



BURNPUR CEMENT LIMITED

ANNUAL REPORT 2011-12

BOARD OF DIRECTORS

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

Mr. Subrata Mookerjee Mr. Manoj Kumar Agarwal

Mr. Ansul Agarwal Mr. Bal Krishan Ladha

SECRETARY

Mr. Sudhansu Sekhar Panigrahi

AUDITOR

M/s N. K. Agarwal & Co.

BANKERS

State Bank of India

United Bank of India

State Bank of Hyderabad

Central Bank of India

REGISTERED OFFICE

14, Bentinck Street, "Gujarat Mansion", 2nd Floor, Kolkata - 700 001

Tel No. (033) 22623167, 30250826, Fax : 033-22623168

PLANT

Village: Palasdiha, Panchgachia Road

P.O. Kanyapur, Asansol-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,9,1 0,11, B-38,39,40, C - 7P,8,9,1 0,11 & 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-700001

Tel No. +91 332235-7270 / 7271,2235-5236, Fax No. + 9133 2215-6823

Email: nichetechpl@nichetechpl.com, Website: www.nichetechpl.com

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NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of the Company will be held on Friday, the 28th day of September 2012, at Surya Sen Mancha, 432, Prince Anwar Shah Road, Kolkata – 700 068, West Bengal, at 3.00 p.m. to transact the following Business:

Ordinary Business:

1. To consider and adopt the audited accounts of the Company for the year ended 31st March 2012, together with the Report of the Directors and Auditors.
2. To appoint a director in place of Mr. Prem Prakash Sharma, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Manoj Kumar Agarwal, who retires by rotation and being eligible offers himself for reappointment.
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 in accordance with the provisions of sections 198, 269, 309 and 311 all other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 and subject to all such approvals as may be necessary, approval of members be and is hereby accorded to the reappointment of Mr. Ashok Gutgutia as the Managing Director of the Company for a further period of 5 (Five) years w.e.f. 1st April, 2012 upon the terms and conditions including remuneration and perquisites as set out in the draft agreement produced at this meeting for the purpose of identification, initialed by the Chairman,
RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to the Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites etc within such prescribed limits.
RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution.
2. To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:
RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approval as may be necessary, the approval of members be and is hereby accorded to the appointment of Mr. Manoj Kumar Agarwal as Wholtime Director of the Company designated as “Executive Director” for a period of five years w.e.f. 1st June, 2012 upon the terms and conditions including remuneration and perquisites as set out in the draft agreement submitted at this meeting and initialed by the Chairman for the purpose of identification, which draft agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter and to vary the terms and conditions of the said appointment and/or the agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be agreed to between the Board of Directors and Mr. Manoj Kumar Agarwal.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and do all such other acts, deeds and things as may be necessary or desirable to give effect to this resolution.
3. 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. 77,00,00,000/- divided into 7,70,00,000 Shares of Rs. 10/- each to Rs. 87,00,00,000/- divided into 8,70,00,000 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.87,00,00,000 (Rupees Eighty Seven Crores only) divided into 8,70,00,000 (Eight 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.

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(2) of the Companies Act, 1956 and any other applicable provision if any, the registered office of the Company be and is hereby shifted from 14, Bentinck Street, Gujarat Mansion, 2nd Floor, Kolkata – 700 001, West Bengal to our plant premises at “Palashdiha” Panchgachia Road, Kanyapur, Asansol – 713 341, West Bengal (i.e. from one city to another city within the same State and same ROC) with effective from 29th September, 2012.

5. To Consider and, if thought 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 10000000 (One Crore) Convertible Warrants (**Convertible Warrants No. 3**) with an option to subscribe upto 10000000 (One Crore) 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.3	Category of the Investor
1	Solex Finance Pvt. Ltd.	2500000	Non Promoter
2	Grade Merchandise Pvt. Ltd.	2500000	Non Promoter
3	Imtihaan Distributors Pvt. Ltd.	2000000	Non Promoter
4	Altimate Vyapar Pvt. Ltd.	1200000	Non Promoter
5	North East Tradelink Pvt. Ltd	1500000	Non Promoter
6	Rashmi Modi	300000	Non Promoter
	Total	10000000	

