the Companies Act, 1956 read with Article of Association of the Company and he would hold office upto the date of this Annual General Meeting . The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Ansul Agarwal as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting. The said notice is accompanied by a deposit of Rs. 500/- as required by law.

As required under the listing agreement the information to be provided for Mr. Ansul Agarwal has been given in the notes to the Notice. Your directors recommend appointment of Mr. Ansul Agarwal as director of the Company liable to retire by rotation.

None of the directors in any way concerned or interested in this resolution except Mr. Ansul Agarwal.

### **Item No 3**

The borrowings by your Company, in general is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lenders.

The mortgage and/or charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company to secure borrowings of the Company, with a power to the charge holders to take over the management of the business and concern of the Company's undertaking(s) within the meaning of section 293(1)(a) of the Companies Act, 1956. Hence it is necessary for the members to pass a resolution under the said section.

None of the directors of the Company in any way concerned or interested in this resolution

### **Item No 4**

The Registered office of the Company presently situated at the remote area in Asansol which is far away from Kolkata. The Chairman suggested that since the Kolkata is a metropolitan city and it will be efficient and convenient to operate from Kolkata, the principal business center of the State. The Directors recommended that shifting the office from Asansol to Kolkata would definitely increase the chances of grabbing and tapping more and more business and shall be beneficial in the time to come.

Since the Companies Act, 1956 requires the consent of the members for shifting the office outside the local limits of the city/town, hence this resolution.

### **Item No. 5**

The Company proposes to expand its activity and hence it is desirable to increase the Authorised Capital, in order to enable the Company to raise Capital whenever the need arises. The present Authorised Share Capital of your Company is Rs. 70.00 Crores only which your Board feels inadequate commensurate with the proposed activities of your Company. It is, therefore, proposed to increase the Authorised Share Capital of the Company to Rs. 77.00 Crores to enable the Board of Directors to issue further shares as and when deemed necessary to meet the Company's financial requirements/ commitments.

Your Directors recommends the resolution for your approval.

None of the Directors of your Company is in any way concerned or interested in the proposed Resolution.

**Item No 6**

The present revised project cost for setting up the 800 TPD clinker & cement manufacturing unit at Patratu has been estimated at Rs. 197.42 crores with debt equity ratio of 1.73:1. Term loan requirement will be Rs. 125.00 crores and promoters contribution is estimated at Rs. 72.42 crores. Therefore to fulfill the promoters quota it has been decided to raise the money amounting Rs. 12.55 crores from the persons mentioned above through preferential allotment of warrants.

Your Board in its meeting held on 29th October, 2011 subject to approval by the company in Annual General Meeting and requisite statutory approvals, and subject to negotiation and execution of appropriate legal documentation and fulfillment of the conditions mentioned therein has proposed to offer for subscription by way of Preferential Allotment up to 1,25,50,000 (One Crore Twenty Five Lakh Fifty Thousands) Convertible Warrants with an option to subscribe upto 1,25,50,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each of the Company at a price of Rs. 10.00 (Rupees Ten Only) per share against the said Convertible Warrants aggregating to Rs. 12,55,00,000/- (Rupees Twelve Crore Fifty Five Lakh Only).

The Special Resolutions has been proposed under the provisions of 81(1A) of the Companies Act, 1956 ("the Act") in view of the fact that the shares will be offered to person who may or may not be the existing members.

As per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue, an issue of shares / Convertible Warrants on a preferential basis can be made only at a price which is not less than the higher of the following:

- (i) The average of the weekly high and low of closing prices of the share quoted on the stock exchange during the six months preceding the "relevant date".
- (ii) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the two weeks preceding the "relevant date".

The "relevant date" for the above purpose means the date thirty days prior to the date on which the Annual General Meeting is held to consider the proposed issue under section 81(1A) of the Act. As the date of Annual General Meeting of share holders is 30th November, 2011 the relevant date is 28th October, 2011.

A copy of the certificate from the Statutory Auditors of the Company, certifying that the issue of Convertible Warrants is being made in accordance with the requirements of SEBI's Regulations for preferential Issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, shall be placed before the shareholders at the Annual General Meeting.

The Board believes that the proposed offer to the persons stated in Resolution will be in the best interest of the Company and its members.

One of the Director Mr. Manoj Kumar Agarwal is interested in the proposed resolution.

**Please refer below to the information as required under Regulation 73 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Preferential Issue.**

**1. Objects of the Preferential Issue:**

The objects of the issue is to part finance its ongoing setting up of 800 TPD Integrated Cement Plant at Patratu, Jharkahnd.

**2. Proposal of the Promoters to subscribe to the offer.**

Name	No of Warrants	Rate (Rs. )	% of post holding	Category
Manoj Kumar Agarwal	50000	10/-	0.066	Promoter
Ram Prasad Agarwal	50000	10/-	0.066	Promoter
Ram Prasad Agarwal (HUF)	50000	10/-	0.066	Promoter
Shakuntala Agarwal	50000	10/-	0.066	Promoter
Suchitra Agarwal	50000	10/-	0.066	Promoter
Kavita Bhalotia	240000	10/-	0.318	Promoter
Dalhousi Datamatics Pvt. Ltd.	475000	10/-	0.628	Promoter
Bharat Cements Pvt. Ltd.	1800000	10/-	2.38	Promoter

To infuse the capital for the green field cement project at Patratu above mentioned persons, who are promoters or in promoters group will subscribe to the proposed preferential issue.



### 3. Shareholding pattern before and after the Preferential Issue:

Share holding pattern before and after issue of Equity Shares pursuant to conversion of Warrants by the Warrant holders in respect of the Warrants covered under the Item no 6.

	Existing Shareholding as on 30.09.2011		Post issue shareholding (Upon conversion of Warrants)	
	No of Shares	% of Holding	No of Shares	% of Holding
<b>A. Promoters or Promoters Group</b>				
<b>1. Indian</b>				
Individual/ HUF	4810217	11.185	5300217	7.015
Central Govt./ State Govt.	Nil	Nil	Nil	Nil
Bodies Corporate	14291180	33.232	16566180	21.926
Financial Institutions/ Banks	Nil	Nil	Nil	Nil
<b>Sub Total (A)(1)</b>	<b>19101397</b>	<b>44.417</b>	<b>21866397</b>	<b>28.94</b>
<b>2. Foreign</b>				
Individuals (NRIs/ Foreign)	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil
<b>Sub Total (A) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Share Holding of Promoters &amp; Promoters Group A = (A)(1) + (A)(2)</b>	<b>19101397</b>	<b>44.417</b>	<b>21866397</b>	<b>28.94</b>
<b>B. Public Share Holding</b>				
<b>1. Financial Institutions</b>				
Mutual Funds / UTI	Nil	Nil	Nil	Nil
Financial Institutions/ Banks	Nil	Nil	Nil	Nil
Central Govt./ State Govt.	Nil	Nil	Nil	Nil
Venture Capital	Nil	Nil	Nil	Nil
Insurance Companies	Nil	Nil	Nil	Nil
Foreign Institutional Investors	Nil	Nil	Nil	Nil
<b>Sub Total (B) (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non Institutions</b>				
Bodies Corporate	2977266	6.923	28862266	38.200
Individual Share Holders	19823424	46.096	23723424	31.399
NRI/OCBs	680315	1.582	680315	1.582
Clearing Members/ Clearing Corp.	421961	0.981	421961	0.981
<b>Sub Total (B) (2)</b>	<b>23902966</b>	<b>55.583</b>	<b>53687966</b>	<b>71.058</b>
<b>Total Public Share Holding B = (B)(1) + (B)(2)</b>	<b>23902966</b>	<b>55.583</b>	<b>53687966</b>	<b>71.058</b>
<b>Total A + B</b>	<b>43004363</b>	<b>100.000</b>	<b>75554363</b>	<b>100.000</b>

The proposed preferential allotment will not change the management control. Voting rights shall change according to the change in the shareholding pattern mentioned above. The above figures in the table are on the assumption that all the Warrants will be issued and allotted pursuant to the resolution and all the Warrants will be exercised and that if any Warrants are not issued or allotted or any Warrants are not exercised, the figures will change correspondingly.

**2. Proposed time within which allotment will be completed.**

The allotment of the warrants is expected to be completed within 15 (fifteen) days of the date of passing of the Special Resolution in the AGM. Provided that, where the allotment is pending on account of pendency of any allotment by any Regulatory Authority, the allotment is expected to be completed within 15 (fifteen) days from the receipt of such approval.

**3. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:**

**4. The issuer will re-compute the price of the preferential issue in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 where it is required to do so.**

**5. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Warrants shall continue to be locked-in till the time such amount is paid by the allottees.**

Your directors recommend this resolution to be passed by the members.

None of the directors are interested save and except to the extent of their shareholding.

By Order of the Board  
For **Burnpur Cement Limited**

29th October, 2011  
Kolkata

Sudhansu Sekhar Panigrahi  
**Company Secretary**



## DIRECTORS REPORT

Dear Shareholders,

Your Directors presents the 25th Annual Report of the Company, together with the Audited Accounts for the financial year ended 31st March 2011.

### FINANCIAL RESULTS

The financial results for the year ended 31st March 2011 are summarized below:

(Rs. In Lakhs)

Particulars	2010-11	2009-2010
Sales	3083.21	3011.04
EBDIT	269.09	292.48
Interest	116.36	147.95
Depreciation	73.40	73.43
Profit before Tax	79.33	71.09
Income Tax		
-Current Tax	36.86	13.75
-Deferred Tax	(6.16)	(9.04)
-Fringe Benefit Tax		
Profit after Tax	48.63	66.39
Balance brought forward from last year	480.57	415.64
Earlier Year Adjustment		(1.46)
Balance carried forward to Balance Sheet	529.20	480.57

### DIVIDEND

Your directors do not recommend any dividend for the year ended 31st March, 2011.

### RESULT OF OPERATION

The year 2010-11 was a challenging year for the Cement industry. During the year the capacity addition was nearly 30 million tones which impacted the demand supply balance. Most of our markets experienced considerable price pressures. Due to increase in fuel cost the Company's performance was affected adversely. During the year 2010-11, the Company recorded a sales turnover of Rs. 30.83 crore and profit after tax is Rs. 48.63 Lakh.

### PROJECT AT PATRATU

The Company's Greenfield project of setting up a 800 tpd Cement Plant at Patratu, Jharkhand is progressing smoothly. The Project is expected to be operative by end of 2012. With this, the Company's total installed capacity will go upto about 1800 tones per day. The mines for which the project has been delayed, has been allotted to the Company and also the Company has applied to Dept. of Mines, Govt. of Jharkhand for allotment of K. D. Mines and Kadru Mines etc. Due to delay in implementation of project the cost of the said project has been increased. To complete the said project extra money is required for which the company has raised money from public through preferential allotment of convertible warrants and the remaining amount will be financed by the Banks.

### PARTICULARS UNDER SECTION 217

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

With regard to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, details are given in Annexure A.

### PARTICULARS OF EMPLOYEES

No employees of the companies is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 made there under.

### AUDITORS & AUDITOR'S REPORT

The auditors M/s. N. K. Agarwal & Co., Chartered Accountant retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The retiring auditors have given their consent for re-appointment. The Company has received a certificate under section 224(1) of the Companies Act, 1956 from the Auditors that their appointment, if made, will be in accordance with the limits as specified in section 224(1) of the Companies Act, 1956.

The Notes on Accounts referred to in the Auditor's Report are self explanatory and, therefore, do not call for any further comments.

