

## BURNPUR CEMENT LIMITED

### Chairman's Speech on the occasion of the 28<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014

Good Morning Dear Shareholders,

I have much pleasure in cordially welcoming the Hon'ble Shareholders for their kind presence at the 28<sup>th</sup> AGM of the Company today.

I will now proceed to share my thoughts on the Company and the macro environment.

In the Indian economy growth continued between 4.5% to 5 % during the year 2013-14. The Govt. of India and RBI has taken corrective measure to contain fiscal and current account deficit, basically to stabilize the rupee and encourage investors confidence. The new Govt. has rolled out many initiatives to address fiscal imbalances and escalate investment activities.

The cement Industry has had bear the brunt of the overall economic environment. Demand was sluggish. The demand-supply gap is expected to stay for some more time and it will lead to price remaining under constant pressure. Another factor is the year witnessed an ongoing surge in logistics and raw material cost, increase in railway freight and diesel prices which affects the price. We are very much optimistic that the New Government in the Central shall take some positive steps for development of infrastructural job and thereby the Demand & Price of Cement shall improve in the near future.

#### PATRATU PLANT

The construction & erection work of grinding unit at Patratu plant is complete and waiting for power connection from Damodar Valley Corporation (DVC). The respective officials of DVC has already been inspected the plant and after their clearance DVC will supply power for grinding unit. All the process will take 20-30 days thereafter the grinding will start. For the time being we will manufacture cement from Patratu plant by purchasing clinker from outside. For completion of clinker unit it will take some more time. After production from grinding unit at Patratu the transportation cost will come down for customer in Jharkhand and Bihar and the turnover of the company will increase.

## OPERATIONS

The highlights of performance for the year ended 31<sup>st</sup> March, 2014, together with current operation & future plans of your Company are noted below : -

During the year the production has increased by approx 10% to 191649.30 MT compared to previous years 174348.30 MT, Net Sales Volume has increased by 5% to Rs. 9335.57 Lacs compared to previous years sale and the Company has posted profit before interest and tax (PBIT) Rs. 7754.86 Lacs, and Profit after Tax (PAT) Rs. 2704.86 Lacs which is 14.59% less compared to previous years figure. The net profit decreased due to interest cost which has been increased 55.68%.

## CORPORATE SOCIAL RESPONSIBILITES & CORPORATE GOVERNANCE

Adequate measures have been taken to fulfill the Social Responsibility as well as steps initiated for peripheral development of the neighboring areas. In order to improve existing work culture and reduce recurring expenses, modern systems and methods are being implemented by your company.

I wish to offer continued commitments of your Board of Directors to uphold the Principles of Corporate Planning & Administration and on their behalf, assure you all to continue to serve your company in the best interests of all concerned.

## TO OUR TEAM

I take this opportunity to offer my warm thanks to all the stake holders of the company for their valued contribution to guide the performance of the company. I also look forward with equal warmth to receive their future support & guidance in the greater interest of the Company's Growth & Prosperity.

Thanking you

**ASHOK GUTGUTIA**