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

- The options to the persons as aforesaid may be offered by way of Convertible Warrants No-3 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.
- The issue on subscription price of equity shares arising out of exchange against such Convertible Warrants No. 3 shall be of Rs. 10.00 (Rupees Ten Only) face value per share. On allotment of the Convertible Warrants No. 3 the Allottees of Convertible Warrants No. 3 shall be liable to pay Rs.2.50 (Rupees Two and Fifty Paise Only) per Convertible Warrants No. 3 being not less than 25% of the price fixed for the shares arising out of / exchanged with such Convertible Warrants No. 3. The amount so collected shall be adjusted against the price payable subsequently for subscribing the shares by exercising the options.
- The holder of each Convertible Warrant No. 3 shall before the respective date of conversion, pay the balance 75% of the consideration towards subscription to each Equity Share.
- 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 August, 2012 (29th August being the 30th day prior to 28th September, 2012) 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.)
- The holder of each such Convertible Warrant No. 3 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. 3 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. 3 shall be lapsed to the extent of the shares not so taken and the amount paid on the allotment of such Convertible Warrant No. 3 shall be forfeited.
- The option attached to the Convertible Warrant No. 3 shall not be transferred or otherwise disposed off to any other person/third party.
- The aggregate of warrants to be subscribed by the persons mentioned in the above table shall not exceed 10000000 (One Crore).
- The Equity Shares allotted pursuant to exercise of options attached to the Warrants No. 3 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. 3 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. 3 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. 3 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."

Registered Office
'Gujarat Mansion"
14, Bentinck Street,
2nd floor, Kolkata – 700 001
Date: 08.08.2012

By order of the Board
For Burnpur Cement Ltd

Sudhansu Sekhar Panigrahi
Company Secretary

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 3:00 P. M. on 26th September, 2012.**
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 **21st September 2012 to 28th September, 2012 (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

Invitation to Participate in the Green Initiative launched by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has permitted paper less compliance by the Companies vide its Circular No. 17/2011, Dated 21st April, 2011 and No. 18/2011, Dated 29th April, 2011. MCA has clarified that services of documents on members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the members has given an advance opportunity to register their e-mail id or changes if any therein with the Company.

Pursuant thereto, we once again request those members who have not registered their e-mail id to participate in the Green Initiative by registering their e-mail id for the purpose of service of documents viz. Annual Reports, Notice of General Meetings and Notice of Postal Ballot etc. by e-mail.

Shareholders holding shares in demat. form who have not yet registered their e-mail id are requested to register the same with their respective Depository Participant at the earliest. Shareholders holding shares in physical form e requested to register their e-mail id with our Registrar and Share Transfer Agent – M/s Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B R B Basu Road, Kolkata – 700 001, E-Mail ID: nichetechpl@nichetechpl.com. Any changes in the e-mail address may also be communicated from time to time.

**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting.
(In pursuance of clause 49 of the Listing agreement.)**

Mr. Prem Prakash Sharma, director of the company is retiring by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment. Mr. Manoj Kumar Agarwal, director of the company is retiring by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment.

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 companies	Remarks
Mr. Prem Prakash Sharma	18/07/1948	25/04/2009	He joined Indian Administrative Service (IAS) in July 1971 and held a number of key positions during his tenure of service. He has retired as Chief Secretary to Govt. of Jharkhand. He was holding of directorship in various Banks & Financial Institutions and Chairman of various Regional/Rural Banks/Cooperative Banks/Societies.	MA (Eco) LLB	1. Aditya Birla Chemicals (India) Ltd. 2. Abhijeet Power Ltd. 3. Corporate Power Ltd.	1. Aditya Birla Chemicals (India) Ltd. 2. Abhijeet Power Ltd. 3. Corporate Power Ltd.	Retires by rotation at the forthcoming Annual General Meeting and offers himself for reappointment.
Mr. Ashok Gutgutia	28/01/1961	19/06/1986	Mr. Gutgutia is the Vice Chairman and Managing Director of BCL and having more than 20 years of experience of managing the cement company. His courage, vision, creativity and enthusiasm helped BCL to blossom as an organization that has achieved tremendous success in production and profit in recent years.	B. Com. M.B.A.	Nil	Nil	Reappointed as Managing Director for a further period of 5 years w.e.f. 01.04.2012 by the Board.
Mr. Manoj Kumar Agarwal	03/10/1973	30/07/2010	Mr. Agarwal has vast experience in the field of packaging cement and other commodities. He has vast experience in the field of manufacturing and exportation of flexible intermediate bulk containers. He is a member of Indian Plastic Federation, All India Flat Tape Manufacturers Association, The Plastic Export Promotion Council, Export Promotion Council for EOUs & SEZ units.	B.Com	Nil	Nil	Appointed as whole time director of the Company w.e.f. 1 st June, 2012 by the Board and also retires by rotation at the forthcoming Annual General Meeting and offers himself for reappointment.