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief and according to the information and

explanation obtained by them, state that:

- (i) In the preparation of the Annual Accounts, applicable Accounting Standards have been followed and there are no material departures;
- (ii) The selected accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of your company as at 31st March 2011 and of the profit or loss for the financial year ended 31st March 2011.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting frauds and other irregularities.
- (iv) The annual accounts of your company have been prepared on a going concern basis.

#### **STATUTORY DISCLOSURE**

None of the Directors of the Company are disqualified as per the provisions of section 274(1)(g) of Companies Act, 1956. The Directors have made necessary disclosures as required under the various provisions of the Act.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report forming part of the Directors Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is annexed to this Annual Report.

#### **CORPORATE GOVERNANCE**

Your Company re-affirms its commitment to the standard of corporate governance. As per clause 49 of the Listing Agreement with the stock Exchanges, a separate section on Corporate Governance together with a certificate from the Auditors of the company confirming the compliance is set out in the Annexure forming part of this report.

#### **DIRECTORS**

Mr. Subrata Mookerjee and Mr. Keshab Chandra Das are liable to retire from office by rotation and Mr. Subrata Mookerjee is being eligible offers himself for reappointment.

Mr. Bal Krishan Ladha was appointed as an additional director with effect from 26th January, 2011 and Mr. Ansul Agarwal was appointed as an additional director with effect from 20th October, 2010 to hold office till the conclusion of ensuing Annual General Meeting. Notice pursuant to Section 257 of the Companies Act, 1956 has been received from members proposing Mr. Bal Krishan Ladha and Mr. Ansul Agarwal for appointment as director of your company.

The Board recommends the above appointments Resolutions seeking your approval on these items are included in the notice convening the Annual General Meeting together with brief resume of the directors being appointed/ reappointed.

#### **APPRECIATION**

Your Directors wish to place on record and acknowledge their appreciation for the continued support and valuable co-operation received from the Financial Institutions, Banks, Government Authorities, dealers, suppliers, business associates and Company's valued customers and the esteemed Shareholders for the faith they continue to repose in the Company.

The Directors also express their gratitude to the team of Burnpur Cement for their significant efforts and collective contribution to enable the Company maintain steady progress.

For and on behalf of the Board

**ASHOK GUTGUTIA**  
Vice Chairman and Managing Director

Place: Kolkata  
Date: 05.08.2011

**MANOJ AGARWAL**  
Director



**ANNEXURE A TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2011**  
**Particulars Under Section 217(1)(e) of The Companies Act, 1956**

**A. CONSERVATION OF ENERGY**

- a. Energy conservation measures taken  
Installed compact fluorescent lamp (CFL) at Plant and registered office.
- b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy : N.A.
- c. Impact of the measures at A) and B) above for reduction of energy consumption and consequent impact on the cost of production of goods :  
Due to various conservation measures there was saving in power consumption.
- d. Total energy consumption and Energy consumption per unit of Production:  
Please refer Form A attached.

**B. TECHNOLOGY ABSORPTION**

Please refer Form B attached.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

- a) Activities relating to export: - Initiative are being taken to start exports to neighboring countries.
- b) Foreign exchange Earning Nil  
Foreign exchange outgo Nil

**FORM A**

Form as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2011.

**A. POWER AND FUEL CONSUMPTION**

	Current Year (2010-11)	Previous Year (2009-10)
1. Electricity		
a. Purchase		
Units (KWH)	5151850	5394660
Total Amount (Rs. Lacs)	323.04	290.84
Rate per unit	6.27	5.39
b. Own Generation		
I) Through Diesel Generators		
Unit	NA	N.A
Unit per Ltr. of Diesel Oil	NA	N.A
Cost per Unit	NA	N.A
I) Through Steam turbine/ generator	NA	
Unit	NA	N.A
Unit per Ltr. of Fuel Oil/Gas	NA	N.A
Cost per Unit	NA	N.A
2. Coal (A to D grade used in Dryer)		
Quantity (Tonnes)	215.00	451.58
Total Amount (Rs. Lacs)	12.62	24.97
Average Rate (Rs.)	5872.59	5529.47
3. Furnace Oil		
Quantity (K. Ltrs)	NIL	NIL
Total Amount (Rs. Lacs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
4. Other / Internal Generation		
Quantity	NIL	NIL
Total Amount	NIL	NIL
Rate per Unit	NIL	NIL

**B. Consumption per Ton of Cement Production**

	Standards (if any)	Current Year (2010-11)	Previous Year (2009-10)
Electricity	N. A.	70.27	72.00
Furnace Oil	N. A.	N.A.	N.A.
Coal (A to D grade used in dryer)	N. A.	0.003	0.006
Others (specify)	N. A.	N.A.	N.A.

**FORM B**

Form for the disclosure of particulars with respect to technology absorption.

**RESEARCH AND DEVELOPMENT**

1. Specific areas in which R&D carried out by the company None
2. Benefits derived as a result of above R&D N.A
3. Future Plan of action

The company is envisaged to set up R&D facility in the plant to improve operations controls in order to minimize the cost of production after implementation of expansion.

4. Expenditure on R&D

Capital	Nil
Recurring	Nil
Total R&D expenditure	Nil
As a percentage of Turnover	Nil

**TECHNOLOGY ABSORPTION,  
ADOPTION AND INNOVATION**

N.A.

For and on behalf of the Board  
 Ashok Gutgutia  
 Vice Chairman & Managing Director  
 Manoj Agarwal  
 Director

Place: Kolkata  
 Date : 5th August, 2011

**MANAGEMENT DISCUSSION & ANALYSIS**

**Industry Structure & Developments**

India is the world's second largest producer of cement. The Indian cement industry has outpaced the growth rates of other prominent industries in the country on the back of growing demand from the housing sector, increased activity in infrastructure development and exports recovery. Recent industry developments and government supportive policies are attracting global cement giants and sparking off a spate of mergers and acquisitions to spur growth.

The demand for cement grew by just 5 per cent in the last fiscal compared with 12 per cent in the previous one. The demand for cement is likely to grow by 8-9 per cent in the current fiscal, but the prices will remain stable in the absence of any pricing war. The demand growth will stem from the government's increased spending on infrastructure, particularly in the terminal year of the current Five-Year Plan (2007-12), and a spike in demand for housing, mainly in rural areas. Elections in various states also hampered the demand for cement.

Cement players in India added 42 million tonnes per annum in 2009-10 and 29 mtpa in 2010-11, taking the industry's installed capacity to 290 mtpa. In 2010-11 capacity addition was less in comparison to the previous fiscal, the "effective capacity addition" was nearly 40 mtpa in the last fiscal, as a lot of capacity addition projects implemented in 2009-10 only came onstream in 2010-11. This impacted the demand-supply balance in 2010-11.

the price of the building material would remain stable in the current fiscal as raw material prices have reached their peak and the price war, mainly fanned by the industry's new entrants, is nearly over now.

**Opportunities & Threats**

The Government has planned a spending of US \$1 trillion on infrastructure in the 12th five year plan as against US \$461 bn in 11th five year plan. The sector shall contribute over 10% to India's GDP growth. From financial year 2012-13, the domestic demand is expected to exceed supply. From financial year 2011-12 through financial year 2013-14, the domestic cement industry will add at least 54 mt new capacity.

Demand will be driven by Governments plans for infrastructure developments and its action for enhancing rural income and affordable housing. Strong demand from housing sector is also anticipated arising out of increasing urbanisation and higher disposable income of middle class.

Cement consumption by the user industries has been growing at a far slower pace than capacity addition in the sector. This has kept cement price rise under check. Cement is a seasonal industry and its demand is weak during the monsoon months.

High costs, together with slower demand and weak prices, have dented profits of the cement industry. At one time, nearly 2-3 years ago, cement was one of the highly profitable (in terms of operating and net profit margin) industries in India. However, net profit margin has dipped to nearly 7.4% (net of non-recurring transactions) in financial year 2010-11 from 9.2% a year earlier.

**Future Outlook**

The long term out look for the cement industry continues to be bright based on sustainable growth of the Indian economy which should bring a significant increase in the demand for housing & commercial structures and ambitious plans of the Government for infrastructure.

The demand for cement is likely to remain strong in 2011-12 based on continued focus on infrastructure development and economic growth.

The Company would continue to explore options of enhancing capacity through expansion of its existing units and/or through acquisitions as and when favorable opportunities arise. The Company's strategy of further improving the process efficiencies by modifying, upgrading and retrofitting the existing facilities will continue.

Also the Company is operating from Eastern zone, which is earmarked as Cement deficit zone in comparison to the other parts of the Country. Therefore the Company has modernized the plant at Asansol to increase the capacity utilization.

**Risk & Concern:**

Cement industry is heavily dependent on coal for its fuel requirement, while cement capacity is increasing continuously, the allotment of coal linkage is decreasing. As a result cement industry is depending heavily on the purchase of coal from open market at exorbitant price. Therefore power & fuel cost remains a key area of concern. The cement industry in India is facing severe cost pressures. Prices of raw materials such as coal, limestone, and freight costs have risen by nearly 30-40% over the past two years.

Shortage of railway wagons has also posed a major logistic constraints.

Though cement is the most essential infrastructure input, the tax on cement is the highest among the items required for building infrastructure. The total government levies and taxes on cement constitute 60% or more of the ex-factory price.

**Performance of the Company : (Rs. in Lacs)**

Particulars	2010-11	2009-10
1. Total Income	3118.04	3148.29
2. Total expenditure	2848.94	2855.80
3. Operating Profit	269.09	292.48
4. Interest	116.35	147.95
5. Profit after Interest but before depreciation and Tax	152.73	144.53
6. Depreciation	73.40	73.43
7. Profit before tax	79.33	71.09
8. Profit after tax	48.63	66.39

	Annual Production	
No. of Bags (Weight 50 kgs. Each)	1466311	1498376

**Internal control system and its Adequacy:**

Your company has proper and adequate system of internal control commensurate with its size and nature of business. The internal Audit is conducted periodically and its reports, the progress in implementation of recommendations contained in such reports and the adequacy of internal control system has been reviewed by the Audit Committee of the Board in its meeting.

**Enhancing Shareholders Value:**

The creation of share holders value is one of the prime objectives of the management. Towards this end all efforts are made to enhance the value through measures of cost control improving company's position in strategic markets and strengthening its brand equity to improve the return to share holders.

**Corporate Social Responsibility:**

Corporate Social Responsibility occupies an important position in the Company's activities. As the Plant and Registered office of the Company is located at Asansol-Burdwan, the people of the area look towards the Company for social support. Your company continues to discharge its social responsibilities along with achievement of its own goal and objectives.

**Industrial Relation:**

Your company believes that nurturing and development of human capital is of key importance for its operations. HR policies and procedures of your company are geared up towards achieving this objective. Hiring the best people, retaining them and ensuring their development is a major challenge for the industry in today's competitive environment. Your Company has laid down process for attracting, retaining and rewarding talent. The appraisal system is transparent and fair and carried on with an objective to identify and reward the performer. As on date of this report the Company has 108 employees on its pay role.

**Cautionary statement**

Statement in MDAS describing the company's objective, estimates, projections, expectation or prediction may be forward looking statement within the meaning of applicable laws and regulations. Actual results, performance or achievement could differ materially from those expressed or implied in such forward looking statements.



## REPORT ON CORPORATE GOVERNANCE:

### 1. COMPANY'S PHILOSOPHY

The company is committed to the principles of good corporate governance that is an integral part of good values, ethics and best business practices.

The Company believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirement but by also being responsive to our stakeholders needs.

The company philosophy on Corporate Governance is to achieve highest level of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the government.

### 2. BOARD OF DIRECTORS

#### (A) Composition of Board

The present strength of the Board of Directors is seven, out of which three are independent director. The composition of the Board of Directors is in conformity with the Corporate Governance code. None of the Director is a member of more than ten committees and Chairman of more than five committees, across all the companies in which he/she is a Director. The board functions as a full Board and through committees. The Board of Directors and committee meet at regular intervals. Every directors of the company are over twenty one years of age. The composition and category of the Directors on Board is as follows:

Name	Designation	Category of Directorship	
		Executive/ Non-Executive Director	Independent/ Non-independent/ Promoter Director
Mr. Prem Prakash Sharma	Chairman	Non-Executive	Independent
Mr. Ashok Gutgutia	Vice Chairman and Managing Director	Executive	Promoter
Mr. Manoj Kumar Agarwal	Director	Non-Executive	Promoter
Mr. Subrata Mookerjee	Director	Non-Executive	Independent
Mr. Keshab Chandra Das	Director	Non-Executive	Non-Independent
Mr. Bal Krishan Ladha <sup>a</sup>	Director	Non-Executive	Professional
Mr Ansul Agarwal <sup>b</sup>	Director	Non-Executive	Independent
Mr. Abdul Kalam <sup>1</sup>	Director	Non-Executive	Independent
Mr. Anjan Kumar Ghosh Dastidar <sup>2</sup>	Director	Non-Executive	Professional
Mr. Girdhar Lal Harlalka <sup>3</sup>	Director	Non-Executive	Independent
Mr. Kailash Prasad Agarwal <sup>4</sup>	Whole-time Director	Executive	Non-Independent.
Mrs. Shashi Gutgutia <sup>5</sup>	Director	Non-Executive	Promoter

a Appointed as an Additional director of the company on 26.01.2011

b Appointed as Additional director of the company on 20.10.2010

1 Ceased to be director due to resignation w.e.f. 26.01.2011.

2 Ceased to be director due to retirement w.e.f. 29.09.2010

3 Ceased to be director due to resignation w.e.f. 20.10.2010

4 Ceased to be director due to resignation w.e.f. 20.10.2010

5 Ceased to be director due to retirement w.e.f. 29.09.2010

#### Number of Board Meetings and Attendance Record of Directors

The Board meets at least once in a quarter to consider amongst other business the performance of the company and financial results. The particulars of Board Meetings held during the year 2010-11 are given below:

Number of Board Meetings held during 2010-11 : 5			
Sl.No.	Date of Board Meeting	Sl.No.	Date of Board Meeting
1	30.04.2010	5	26.01.2011
2	30.07.2010		
3	20.10.2010		
4	22.11.2010		

The attendance of each director at the meeting of the Board of Directors during the year and the last Annual General Meeting and their directorship/chairmanship in other companies are given below:

Sl. No	Name of Director	No. of Board meeting attended	Attendance at last AGM	No. of other Directorship@	No. of membership / chairmanship ^ held in committee of other companies	
					Member	Chairman
1	Mr. P. P. Sharma	4	No	2	Nil	Nil
2	Mr. Ashok Gutgutia	5	Yes	Nil	Nil	Nil
3	Mr. Manoj Kumar Agarwal	4	Yes	Nil	Nil	Nil
4	Mrs. Shashi Gutgutia	2	No	Nil	Nil	Nil
5	Mr. Kailash Prasad Agarwal	1	Yes	Nil	Nil	Nil
6	Mr. Subrata Mookerjee	4	No	Nil	Nil	Nil
7	Mr. Bal Krishan Ladha*	1	No	Nil	Nil	Nil
8	Mr. Keshab Chandra Das	4	No	Nil	Nil	Nil
9	Mr. Abdul Kalam	3	No	2	1	1
10	Mr. Girdhar Lal Harlaka	2	Yes	Nil	Nil	Nil
11	Mr. Anjan Kumar Ghosh Dastidar	2	No	Nil	Nil	Nil
12	Mr. Ansul Agarwal*	3	No	Nil	Nil	Nil

@ Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 25 companies, and of companies incorporated outside India.

^ Chairmanship / Membership of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

\* Appointed w.e.f. 26th January, 2011 as an Additional Director.

\* Appointed w.e.f. 20th October, 2010 as an Additional Director.

#### COMMITTEES OF BOARD OF DIRECTORS

The Board has constituted Committees of Directors to deal with matters and monitor the activities falling within the terms of reference as follows:

##### (A) AUDIT COMMITTEE

The Audit committee was initially constituted on January 4, 2007 and thereafter re-constituted on 7th August, 2007, 25th April, 2009, 31st July, 2009, 30th April 2010, 20th October, 2010 and 26th January, 2011. It has the following terms of reference and composition:

Terms of references/scope of the Company audit committee inter alia include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of the audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policy and practices and reason for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d. Significant adjustments made in the financial statement arising out of audit findings.
  - e. Compliance with listing and other legal requirement relating to financial statements.
  - f. Disclosure any related party transactions.
  - g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements and annual financial statements before submission to the Board for approval.

##### CONSTITUTION OF AUDIT COMMITTEE:

Name of the Members	Designation	Status
Mr. Ansul Agarwal	Chairman	Independent Director
Mr. Subrata Mookerjee	Member	Independent Director
Mr. Bal Krishan Ladha	Member	Professional Director
Mr. Prem Prakash Sharma	Member	Independent Director

The company Secretary acts as Secretary to the committee.

The Audit Committee was constituted in adherence to clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956 and the committee met four times during the year under review. All the members of the committee are eminent in their respective fields having sufficient accounting and financial management expertise and the Chairman of the committee is a commerce graduate having experience in dealing accounting matters. During the year four meetings of the Audit Committee of the Company were held on 30.04.2010, 30.07.2010, 20.10.2010 and 26.01.2011 and attendance of the Members of the Committee at these Meeting are as under

Name of the Members (Past & Present)	No. of Meetings Attended
Mr. Ansul Agarwal <sup>1</sup>	2
Mr. Girdhar Lal Harlaka <sup>2</sup>	2
Mr. Subrata Mookerjee	3
Mr. Abdul Kalam <sup>3</sup>	3
Mr. P P Sharma	4
Mr. Bal Krishan Ladha <sup>4</sup>	1

1 Joined as member of the Audit Committee on 20.10.2010.

2 Resigned from membership of the Audit Committee on 20.10.2010.

3 Resigned from membership of the Audit Committee on 26.01.2011.

4 Joined as member of the Audit Committee on 26.01.2011.





## (B) REMUNERATION COMMITTEE

The Board has set up a Remuneration Committee on January 4, 2007. and has been reconstituted on 30th April, 2010, 20th October, 2010. The Committee is responsible for recommending to the Board, the Remuneration package of Whole Time Directors including their annual increment and commission after reviewing their performance and also the compensations to the non-executive directors of the company.

### Constitution of Remuneration committee:

Name of the Members	Designation	Status
Mr. Prem Prakash Sharma	Chairman	Independent Director
Mr. Subrata Mookerjee	Member	Independent Director
Mr. Ansul Agarwal	Member	Independent Director

The Company Secretary acts as Secretary to the committee.

The remuneration committee met once on 26th July 2008 and approved the remuneration paid to Mr. Ashok Gutgutia, Vice Chairman and Managing Director w.e.f. 1st April, 2008 and Mr. K. P Agarwal, Executive Director w.e.f. 1st August, 2008. Thereafter no meeting has been held

### Remuneration Policy

The remuneration policy is directed toward rewarding performance, based on review of achievement on a periodical basis.

Besides sitting fees no remuneration was paid to any non-executive directors during the financial year under review.

### a) Details of remuneration paid to the Directors for the year ended 31st March 2011

Name	Designation	Salary	Perquisites & Other allowances*	Commission	Total
Mr. Ashok Gutgutia	Vice Chairman and Managing Director	15,00,000	Nil	Nil	15,00,000
Mr. K. P. Agarwal	Executive Director	1,20,000	Nil	Nil	1,20,000

\* The Managing Director and Executive Director have their right to receive perquisite and other allowances during the year under report.

There are no stock options available/issued to any directors of the company.

### b) Paid to Non Executive Directors

Sl. No.	Name of the Director	Sitting Fees Paid (Rs.)
1	Mr. Prem Prakash Sharma#	1,20,000/-
2	Mr. Abdul Kalam#	90,000/-
3	Mr. Keshab Chandra Das#	80,000/-
4	Mr. Girdhar Lal Harlalka #	60,000/-
5	Mr. Subrata Mookerjee	1,10,000/-
6	Mr. Anjan Ghosdastidar	20,000/-
7	Mr. Ansul Agarwal	50,000/-
	<b>Total</b>	<b>5,30,000/-</b>

# Above mentioned directors have waived their fees for attending some/all of the board meeting voluntarily

## Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee was constituted on January 4, 2007. The Committee has been reconstituted on 25th April 2009. Again the Committee has been reconstituted on 30th April, 2010, 20th October, 2010 and 26th January, 2011. This committee has been constituted for redressing the complaints of the shareholders and investors, to oversee share transfers and monitors investor's grievances such as complaints on transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, non receipt of refund order in case of part-allotment/non-allotment of shares relating to public issue etc. and redress thereof. During the year the committee met once on 26th January, 2011 in which all the members of the committee were present.

### Constitution of Investors Grievances Committee:

Name of the Member	Designation	Status
Mr. Prem Prakash Sharma	Chairman	Independent Director
Mr. Keshab Chandra Das	Member	Non Executive and Non Independent Director
Mr. Manoj Agarwal	Member	Promoter
Mr. Ashok Gutgutia	Member	Promoter

The company Secretary acts as Secretary to the committee.

**Share Transfer System:** The Shareholders'/Investors' Grievances Committee has been delegated the power to deal with share transfer. The Board has also delegated the power of share transfer to the officer of the company. The delegated authorities attend to share transfer formalities at least twice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. The board has appointed the Company Secretary as Compliance Officer of the company to monitor the share transfer process.

The company has appointed M/s Niche Technologies Pvt Ltd, as its Share Transfer Agent for both physical and demat segment of equity shares.

**Compliance Officer:** Mr. Sudhansu Sekhar Panigrahi,  
Company Secretary  
Vill: Palashdiha, Panchgachia Road,  
Kanyapur, P.O-Asansol Dist-Burdwan,  
West Bengal, Pin-713341  
Tel No-(0341) 2250454, 2252965,  
Fax No-(0341) 3250860  
Email:info@burnpurcement.com,  
investors@burnpurcement.com

### General Body Meetings

Details of Annual General Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2009-2010	Asansol Club Limited Court Compound, Asansol	29-09-2010	3.30 P.M.
2008-2009	Asansol Club Limited Court Compound, Asansol	16-09-2009	3.00 P.M.
2007-2008	Asansol Club Limited Court Compound, Asansol	27-08-2008	2.30 P.M.

No special resolution was passed in the previous three Annual General Meeting of the members of the company.

One special resolution was passed in an Extra Ordinary General Meeting held during the financial year.

No special resolution was passed through postal ballot during the financial year.

### DISCLOSURES

A) A summary of transactions with related parties, in the ordinary course of business is placed before the Audit Committee.

#### B) Related Party Transactions

None of the transactions with any of the related party was in conflict with the interest of the Company at Large. The details of the related party transaction are given in the notes of accounts of the Balance Sheet.