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

Item No. 1

After a review of the matter and considering the same to be necessary and desirable in the interest of the Company the Board of directors of your company passed the resolution by circulation on 28th March, 2012 appointed Mr. Ashok Gutgutia as Managing Director for a further period of 5 years with effective from 1st April, 2012 on the following remuneration:

Salary: Rs. 175,000/- (Rupees One Lakh Seventy Five thousands only) per month and such revisions as may be approved by the board from time to time subject to limits specified in Schedule XIII of the Companies Act, 1956.

Allowances:

Leave Travel Concession

First class leave passage by air for self and family every year in India or abroad or one month's basic salary whichever is less.

Medical Facilities

Medical expenses for Mr. Ashok Gutgutia and his family will be borne by the Company as per actual expenditure.

Perquisites

Housing:

Rent free furnished accommodation with residential office maintained with facilities like electricity, gas, water, caretaker, staff etc.

Company Car :

Provision of one car with driver, fuel, maintenance etc for use on Company's business and also for personal use.

Retirement Benefit :

Provident fund, superannuation fund, pension, gratuity, encashment of leave and other benefit schemes like medical/ others in accordance with the Company's practice/policy/rules.

Commission :

Commission @ 3% on the net profits of the Company in the relevant financial year with such revisions as may be approved by the board from time to time.

Other Benefits and Perks :

Personal Accident Insurance as per Company's Rules.

Annual leave with accumulation of leave including medical and casual leave as per Company's Rules.

Others as per Company's Rules.

Work Related Perks:

Residential Telephones :

Telephone, fax, internet, mobile phones etc as per requirement at Company's cost.

Club Fees

Fees of clubs subject to a maximum of two clubs.

Membership of professional institute/ bodies at Company's cost.

Loans and other perquisites

As per Company's Rules.

Your Directors recommends the resolution for your approval.

None of the Directors of your Company other than Mr. Ashok Gutgutia, is in any way concerned or interested in the proposed Resolution.

Item No. 2

After a review of the matter and considering the same to be necessary and desirable in the interest of the Company, the Board of directors of your company through the resolution passed in its meeting held on 25th May, 2012 appointed Mr. Manoj Kumar Agarwal as Whole Time Director for a period of 5 years with effective from 1st June, 2012 on the following remuneration:

1. **Salary:** Rs. 1,00,000/- (Rupees One lakh) per month and such revisions as may be approved by the Board from time to time subject to limits prescribed in the Schedule XIII of the Companies Act, 1956.

Perquisites and Allowances

2. **House Rent Allowance:** Residential accommodation including electricity (or reimbursement of House Rent in lieu thereof on actual basis).

3. **Medical Reimbursement:** Reimbursement of Medical expenses incurred for self and family on actual basis.
4. **Leave Travel Concession:** For self and family to and from any place in India, once in a year in accordance with the rules of the Company.
5. **Clubs Fees:** Fees of Clubs, shall be subject to a maximum of two clubs, provided that no life membership or admission fee shall be paid by Company.
6. **Personal Accident Insurance:** Premium not to exceed Rs. 5,000/- per annum.
7. **Provident Fund / Superannuation Fund / Gratuity:** Contribution to provident fund, super-annuation fund or annuity fund in accordance with the rules of the Company, so that these either singly or put together are not taxable under the I.T. Act, 1961.
Gratuity payable shall not exceed half of a month's salary for each completed year of service.
8. **Car & Telephone:** The Whole-Time Director shall be provided car with driver and telephones at his residence for company's business as well as for personal use. However, long distance calls for personal use will be billed by the Company.
9. **Other Benefits :**

Leave: On full pay and allowances as per the rules of the Company but not more than one month's leave for every eleven months' of services. However, leave accumulated but not availed of shall be dealt with as per the Income Tax Rules, 1962, casual and sick leave on full pay and allowance as per rules of the Company.

The Whole-Time Director will be entitled to reimbursement of travelling, entertainment and all other expenses actually and properly incurred for legitimate business need of the Company but subject to rules of the Company framed from time to time.