#### C) Non compliance / strictures / penalties imposed

There was no such instance in the last three years.

#### D) Accounting Treatment

In the preparation of financial statement, the Company has followed the Accounting Standard issued by ICAI. Where, in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact has been disclosed in the financial statements, together with the Management explanation as to why it believes such alternatives treatment is more representative of the true and fair view of the underlying business transaction. The significant Accounting Policies which are consistently applied have been set out in the Notes on Accounts.

#### E) Risk Management

Risk evaluation and management is an ongoing process within the organization. During the period under review, a detailed exercise on Risk Management was carried out covering the entire gamut of operations of the company and the Board was informed about the same.

#### F) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. As regards the non-mandatory requirements a remuneration committee has been set up and the terms of reference thereof has defined. Other non-mandatory requirements including inter-alia Whistle Blower Policy are being reviewed by the board from time to time.

### DETAILS OF INFORMATION ON RE-APPOINTMENT OF DIRECTORS

A brief resume, nature of expertise in specific functional areas, number of equity shares held in the company by the director or for other person on beneficial basis, names of the companies in which the person already holds directorship and membership of the committees of the Board forms part of the notice convening the 25th Annual General Meeting.

#### CEO/CFO Certification

As required under Clause 49 V of the listing agreement with the stock exchanges, the Vice chairman and Managing Director of the Company, Mr. Ashok Gutgutia heading the finance function of the Company certify to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
  - (i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of his knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
- c) He accepts responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) They have indicated to the auditors and the Audit Committee:
  - i) Significant changes in the internal control over financial reporting during the year
  - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

#### Code of Conduct

The company has adopted and implemented a code of conduct for its director and senior management. The code of conduct is posted in the official website of the company. For the year under review, all Directors and Senior Management personnel of the Company have confirmed their adherence to the provision of the said code.



### Insider Trading

The Company in Compliance with the Security and Exchange board of India Regulation, 1992 has formulated a well defined Insider Trading Policies which prohibits its employees and other associates to deal in the securities of the company based on any unpublished price sensitive information. The Insider Trading Policy lays down the guideline which advises all the persons considering as Insider on the procedures to be followed and disclosures to be made while dealing with share of the Company and cautioning them of the consequent violation.

### COMPLIANCE WITH CLAUSE 47(f) OF THE LISTING AGREEMENT

In compliance with Clause 47 (f) of the Listing Agreement, a separate e-mail Id investors@burnpurcement.com has been set

up as a dedicated ID solely for the purpose of registering investors complaints.

### MEANS OF COMMUNICATION

The un-audited financial results of the company for each quarter will be generally placed before the Board of Directors in the fourth week of succeeding month of the end of the quarter. The audited financial results/un-audited financial results of the company were/will be published generally in Business Standard (all editions) and Dainik Statesman (Kolkata edition). The financial Results for the year ended 31st March 2011 and other usefull information on the company are also available on the Company's Website at www.burnpurcement.com.

### General Shares Holders Information

i) <b>AGM: Date, time &amp; venue</b>	30th November 2011, 11.00 A.M. Asansol Club Limited, Court Compound, Asansol, Dist. :Burdwan, West Bengal, Pin-713304			2. The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra(E), Mumbai-400 051
ii) <b>Financial Calendar for F.Y.2011-2012(Tentative)</b>	Unaudited Financial Results for the First Quarter ended 30.06.11	Within 15th August, 2011		The Company has paid the listing fee for the year 2011-12 to both the Stock Exchanges.
	Unaudited Financial Results for the Second Quarter/ half year ended 30.09.11	Within 15th November, 2011		
	Unaudited Financial Results for the Third Quarter/nine months ended 31.12.11	Within 15th February, 2012		
	Audited Results: Year ended 31.03.2012	By the end of May,2012		
iii) <b>Date of Book Closure</b>	23rd November 2011 to 30th November 2011 (Both the days inclusive)			
iv) <b>Dividend Payment</b>	N.A.			
v) <b>Listing on Stock Exchange</b>	The Company's Equity shares are listed at the following Stock Exchanges: 1. Bombay Stock Exchange Ltd. 25th Floor, Phiroze Jeejeebhoy Towers Dalal Street Fort, Mumbai-400 001			
			vi) <b>Stock Code</b>	Bombay Stock Exchange: 532931 National Stock Exchange: BURNPUR
			vii) <b>ISIN allotted to Equity Shares</b>	INE817H01014
			viii) <b>Registered Office</b>	'Palashdiha' Panchgachia Road, Kanyapur, Asansol Dist-Burdwan, West Bengal, Pin-713304 Tel No-(0341) 2250454, 2252965. Fax No-(0341) 3250860 Email: info@burnpurcement.com, investors@burnpurcement.com Website- www.burnpurcement.com
			ix) <b>Registrar and Share Transfer Agents (RTA)</b>	<b>NICHE TECHNOLOGIES PRIVATE LIMITED</b> D-511, Bagree Market, 71, B R B Basu Road Kolkata-700 001, West Bengal, India Tel ; +91 33 2235 7270/7271, Fax ; + 91 33 2215 6823 Email : nichetechpl@ nichetechpl.com Website; www.nichetechpl.com
			x) <b>Address for investors' correspondences</b>	Investors/shareholders can correspond with the RTA and directly to the Registered Office and Corporate Office of the company.

### xi) a) Distribution of Shareholding as on 31st March,2011

No. of shares held	No. of Shareholders	% of Shareholder	No. of Shares Held	% of shareholding
1 to 500	30940	79.2642	63,80,934	14.8379
501 to 1000	4973	12.7402	40,17,539	9.3422
1001 to 5000	2676	6.8556	58,08,433	13.5066
5001 to 10000	250	0.6405	18,76,641	4.3638
10001 to 50000	154	0.3945	30,20,894	7.0246
50001to 100000	26	0.0666	19,23,423	4.4726
100001 and above	15	0.0384	1,99,76,499	46.4523
Total	39022	100.00	4,30,04,363	100.00

**b) Pattern of Shareholding as on 31st March 2011**

Category	No. of Shareholders	% of shareholders	No. of shares held	% of Shareholding
Individual	38280	98.068	24351940	56.63
Bodies Corporate	376	0.963	17387058	40.43
NRI / OCBs	219	0.561	713225	1.66
Clearing Memb. /Clearing corp.	159	.407	552140	1.28
<b>Total</b>	<b>39034</b>	<b>100</b>	<b>43004363</b>	<b>100</b>
Promoters	26	0.067		
Non-Promoters	39008	99.933		
<b>Total</b>	<b>39034</b>	<b>100</b>	<b>43004363</b>	<b>100</b>

**c) Summary report of shareholding**

Particulars	No. of Shares	% of Shareholding
<b>Physical</b>	<b>391054</b>	<b>0.91</b>
<b>NSDL</b>	<b>35457710</b>	<b>82.45</b>
<b>CDSL</b>	<b>7155599</b>	<b>16.64</b>
<b>TOTAL</b>	<b>43004363</b>	<b>100.00</b>

**d) Status of Shareholders'/ Investors' Complaints for the year ended 31.03.2011**

Nature of Complaint	No. of Complaints pending as on 31.03.2010	No. of complaints received	No. of complaints resolved	No. of complaints pending as on 31.03.2011
IPO Related Matter	Nil	Nil	Nil	Nil

**Stock Market Data**

Monthly high and Low prices of equity shares of the company quoted at Bombay Stock Exchange and National stock Exchange during the year 2010-11.

Month	Bombay Stock Exchange*		National Stock Exchange*		Sensex	
	High	Low	High	Low	High	Low
April	15.40	13.05	15.40	13.10	18047.86	17276.80
May	13.99	11.05	13.70	11.00	17536.86	15960.15
June	12.19	11.00	13.40	11.00	17919.62	16318.39
July	12.30	11.10	12.20	11.10	18237.56	17395.58
August	12.78	10.85	12.75	10.90	18475.27	17819.99
September	13.05	11.00	13.95	11.05	20267.98	18027.12
October	12.25	10.81	12.25	10.80	20854.55	19768.96
November	12.35	10.10	12.45	10.20	21108.64	18954.82
December	11.00	9.70	11.20	9.75	20552.03	19074.57
January	10.43	8.25	10.40	8.20	20664.80	18038.48
February	10.05	7.70	10.05	7.75	18690.97	17295.62
March	8.88	7.50	8.50	7.75	19575.16	17792.17



- 
- xi) Dematerialization of Equity Shares and Liquidity: 99.09% of Equity Shares have been dematerialized as on 31st March, 2011.
- xii) Outstanding GDRs/ ADRs / Warrant: The company has issued 20000000 Convertible warrants to non promoters.
- xiv) Plant Location. : Village-Palasdaha, Panchgachia Road, P.O- Kanyapur, Dist. Burdwan, West Bengal. Tel No-(0341) 2250454, 2252965.
- xv) Proposed Plant Location. : Plot No.A-8P,9,10,11, B-38,39,40, C-7P,8,9,10,11 & XP, Block-D and Block-E, Patratu Industrial Area, Jharkhand State.

#### DECLARATION

This is to confirm that the company has adopted a code of conduct for its Directors and its senior management and employees. As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all the directors and the designated personnel in the senior management of the company have *affirmed* compliance with their respective code for the financial year ended 31st March 2011.

**For BURNPUR CEMENT LTD.**

Date : 5th August, 2011  
Place : Kolkata

**Ashok Gutputia**  
Vice-Chairman & Managing Director

---

To  
The Shareholders  
**Burnpur Cement Ltd.**

We have examined the compliance of the conditions of Corporate Governance by Burnpur Cement Ltd. for the year ended March 31st, 2011, as stipulated in Clause 49 of the Listing Agreements of the said company with the relevant Stock Exchanges in India.

The compliance of the 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 report nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has, in all material respect, complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement with the relevant Stock Exchanges.

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.

**For M/S N. K. Agarwal & Co.**  
(Chartered Accountants)

Date : 5th August, 2011  
Place : Kolkata

**Mr. N. K. Agarwal**  
(Proprietor)  
Membership No. 14267

**AUDITORS REPORT**

**TO THE SHAREHOLDERS OF BURNPUR CEMENT LIMITED.**

We have audited the attached Balance Sheet of **Burnpur Cement Limited** as on 31st March, 2011 and the Profit & Loss Account and the Cash Flow statement of the Company for the year 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.

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 amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis of our opinion.

- 1) As required by Companies (Auditor's Report) order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
- 2) We further report that:-
  - (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 so far as appears from our examination of such books.
  - (c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet and the Profit & Loss Account referred to in this report comply with the mandatory Accounting Standards referred to in sub sec 3(c) of sec 211 of the Companies Act, 1956, to the extent applicable.
- (e) On the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of directors, we report that none of the directors of the Company are prima facie disqualified Under Section 274(1)(g) 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 Balance Sheet and the Profit & Loss Account read together with all the notes thereon, 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
  - (ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
  - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For M/s N.K. Agarwal & Co.**  
(Chartered Accountants)

**N.K. Agarwal**  
(Proprietor)

Membership No. 14267

Dated : 30.05.2011  
Place : Kolkata.

---

**ANNEXURE TO AUDITORS REPORT**

**To the Shareholders of Burnpur Cement Limited.**

(Referred to in Paragraph (1) thereof)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset. All the fixed assets have not been verified by the management during the period. According to the information and explanations given to us there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
- 2) None of the Fixed Assets have been revalued during the period.
- 3) a) The inventory has been physically verified during the period. In our opinion the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No major discrepancies were noticed.



- 4) The Company has taken unsecured loan and secured loans from financial institutions, banks and bodies corporate and director. However the terms of loans are not prima facie prejudicial to the interest of the Company.
- 5) Based on the Audit procedures applied by us and by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301, hence not applicable.
- 6) a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax and Sales Tax and such other statutory dues with the appropriate authorities.  
b) Demand of Rs.59.72 Lac raised on completion of Sales Tax Assessment for the years ended on 31-03-1996, 31-03-2005 and 31-03-2008 under West Bengal Sales Tax Act, 1994, have not been provided for in the books as explained by the Management that the whole demand is disputed and revision/ appeal have been preferred before appropriate Appellate Forum and the management has bonafide belief that demand will be reduced to Nil on disposal of revision / appeal proceedings.  
c) The demand of Rs. 380.46 lakh raised on completion of Income Tax regular assessment for the Assessment year 2008-09 have not been provided for in the books as that the company have disputed such demand by filling an appeal before CIT (Appeal), Asansol and the management has bonafide belief that demand shall be reduced to Nil on disposal of appeal.
- 7) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties in which directors are interested.
- 8) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 9) According to the information and explanation given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 4(vi) of the order is not applicable.
- 10) The Company has adequate internal Audit system commensurate with the size and nature of its business.
- 11) The maintenance of records as prescribed u/s 209(1) (d) of Companies Act, 1956 (as amended) for the product manufactured by the Company have been maintained.
- 12) Based on our Audit procedures and on the information and explanations by the management. We are of the opinion that the Company has not defaulted in repayment of dues to Bank and Financial Institution.
- 13) Based on our examination of documents and records and according to the information and explanation given to us, we are of the opinion that the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 14) In our opinion, the Company is not a chit fund or nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions for clause 4(xiv) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- 16) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions. Therefore, the provisions for clause 4(xv) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- 17) In our opinion and according to the information and explanations given to us and on an over all examination of the Balance Sheet of the Company. We report that funds raised on short- term basis have been used for long term investment to the tune of Rs. 36.00 lakhs for purchase of land.
- 18) In our opinion, the term loans have been applied for the purpose for which they were raised.
- 19) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. However the company has allotted two crore convertible warrants at a price of Rs. 12/- per warrant to non promoters in which none of the directors are interested.
- 20) In our opinion and according to the information and explanations given to us, the Companies has not issued any secured debentures during the year, hence paragraph 4(xix) of the companies (Auditor's Report) order 2003 are not applicable to the Company.
- 21) During the period covered by our Audit Report, the Company has not raised any money by way of Initial Public Issues.
- 22) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For M/s N.K.Agarwal & Co.**  
(Chartered Accountants)

**N.K.Agarwal**  
(Proprietor)

Dated : 30.05.2011  
Place : Kolkata.

Membership No. 14267

**BURNPUR CEMENT LIMITED**  
**BALANCE SHEET** as at 31st March, 2011

I. SOURCES OF FUND :	Schedule	As at 31.03.11 Amount		As at 31.03.10 Amount
<b>1. Shareholders' Funds</b>				
a) Share Capital	1	430,043,630.00		430,043,630.00
b) Reserves and Surplus	2	<u>187,046,211.62</u>	<u>617,089,841.62</u>	<u>186,116,301.30</u> 616,159,931.30
<b>2. Warrants Application Money</b>				
a) Preferential Issue of convertible warrant to non-promoters			<b>213,900,000.00</b>	—
<b>3. Loan Funds</b>				
a) Secured Loan	3	113,162,926.60		418,448,982.97
b) Unsecured Loan	4	<u>40,974,233.00</u>	<u>154,137,159.60</u>	<u>8,849,277.93</u> 427,298,260.90
<b>4. Deferred Tax Liability</b>			<b>6,310,048.00</b>	6,925,944.00
<b>Total :</b>			<u><b>991,437,049.22</b></u>	<u>1,050,384,136.20</u>
<b>II APPLICATION OF FUNDS:</b>				
<b>1 Fixed Assets</b>				
a Gross Block	5	245,823,377.26		219,777,849.67
b Less: Depreciation		<u>85,521,657.58</u>		<u>76,081,228.46</u>
c Net Block		160,301,719.68		143,696,621.21
d Capital W.I.P.		<u>237,551,149.02</u>	<u>397,852,868.70</u>	194,059,935.59 337,756,556.80
<b>3 Current Assets, Loans and Advances</b>				
a Inventories	6	60,830,194.11		39,267,118.50
b Sundry Debtors	7	164,987,663.46		169,111,030.44
c Cash and Bank Balance	8	26,610,519.65		139,483,351.01
d Loans and Advances	9	<u>402,066,228.66</u>		<u>405,883,116.27</u>
		<b>654,494,605.88</b>		<b>753,744,616.22</b>
Less:				
<b>4 Current Liabilities and Provisions</b>				
a Current Liabilities	10	47,111,613.73		31,924,748.82
b Provisions	11	<u>13,798,811.63</u>		<u>9,192,288.00</u>
		<b>60,910,425.36</b>		<b>41,117,036.82</b>
<b>Net Current Assets</b>			<b>593,584,180.52</b>	712,627,579.40
<b>Total :</b>			<u><b>991,437,049.22</b></u>	<u>1,050,384,136.20</u>
<b>Notes to the accounts</b>	19			
<b>Related Party Disclosures</b>	20			
<b>Significant Accounting Policy</b>	21			

The Schedules referred to the above form an integral part of the Balance Sheet.

As per our annexed report of even date

For N.K.Agarwal & Co.  
Chartered Accountants

(N. K. Agarwal)  
Proprietor

Date : 30th May, 2011  
Place : Kolkata

On behalf of the Board

Ashok Gutgutia  
VC & Managing Director

Manoj Kumar Agarwal  
Director

S. S. Panigrahi  
Company Secretary





**BURNPUR CEMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT** for the year ended 31st March, 2011

I. INCOME	Schedule	As at 31.03.2011		As at 31.03.2010
		Amount		Amount
Sales	12	308,321,173.05		301,104,113.00
Other Income	13	3,482,877.00		13,725,003.45
		<u>311,804,050.05</u>		<u>314,829,116.45</u>
<b>II. EXPENDITURE</b>				
Manufacturing and Other Operating Expenses	14	192,659,867.72		192,812,053.92
Excise Duty		34,510,983.00		25,432,497.00
Compensation to Employees	15	10,650,095.60		9,855,039.00
Directors' Remuneration	16	1,620,000.00		1,740,000.00
Administration and Other Charges	17	45,453,238.58		55,741,224.52
		<u>284,894,184.90</u>		<u>285,580,814.44</u>
<b>III. PROFIT BEFORE INTEREST AND DEPRECIATION</b>				
Interest & Other Charges	18	11,635,895.11		14,795,196.89
<b>IV. PROFIT BEFORE DEPRECIATION</b>				
Depreciation	5	11,017,296.12	11,020,434.00	
Less: Revaluation Reserve		<u>3,676,814.00</u>	<u>3,676,814.00</u>	7,343,620.00
<b>V. PROFIT BEFORE TAX</b>				
<b>Provision for taxation:</b>				
Current Tax		3,686,320.63	1,375,217.00	
Deferred Tax		<u>(615,896.00)</u>	<u>(904,768.00)</u>	470,449.00
<b>VI. PROFIT AFTER TAXES</b>				
<b>VII. BALANCE BROUGHT FORWARD FROM LAST YEAR</b>				
<b>VIII. EARLIER YEAR ADJUSTMENT</b>				
(Prior Period items.)				(146,503.00)
<b>IX. AMOUNT AVAILABLE FOR APPROPRIATIONS</b>				
<b>X. BALANCE CARRIED TO BALANCE SHEET</b>				
<b>XI. EARNING PER SHARE</b>				
Equity Share of par Value of Rs.10 each				
-Basic / Diluted		0.11		0.15
No of Share used in computing Earning per Shares				
-Basic / Diluted		43,004,363		43,004,363
<b>Notes to the accounts</b>	19			
<b>Related Party Disclosures</b>	20			
<b>Significant Accounting Policy</b>	21			

The Schedules referred to the above form an integral part of the Balance Sheet.

As per our annexed report of even date

For N.K.Agarwal & Co.  
Chartered Accountants

(N. K. Agarwal)  
Proprietor

Date : 30th May, 2011  
Place : Kolkata

On behalf of the Board

Ashok Gutgutia  
VC & Managing Director

Manoj Kumar Agarwal  
Director

S. S. Panigrahi  
Company Secretary



## CASH FLOW STATEMENT for the year ended 31st March, 2011

(Figures for the previous year have been rearranged to conform with the revised presentation)

A. CASH FLOW FROM OPERATING ACTIVITIES:	As at 31.03.2011 Amount in (Rs.)	As at 31.03.2010 Amount in (Rs.)
<b>Net Profit Before Tax</b>	<b>7,933,487.92</b>	7,109,485.12
<b>Adjustment for:</b>		
Depreciation	7,340,482.12	7,343,620.00
Interest Expenditure	11,635,895.11	14,795,196.89
Dividend Income from liquidity fund	—	—
(Profit) on sale of Investments	—	—
Payment of Gratuity	(20,000.00)	—
Prior Period Expenses	0.00	(146,503.00)
Loss on Sale of Fixed Assets	138,112.00	—
Interest on Fixed Deposits	2,004,952.00	(1,303,447.00)
<b>Operating Profit Before Working Capital Changes</b>	<b>25,023,025.15</b>	<b>27,798,352.01</b>
<b>Adjustment for:</b>		
Decrease/(Increase) Inventories	(21,563,075.61)	(21,520,752.84)
Decrease/(Increase) Sundry Debtors	4,123,366.98	9,856,588.84
Decrease/(Increase) Loans and Advances	6,443,387.61	(79,625,080.24)
(Decrease)/Increase Current Liabilities	16,127,067.91	8,988,323.90
Cash Generated From Operations	30,153,772.04	(54,502,568.33)
Direct taxes paid (net of refunds)	(2,626,500.00)	(772,500.00)
<b>Net Cash from Operating Activities</b>	<b>27,527,272.04</b>	<b>(55,275,068.33)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Work-In-Progress	(63,959,598.70)	(21,575,842.76)
Purchase of Fixed Assets	(7,663,460.29)	(5,801,249.48)
Sale of fixed Assets (Vehicle)	115,000.00	135,000.00
Sale/(Purchase) of Investments	—	60,000.00
Profit on Sale of Investment	—	—
Interest on Fixed Deposits	2,004,952.00	1,303,447.00
<b>Net Cash From Investing Activities</b>	<b>(69,503,106.99)</b>	<b>(25,878,645.24)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Capital	213,900,000.00	0.00
Proceeds from Borrowings	—	218,846,063.18
Repayment of Borrowings	(305,286,056.37)	(7,201,315.75)
Interest Paid	(11,635,895.11)	(14,795,196.89)
Security Premium Recd.	—	—
Repayment of Unsecured Loan	—	(3,991,703.00)
Proceeds from Unsecured loan	32,124,955.07	8,500,000.00
<b>Net Cash From Financing Activities</b>	<b>(70,896,996.41)</b>	<b>201,357,847.54</b>
<b>D. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS.</b>	<b>(112,872,831.36)</b>	<b>120,204,133.97</b>
Closing Balance of Cash and Cash Equivalents	26,610,519.65	139,483,351.01
Opening Balance of Cash and Cash Equivalents	139,483,351.01	19,279,217.04

### Note :

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS)-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Figures in bracket indicate cash outflow.

As per our annexed report of even date

For **N.K.Agarwal & Co.**

Chartered Accountants

(N. K. Agarwal)

Proprietor

Date : 30th May, 2011

Place : Kolkata

On behalf of the Board

Ashok Gutgutia  
VC & Managing Director

Manoj Kumar Agarwal  
Director

S. S. Panigrahi  
Company Secretary

**SCHEDULE FORMING PART OF THE BALANCE SHEET as at 31st March, 2011**

	As at 31.03.2011 Amount in (Rs.)	As at 31.03.2010 Amount in (Rs.)
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
7,00,00,000 Equity Shares of Rs 10/- each.	<u>700,000,000.00</u>	<u>460,000,000.00</u>
<b>Issued and Subscribed</b>		
4,30,04,363 Equity Shares of Rs 10/- each fully paid up. ( includes 30,000 equity shares of Rs 10/ each fully paid up alloted for consideration other than cash )	<u>430,043,630.00</u>	<u>430,043,630.00</u>
	<b>430,043,630.00</b>	<b>430,043,630.00</b>
<b>2 RESERVES AND SURPLUS</b>		
a Capital Reserve	<b>1,008,763.12</b>	1,008,763.12
b Revaluation Reserves	<b>66,972,999.96</b>	70,906,152.96
Less: Depreciation Charge in relation to revaluation over original cost of assets	<u>3,676,814.00</u>	<u>3,676,814.00</u>
	<b>63,296,185.96</b>	<b>67,229,338.96</b>
c General Reserve	<b>1,000,000.00</b>	1,000,000.00
d Securities Premium	<b>68,820,926.00</b>	68,820,926.00
e Profit & Loss Account	<u>52,920,336.51</u>	<u>48,057,273.22</u>
	<u><b>187,046,211.59</b></u>	<u><b>186,116,301.30</b></u>
<b>3 SECURED LOAN</b>		
<b>Loans from Bank</b>		
a. <b>ICICI Bank, Kolkata</b>	<b>0.00</b>	459,005.00
(Car Loan-Secured by hypothecation of CRV,HONDA Car)		
b. <b>Term Loan from Banks(Consortium Advances)</b>	<b>0.00</b>	297,128,219.00
c. <b>HDFC Bank Limited, Kolkata</b>	<b>631,758.26</b>	0.00
(Car Loan-Secured by hypothecation of FORD FIESTA Car)		
d. <b>HDFC Bank Limited, Kolkata</b>	<b>543,021.00</b>	0.00
(Car Loan-Secured by hypothecation of TATA INDIGO Car)		
c. <b>Cash Credit Facilities</b>	<u>77,691,689.20</u>	<u>74,178,701.22</u>
(Facilities with State Bank of India, Asansol Branch)	<b>78,866,468.46</b>	<b>371,765,925.22</b>
<b>Loans from Others</b>		
a. <b>Family Credit Ltd</b>	<b>44,405.58</b>	296,413.09
( Car Loan-Secured by hypothecation of Car HONDA Citi)		
b. <b>Citi Corp Finance, Kolkata</b>	<b>0.00</b>	179,009.48
(Secured against TATA Hitachi Pay Loader)		
c. <b>West Bengal Financial Corporation, Kolkata</b>	<b>34,085,000.18</b>	45,905,000.18
d. <b>Magma Fincorp Ltd ( Mahindra Jeep)</b>	<u>167,052.38</u>	<u>302,635.00</u>
	<u><b>34,296,458.14</b></u>	<u><b>46,683,057.75</b></u>
<b>Total Secured Loans</b>	<u><b>113,162,926.60</b></u>	<u><b>418,448,982.97</b></u>

**Note-1 Cash Credit is secured by**

- Way of first charge hypothecation of present and future stocks of raw Materials, Stores, Stock in Process, Chemicals & consumables, fuel, packing material, finished goods etc. and Book Debts of the company;
- Way of second charge on the Plant & Machinery of the Company and personal Guarantees of the promoter directors of the company;
- LIC, NSC, Fixed Deposits in company and/ or directors' name;
- Equitable Mortgage (1st Charge) of Land and Building at Factory, Palashdiha, Kanyapur, Asansol.
- Equitable Mortgage (1st Charge) of Land and Building at Ashirbad, Saradapally, Ashok Nagar, Asansol, in the name of promoter director.



**Note-2 WBFC Loan is secured by way of :**

- a. First charge over the immovable property located at Cement House, Saradapally, Ashok Nagar, Asansol, in the name of promoter director and also personal guarantees of the promoter directors of the company.
- b. LIC, NSC, Fixed Deposits in company and/ or directors' name.
- c. Floating charge on the remainder assets of the company, the floating charge is however subject to the prior charge of the company against borrowing for working capital.

**Note:** Interest accrued and due on secured loans has been included under appropriate heads as above.

**4 Unsecured Loan**

**Other Loans and Advances:**

	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
	<b>Amount in (Rs.)</b>	<b>Amount in (Rs.)</b>
<b>From Banks:</b>		
a Standard Chartered Bank	<b>0.00</b>	349,277.93
<b>From Others</b>		
a Corporate Bodies	<b>37,374,233.00</b>	8,500,000.00
<b>From Directors</b>		
a Ashok Gutgutia	<b>3,600,000.00</b>	0.00
	<b>40,974,233.00</b>	<b>8,849,277.93</b>
<b>Capital Work-in-Progress</b>		
Capital W.I.P. Patratu Project	<b>237,551,149.02</b>	194,059,935.59

**SCHEDULE FORMING PART OF THE BALANCE SHEET as at 31st March, 2011**  
**5 Schedule of Fixed Assets**

S.No	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		Opening as on 01.04.10	Addition during the year	Deduction during the year	Closing as on 31.03.11	Opening as on 01.04.10	For the year	Adjustment	Total	As on 31.03.11	As on 31.03.10
1	Land (Freehold)	13,923,513.00	5,450,750.00		19,374,263.00	0.00	0.00		0.00	19,374,263.00	13,923,513.00
2	Factory Building	17,694,321.28			17,694,321.28	4,203,206.08	590,990.33		4,794,196.41	12,900,124.87	13,491,115.20
3	Plant & Machinery	147,429,035.93	1,126,981.29		148,556,017.22	51,817,821.94	7,791,695.88		59,609,517.82	88,946,499.40	95,611,213.99
4	Electrification & Installation	12,122,210.06	4,250.00		12,126,460.06	4,527,403.02	575,872.08		5,103,275.10	7,023,184.96	7,594,807.04
5	Laboratory Equipment	813,758.67			813,758.67	395,813.77	38,653.54		434,467.31	379,291.36	417,944.90
6	Furniture & Fixtures	2,706,815.68	4,000.00		2,710,815.68	189,276.47	171,341.43		360,617.90	2,350,197.78	2,517,539.21
7	Computer Sets	891,295.24	126,730.00		1,018,025.24	572,818.25	155,026.30		727,844.55	290,180.69	318,476.99
8	Pollution Equipment	7,683,944.70			7,683,944.70	5,654,340.70	405,712.28		6,060,052.98	1,623,891.72	2,029,604.00
9	Motor Vehicles	3,978,050.99	906,749.00		4,884,799.99	1,276,158.65	413,237.72		1,689,396.37	3,195,403.53	2,701,892.25
10	Pay Loader	9,396,136.45		2,086,318.00	7,309,818.45	7,409,651.48	828,075.08	1,576,867.00	6,660,859.56	648,958.89	1,986,484.97
11	Television	5,400.00			5,400.00	1,342.00	341.82		1,683.82	3,716.18	4,058.00
12	Telephone	35,700.00			35,700.00	19,235.15	2,259.81		21,494.96	14,205.04	16,464.85
13	Mobile Sets	111,900.00	44,000.00		155,900.00	9,705.95	7,631.01		17,336.96	138,563.04	102,194.05
14	EPABX Machine	9,000.00			9,000.00	1,343.00	569.70		1,912.70	7,087.30	7,657.00
15	FAX Machine	6,500.00			6,500.00	99.00	411.45		510.45	5,989.55	6,401.00
16	Air Conditions	501,806.00			501,806.00	3,013.00	35,477.68		38,490.68	463,315.32	498,793.00
17	Capital WIP P&M	2,468,461.76	19,640,391.03		22,108,852.79					22,108,852.79	2,468,461.76
18	Capital WIP Building	0.00	827,994.18		827,994.18					827,994.18	0.00
	<b>TOTAL</b>	219,777,849.76	28,131,845.50	2,086,318.00	245,823,377.26	76,081,228.46	11,017,296.12	1,576,867.00	85,521,657.58	160,301,719.59	143,696,621.21
	Previous year	213,976,600.19	5,956,249.48	155,000.00	219,777,849.67	65,130,144.46	11,020,434.00	0.00	76,081,228.46	143,696,621.21	148,846,455.73

@ Original Cost / Professional Valuation as at 31.03.2005

@ Includes original cost of Assets of Rs. 68503108.68 have been revalued upward by Rs.85489569.06 on 31.03.2005 by professional Valuer.



**SCHEDULE FORMING PART OF THE BALANCE SHEET as at 31st March, 2011**

	As at 31.03.2011 Amount in (Rs.)	As at 31.03.2010 Amount in (Rs.)
<b>6 Inventories</b> (at lower of cost and net realisable value)		
<b>a Raw Material</b>		
I Stores & Spares	970,500.00	204,000.00
II Clinker	19,725,142.67	28,664,423.84
III G. Slag	34,398,572.27	7,950,763.32
IV Gypsum	117,260.66	239,968.67
V Coal	1,199,969.55	1,263,984.00
<b>b Packing Material</b>		
I HDPE Bags	1,257,595.13	943,978.67
<b>c Advt. Items &amp; Grinding Media</b>	3,161,153.83	0.00
	<u>60,830,194.11</u>	<u>39,267,118.50</u>
<b>7 Sundry Debtors</b> (Unsecured considered good)		
a Over six months old - considered good	101,592,860.45	72,932,476.00
b Less than six months	63,394,803.01	96,178,554.44
	<u>164,987,663.46</u>	<u>169,111,030.44</u>
<b>8 Cash and Bank Balances</b>		
a <b>Cash in Hand (as certified by management)</b>	8,090,404.82	3,372,220.07
b <b>With Scheduled Banks</b>		
On Current Account etc.	1,819,723.83	12,842,594.19
On Deposit Accounts etc.	16,700,391.00	116,406,639.00
	0.00	15,000.00
c BCL Developer	0.00	6,846,897.75
	<u>26,610,519.65</u>	<u>139,483,351.01</u>
Note: Fixed Deposits are pledged with banks against credit limits.		
<b>9 Loans and Advances</b> (Unsecured considered good, unless otherwise stated) Advances recoverable in cash or in kind or for value to be adjusted)		
a. Deposit with Government Authorities	4,624,470.00	920,165.45
b. Income Tax / Sales Tax Advance	16,768,459.26	9,127,657.00
c. Pre Paid Expenses - Asl	228,778.00	7,641,073.20
d. Advance to Suppliers	14,938,439.64	16,875,728.62
e. Advance to Suppliers for Jh. Proj.	354,275,500.00	362,414,122.00
e. Advance for Raw Materials/Others	8,530,264.76	7,654,370.00
f Share Application Money Pending Allotment	1,250,000.00	1,250,000.00
g. Advance to Staff	684,440.00	0.00
h. Others Deposits	765,877.00	0.00
	<u>402,066,228.66</u>	<u>405,883,116.27</u>
<b>10 Current Liabilities</b>		
a <b>Sundry Creditors</b>		
I For Raw Materials - Trade	19,544,770.63	10,643,314.28
II For Expenses - ASL	10,041,733.40	10,834,095.49
III For Capital Goods	5,535,503.00	4,928,696.05
IV Others Creditors.	4,036,206.52	
v Sundry Creditor (Jh.Project)	108,348.00	
b <b>Statutory Liabilities</b>	6,158,601.18	2,603,643.00
c <b>Unclaimed/Unpaid Dividend (Year 2004-05)</b>	15,000.00	15,000.00
d <b>Trade Deposits</b>	1,671,451.00	2,900,000.00
	<u>47,111,613.73</u>	<u>31,924,748.82</u>

**SCHEDULE FORMING PART OF THE BALANCE SHEET** as at 31st March, 2011

	As at 31.03.2011 Amount in (Rs.)	As at 31.03.2010 Amount in (Rs.)
<b>11 Provisions</b>		
a Provision for Taxation	11,043,267.63	7,356,947.00
b Provision for Fringe Benefit Tax.	303,262.00	303,262.00
c Provision for Gratuity	2,452,282.00	1,532,079.00
	<u>13,798,811.63</u>	<u>9,192,288.00</u>

**12 Un-Audited Provisional Sales Statement** for the Financial Year 2010-1011

Sales Account	For the F. Yr. 2010-2011		For the F. Yr. 2009-2010	
<b>1. West Bengal Plant</b>				
Manufacturing Sales	189,851,598.00		120,592,483.00	
Scrap Sales	540,600.00		0.00	
Add: Excise Duty	33,505,471.00		24,691,325.00	
Add: Education Cess	670,321.00		741,172.00	
Add: HSEC	335,191.00		0.00	
Add: CST - WB	1,759,389.00		2,066,644.00	
Add: VAT - WB	22,195,429.00	248,857,999.10	13,428,588.00	161,520,212.00
<b>2. Jharkhand - Ranchi</b>				
Trading Sales	989,062.21		—	
Domestic Sales	23,728,760.00		62,119,073.00	
Add: VAT	3,344,138.46	28,061,960.67	8,567,528.00	70,686,601.00
<b>3. Bihar - Patna</b>				
Domestic Sales	28,331,285.00		60,563,474.00	
Add: VAT	3,993,019.00	32,324,304.00	8,333,826.00	68,897,300.00
Less: Trade Discount on Sales		923,090.62		Nil
		<u>308,321,173.05</u>		<u>301,104,113.00</u>

**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT** for the year ended 31st March, 2011

	As at 31.03.2011 Amount in (Rs.)	As at 31.03.2010 Amount in (Rs.)
<b>13 OTHER INCOME</b>		
Sales Contract Revenue(BCL Developer)	0.00	5447789.45
Misc. Income	313542.00	0.00
Discount Received	13880.00	5033105.00
Commission received	0.00	1227071.00
Hire Charges of Pay Loader	1136500.00	699677.00
Rebate on Sales Tax	14003.00	3043.00
Profit on sales od Depreciated Assets	0.00	10871.00
Interest On Fixed Deposits	2004952.00	1303447.00
	<u>3482877.00</u>	<u>13725003.45</u>



**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011**

	As at 31.03.2011 Amount in (Rs.)	As at 31.03.2010 Amount in (Rs.)
<b>14 MANUFACTURING &amp; OTHER OPERATING EXPENSES</b>		
<b>3.1 Raw Material Consumed</b>		
Opening Stock	36855155.83	15076449.29
Purchase	138077629.36	139343356.68
Frieght Inwards	19132912.84	21145535.00
	<u>194065698.03</u>	<u>175565340.97</u>
Less: Closing Stock	54240975.60	36855155.83
	<u>139824722.43</u>	<u>138710185.14</u>
	<b>A</b>	
<b>Trading &amp; Others Purchase</b>	<b>B</b>	<b>0.00</b>
	<u>915463.00</u>	<u>0.00</u>
<b>3.2 Packing Material Consumed</b>		
Opening Stock	943978.67	941478.37
Purchase	9054542.00	8577414.00
	<u>9998520.67</u>	<u>9518892.37</u>
Less: Closing Stock	1257595.13	943978.67
	<u>8740925.54</u>	<u>8574913.70</u>
	<b>C</b>	
<b>3.3 Manufacturing Expenses:</b>		
Factory Rent	600000.00	600000.00
Grinding Media	0.00	1975621.00
Power & Fuel	35382569.96	31318321.89
Testing Fees and Other Incidental Exp.	842392.00	91124.00
Loading / Unloading Charges	2007265.00	2993207.00
Repair & Maintenance - Machinery	1922688.50	2556220.61
Coal & Ash Consumption	0.00	2497011.77
	<u>40754915.46</u>	<u>42031506.27</u>
	<b>D</b>	
<b>3.4 Consumable &amp; Misc. Stores:</b>		
Opening Stock	1467984.00	
Purchase	6287480.67	
	<u>7755464.67</u>	
Less: Closing Stock	5331623.38	3495448.81
	<u>2423841.29</u>	<u>3495448.81</u>
	<b>E</b>	
	<b>(A+B+C+D+E)</b>	<b>192812053.92</b>
<b>Excise Duty:</b>	<b>34510983.00</b>	<b>0.00</b>
<b>15 COMPENSATION TO EMPLOYEES</b>		
Salaries	4599826.00	5594068.00
Wages	3040902.00	2875260.00
Bonus	687317.60	568178.00
Contribution to Recognised Provident Fund	848067.00	784844.00
Gratuity	940203.00	(463683.00)
Employees' State Insurance Schemes	230551.00	254601.00
Staff Welfare Expenses	303229.00	241771.00
	<u>10650095.60</u>	<u>9855039.00</u>



**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT** for the year ended 31st March, 2011

	As at 31.03.2011 Amount in (Rs.)	As at 31.03.2010 Amount in (Rs.)
<b>16 DIRECTORS' REMUNERATION</b>		
Directors' Remuneration	1620000.00	1740000.00
<b>17 a. ADMINISTRATION AND OTHER CHARGES</b>		
Insurance Charges	185253.00	301086.00
Advertisement	1356248.62	206551.00
Rent	640508.00	3067566.00
Rates and Taxes	864090.00	70866.00
Printing & Stationery	494803.00	637291.00
Postage & Telegram	356535.00	333661.00
Telephne Exp.	292695.43	455964.07
Legal cum Service ch.	1134875.00	735078.00
Directors Sitting Fees	440000.00	600000.00
<b>Auditors' Expenses:</b>		
Statutory Audit Fees	80000.00	80000.00
Tax audit Fees	30000.00	30000.00
Fees for Limited Review	30000.00	30000.00
VAT Audit Fees	26230.00	0.00
Internal Audit Fees	105000.00	105000.00
VAT on Sales	31291975.46	32396586.00
OtherAdministration Exp.	7319835.06	16691575.45
Service Tax Paid (For Prev Year)	748924.01	0.00
Penalty on Service Tax (Prev year)	56266.00	0.00
	<b>45453238.58</b>	<b>55741224.52</b>
<b>18 INTEREST AND OTHER CHARGES</b>		
Interest on Term Loan	1187293.00	2455925.71
Interest in Cash Credit	9269916.00	10237637.00
Interest on Car Loan	82431.13	64564.00
Other Interest	36061.23	1126581.44
Bank Charges	309963.75	910488.74
Bank Processing Fees	750230.00	0.00
	<b>11635895.11</b>	<b>14795196.89</b>



**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET as on 31st March, 2011.**

**SCHEDULE-19**

**NOTES ON ACCOUNTS**

1. Depreciation on revalued fixed assets amounting to Rs. 3676814.00 has been written off from revaluation reserve.
2. The figures of Excise Duty paid are disclosed in the Books at the net figures after taking credit for rebate / refund of Excise Duty. No Cenvat Credit on Capital goods has been taken during the year.
3. Figures pertaining to previous year have been re-grouped/re-arranged, reclassified and restated, wherever considered necessary, to confirm to the classification adopted in the current year.
4. There were no Foreign exchange inflow and outflow during the year.
5. Deferred tax is recognized subject to consideration of prudence in respect of deferred tax assets on timing difference being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Reversal of deferred tax liability on account of depreciation for Rs. 6,15,896.00 has been made in the Books of Accounts in accordance with Accounting Standard - 22.
6. Service tax is also being determined in accordance with the provision of Service Tax Law.

**7. QUANTITATIVE DETAILS AND OTHER INFORMATION:**

**Information required by Para 3, 4C and 4D of Part (II) of Schedule VI to The Companies Act, 1956:**

**i. Capacity of Production of Plant at Asansol**

a. License capacity	—	N.A
b. Installed Capacity	—	1000 TPD (on triple shift basis)

**ii. Raw Material Consumption:**

Particulars	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Quantity (MT)	Value	Quantity (MT)	Value
Clinker	29851.693	9,11,62,058.76	31717.880	100,269,209.09
G. Slag	48966.389	4,61,50,040.40	49018.090	36,493,156.83
Gypsum	1611.825	25,12,623.27	1647.100	1,947,819.22
<b>Total</b>	<b>80429.897</b>	<b>13,98,24,722.43</b>	<b>81383.070</b>	<b>138,710,185.14</b>

**iii. PRODUCTION OF FINISHED GOODS**

(In Bags of 50 kgs)

Year	Item	Opening Stock	Production	Total
2010-11	Cement (in Bags)	Nil	1466311 (73315.550 Mt)	1466311
2009-10	- do -	Nil	1498376	1498376

**iv. PACKING MATERIAL CONSUMED**

Particulars	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Quantity	Value	Quantity	Value
HDPE Bags	1466311	87,40,925.54	1498376	8574913.70

**v. SALES**

Particulars	Unit	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Cement	In Bags of 50 Kgs	14,66,311 (73315.550 MT)	307332110.84	1498376	301104113.00
Lime Stone	MT	2817.841	989062.21	Nil	Nil
Total			308321173.05		301104113.00

**8. Managerial Remuneration**

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Salary	16,20,000.00	17,40,000.00+
Commission/Perquisites	Nil	NIL*
Directors Sitting Fees	5,30,000.00	6,00,000.00

+a. Mr. B. K. Ladha has been appointed as Professional Director of the company w.e.f 26.01.2011.

b. The above remuneration paid to the Directors is the minimum remuneration paid in terms of part II of Schedule XIII of the Companies Act, 1956.

9. The Company operates in Production and sales of Cement and trading in Lime Stone under the name & style of Burnpur Cement Limited. In current year no segment reporting is required.

10. In terms of Section 22 of Micro, Small & Medium Enterprises Act, 2006 the outstanding to these enterprises are required to be disclosed. However these enterprises are required to be registered with under the Act. In the absence of the information about registration of the enterprises under the above Act, the required information could not be furnished. In view of above and in absence of relevant information, the auditor has relied upon the same.

**11. Gratuity**

The Company has defined gratuity plan. Every employee who have completed 5 years or more of service is entitled to gratuity on terms not less favorable than the provisions of the payment of Gratuity Act, 1972. The amount of contribution to be made is arrived at based on Actuarial valuation done at the balance sheet date, as given below and is accounted accordingly:

Opening Balance as per Books	Rs. 15,32,079.00
Closing Balance as per Actuarial Valuation	Rs. 24,52,282.00
Provision made during the Year	Rs. 9,40,203.00
Gratuity paid during the year	Rs. 20,000.00

12. Sundry Debtors, Sundry Creditors and advances to parties as reflected in the financial statements are subject to confirmations from the respective parties.

**13. CONTINGENT LIABILITY**

Particulars	Amount as on 31.03.2011 (Rs.in Lacs)
WBSEB Demand	Rs.99.00
VAT Liability	Rs.41.30
Bank Guarantee	Rs.19.16
Sales Tax Demand	Rs. 59.72
Income Tax Demand	Rs.380.46

i. It was informed by the Management that petition for renewal of eligibility certificate for exemption under West Bengal Value Added Tax Act, 2003 is pending before EC Cell, Kolkata. If the certificate is not granted, the Company may be liable to pay tax to the extent of Rs. 41.30 Lacs.



- ii. Demand of Rs.59.72 Lac raised on completion of Sales Tax Assessment for the years ended on 31-03-1996 and 31-03-2005 and 31-03-2008 under West Bengal Sales Tax Act, 1994, have not been provided for in the books as explained by the Management that the whole demand is disputed and revision/ appeal have been preferred before appropriate Appellate Forum and the management has bonafide belief that demand will be reduced to Nil on disposal of revision / appeal proceedings.
14. No provision for Income Tax has been made in the accounts on account of losses under normal income computed under Income Tax Act, 1961.

**15. Deferred Tax Liability**

Deferred Tax is recognized subject to consideration of prudence in respect of deferred tax assets on timing difference being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Reversal of deferred tax liability on account of depreciation for Rs.6,15,896.00 has been made in the Books of Accounts in accordance with Accounting Standard-22

**16. Earning Per Share is calculated as follows:**

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Net profit/Loss after tax	48,63,063.29	66,39,036.12
Equity Shares outstanding at the period end (in nos.)	43004363	43004363
Weighted average no. of equity shares used as denominator for calculating basic and diluted EPS.	43004363	43004363
Nominal value per Equity Share (in Rs.)	10	10
Earning Per Share (Basic and Diluted) (in Rs.)	0.11	0.15

17. In the opinion of the Management, the current assets, loans and advances have a value on realization in the ordinary course of business, which is at least equal to the amount at which they are stated.
18. Estimated amount of contract remaining to be executed on capital account (Net of Advance) and not provided for Rs. 60.57 crores.
19. Interest on Fixed deposit taken in the financial statement are as per management's certificate.

**SCHEDULE-20**

**RELATED PARTY DISCLOSURE**

Related Party transaction as per Accounting Standard 18 issued by ICAI

**A.** As defined in Accounting Standard 18, the company has a related party relationship in the following:

1. Subsidiary Company: Nil
2. Associate Companies:
  - a. Insight Consultants Pvt. Ltd.
  - b. Bharat Cement Pvt. Ltd.
  - c. Goyal Auto Distributors Pvt. Ltd
  - d. Mittal Polypacks Pvt. Ltd.
  - e. Mittal Technopack Pvt. Ltd.
  - f. Dalhousi Datamatics Pvt. Ltd.
3. Key Management Personnel
  - a. Mr. Ashok Gutgutia, Vice Chairman and Managing Director
  - b. Mr. Manoj Kumar Agarwal, Director

B. The transactions are entered into in ordinary course of Business with related parties at arms length as per details below:

Particulars	Name of the Parties	Relation Value	Transaction Balance	Outstanding
1. Raw Material Purchased	Bharat Cement Pvt. Ltd.	Associate Co.	2,42,28,356.00	1,71,08,332.00
2. Advances	Dalhousi Datamatics Pvt. Ltd.	-do-	43,55,000.00	98,55,000.00
3. Bags Purchased	Mittal Polypacks Pvt. Ltd.	-do-	1,46,18,423.00	Nil
4. Advances	Mittal Technopack Pvt. Ltd.	-do-	50,00,000.00	Nil
5. Receipt of Rent	Ashok Gutgutia	Key Management Personnel	9,00,000.00	Nil
6. Remuneration	Ashok Gutgutia & Kailash Agarwal	Key Management Personnel	16,20,000.00	Nil

**SCHEDULE-21**

**SIGNIFICANT ACCOUNTING POLICIES**

**a. BASIS OF ACCOUNTING**

The financial statement have been prepared under the historical cost convention and on accrual basis in accordance with the accounting principles generally accepted in India and the provisions of the Companies Act, 1956. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**b. USE OF ESTIMATES**

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statement and the reported amounts of revenues and expenses during the period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

**c. ACCOUNTING OF CLAIMS**

- i. Claims receivable are accounted at the time when reasonable certainty of receipt is established. Claims payable are accounted at the time of acceptance.
- ii. Claims raised by Government Authorities regarding taxes and duties, which are disputed by the company, are accounted based on the merits of each claim.

**d. FIXED ASSETS**

Fixed assets are stated at cost of acquisition inclusive of duties (net of Cenvat), taxes, incidental expenses, erection/commissioning expenses and interest etc. upto the date the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written up by the valuer is considered in the accounts and the differential amount is transferred to revaluation reserves.

**e. DEPRECIATION**

- i. Depreciation on Fixed Asset is provided on straight line method, at the rate and in the manner prescribed under schedule XIV of the Companies Act, 1956.
- ii. Lease hold land is amortized over the period of the lease.

**f. EXCISE DUTIES**

The figures of excise duty paid are disclosed in the Books at the net figures after taking Credit for rebate/refund of Excise Duty.



**g. VALUATION OF INVENTORIES**

- i. Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis.
- ii. Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a weighted average basis. Cost of finished goods includes excise duty. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.
- iii. Packing materials are valued at cost price.

**h. INVESTMENTS**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investment. Unquoted and long term investments are considered at cost. Current quoted investments are stated at lower of cost or market rate on individual investment basis.

**i. BORROWING COST**

Borrowing costs attributable to the acquisition and/or construction of qualifying assets are capitalized as a part of cost of such assets, up to the date when such assets are ready for their intended use. Other borrowing costs are charge to Profit & Loss Account.

**j. INCOME TAX**

Tax expenses comprises of Current, Deferred Tax and Fringe Benefit Tax. Provision for Current Income Tax is made in accordance with the Income Tax Act, 1961. Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting For Taxes on Income", issued by ICAI. Deferred Income taxes reflect the impact of the current period timing difference between taxable income and accounting income for the period and reversal of timing difference of earlier years/period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax asset arising on account of unabsorbed depreciation and losses are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

**k. EMPLOYEE BENEFITS**

- i. PF contribution, ESI contribution and other statutory contribution as applicable to the company are charged to the profit and loss account when the contributions to the respective funds are due.
- ii. Gratuity liability is provided for on the basis of an actuarial valuation made at the end of each financial year from approved actuary.

**l. GRANTS & SUBSIDY**

Grants received from the government agencies against specific fixed assets are adjusted to the cost of the assets and capital grants for project capital subsidy are credited to capital reserve. Revenue grants are recognized as other income or reduced from the respective expenditure.

Grants & Subsidy are accounted for once the claims are admitted by the appropriate authorities.

**m. PROVISIONS**

Provisions are recognized where a reliable estimate can be made for probable outflow of resources to settle the present obligations as a result of past event and the same is reviewed at each Balance Sheets date.

**n. IMPAIRMENT OF ASSETS**

In compliance with AS-28 relating to impairment of assets, the company has reviewed the carrying amount of fixed assets as cash generating unit and there was no indication of impairment during the year.

As per our annexed report of even date.

**For N.K.Agarwal & Co.**  
*Chartered Accountants*

**(N. K. Agarwal)**  
*Proprietor*

Date : 30th May, 2011  
Place : Kolkata

On behalf of the Board

**Ashok Gutgutia**  
*VC & Managing Director*

**Manoj Kumar Agarwal**  
*Director*

**S. S. Panigrahi**  
*Company Secretary*

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**1. REGISTRATION DETAILS**

Registration No.      State Code    
Balance Sheet Date

**2. CAPITAL RAISED DURING THE YEAR (Amount in Thousand)**

Public Issue    Right Issue     
Bonus Issue    Private Placement

**3. POSITION OF MOBILISATION & DEPLOYMENT OF FUN (Amount in Thousand)**

Total Liabilities       Total Assets

**Sources of Funds**

Paid up Capital       Reserve & Surplus        
Secured Loan       Unsecured Loan       
Deferred Tax Liability

**Application of Fund**

Net Fixed Assets (Incl. Capital Work-in-Progress)       Investment     
Net Current Assets

**4. PERFORMANCE OF THE COMPANY (Amount in Thousand)**

Turnover       Total Expenditure        
Profit / Loss Before Tax     Profit / Loss After Tax      
Earning Per Share (in Rs.)     Dividend Rate %

**5. GENERIC NAME OF THREE PRINCIPAL PRODUCT / SERVICE OF THE COMPANY (As per monetary terms)**

Item Code No.         Product Description

For N.K.Agarwal & Co.  
Chartered Accountants

(N. K. Agarwal)  
Proprietor

Date : 30th May, 2011  
Place : Kolkata

On behalf of the Board

Ashok Gutgutia  
VC & Managing Director

Manoj Kumar Agarwal  
Director

S. S. Panigrahi  
Company Secretary







**BURNPUR CEMENT LTD.**  
 Palasdiha, Panchgachia Road  
 P.O. : Kanyapur, Asansol - 713 341, Dist. : Burdwan

**ATTENDANCE SLIP**

**25TH ANNUAL GENERAL MEETING - WEDNESDAY, 30TH NOVEMBER, 2011 - 11.00 A.M.**

Name of shareholder	Folio No./DPID & Cliend ID	No. of Shares

I/we certify that i am/we are registered shareholder/s/proxy for the registered shareholders/s of the Company. I/We hereby record my/our presence at the **25TH ANNUAL GENERAL MEETING** of the Company to be held at 11.00 A.M. on Wednesday, 30th November 2011 at the Asansol Club Limited, Court Compound, P.O. Asansol, Dist. Burdwan, West Bengal, Pin - 713 304.

\_\_\_\_\_  
 Member/s/Proxy Signature

**Note** : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL.

----- (TEAR HERE) -----



**BURNPUR CEMENT LTD.**  
 Palasdiha, Panchgachia Road  
 P.O. : Kanyapur, Asansol - 713 341, Dist. : Burdwan

**FROM OF PROXY**

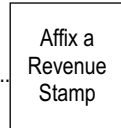
I/We .....  
 of ..... being a Member/Members of  
 Burnpur Cement Ltd., hereby appoint ..... of  
 ..... or failing him  
 ..... of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the 25TH ANNUAL GENERAL MEETING of the Company to be held at 11.00 A.M. Wednesday, 30th November 2011 at the Asansol Club Limited, Court Compound, P.O. Asansol, Dist. Burdwan, West Bengal, Pin - 713 304 and/or at any adjournment thereof.

Signed this ..... day of ..... 2011.

Folio No./DP ID & Client ID .....

Signature .....



- Note:
1. Please do not fail to put proper revenue stamp and your signature, when sending this form to the Company.
  2. The proxy must be returned so as to reach the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.
  3. A Proxy need not be a member of the Company.

**Dear shareholders you are requested to send your mail id to the company for better communication in future. (our mail id: [info@burnpurcement.com](mailto:info@burnpurcement.com) and [investors@burnpurcement.com](mailto:investors@burnpurcement.com)).**

# **BOOK-POST**

*If undelivered, please return to :*

**Burnpur Cement Limited**

Palasdiha, Panchgachia Road

Kanyapur, Asansol - 713341

Dist: Burdwan, West Bengal