The Whole-Time Director shall be reimbursed out of pocket expenses as may be incurred by him in the course of discharging his duties in the capacity of Executive Director.

Your Directors recommends the resolution for your approval.

None of the Directors of your Company except Mr. Manoj Kumar Agarwal, is in any way concerned or interested in the proposed Resolution.

Item No. 3

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. 77.00 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. 87.00 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 4

The Registered office of the Company presently situated at Kolkata which is far away from our existing Plant at Asansol and upcoming Plant at Patratu. As Managing Director is based at Asansol, the operation of the Company can well be managed from Asansol. Hence the shifting of registered office from Kolkata to Asansol is necessary.

Since the Companies Act, 1956 requires the consent of the members for shifting the registered office outside the local limits of the city/town but within the same state and same ROC, hence this resolution.

Your Directors recommends the resolution for your approval.

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

Item No 5

The Management is expecting that extra fund may be required for the patratu project in the future, keeping in mind that situation they have proposed to issue warrant on preferential basis to non promoter. Therefore your Board in its meeting held on 08th August, 2012 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 10,000,000 (One Crore) Convertible Warrants with an option to subscribe upto 10,000,000 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. 10,00,00,000/- (Rupees Ten Crore).

The Special Resolutions has been proposed under the provisions of Section 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 28th September, 2012 the relevant date is 28th August, 2012.

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.

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

a. 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.

b. None of the Promoters, Directors or Key Managerial Personnel will subscribe to the proposed Preferential Issue.

c. 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 5.

	Existing Shareholding as on 30.06.2012		Post issue shareholding. (Upon conversion of Warrants)	
	No of Shares	% of Holding	No of Shares	% of Holding
A. Promoters or Promoters Group				
1. Indian				
Individual/ HUF	4810217	7.635	5300217	6.195
Central Govt./ State Govt.	Nil	Nil	Nil	Nil
Bodies Corporate	14291180	22.683	16566180	19.363
Financial Institutions/ Banks	Nil	Nil	Nil	Nil
Sub Total (A)(1)	19101397	30.318	21866397	25.558
2. Foreign				
Individuals (NRIs/ Foreign)	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil
Sub Total (A) (2)	Nil	Nil	Nil	Nil
Share Holding of Promoters & Promoters Group A = (A)(1) + (A)(2)	19101397	30.318	21866397	25.558
B. Public Share Holding				
1. Financial Institutions				
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
Sub Total (B) (1)	Nil	Nil	Nil	Nil
2. Non Institutions				
Bodies Corporate	19780065	31.395	38265065	44.726
Individual Share Holders	23025718	36.546	24325718	28.433
NRI/OCBs	711864	1.130	711864	0.833
Clearing Members/ Clearing Corp.	385319	0.612	385319	0.450
Sub Total (B) (2)	43902966	69.682	63687966	74.442
Total Public Share Holding				
B = (B)(1) + (B)(2)	43902966	69.682	63687966	74.442
Total A + B	63004363	100.000	85554363	100.000

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.

d. 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.

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

Sl. No.	Persons	Number of Convertible Warrants	% of post Issue share holding after conversion of Warrants
1	Solex Finance Pvt. Ltd. 180, M G Road, 3 rd Floor, Kolkata-700007	25,00,000	2.922
2	Grade Merchandise Pvt. Ltd. 180, M G Road, 3 rd Floor, Kolkata-700007	25,00,000	2.922
3	Imtihaan Distributors Pvt. Ltd. 180, M. G. Road, 3 rd Floor, Kolkata-700007	20,00,000	2.338
4	Altimate Vyapar Pvt. Ltd. 58, Metcalf Street, Kolkata – 700013	12,00,000	1.403
5	North East Tradelink Pvt. Ltd 52, Weston Street, Kolkata - 700012	15,00,000	1.753
6	Rashmi Modi 4/3A, Chanditala Lane, Tollygunge, Kolkata -700040	3,00,000	0.351
	Total	1,00,00,000	11.689

- f. 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.
- g. 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.

08.August.2012
Kolkata

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

Sudhansu Sekhar Panigrahi
Company Secretary

Due to printing error the identity of allottees of warrants no 2 (Proposal made for allotment of 12550000 convertible warrants to promoters and non promoters) could not be published in the notice of AGM held on 30.11.2011. Due to that the Company had given an undertaking to publish the identity of following allottees in the notice of subsequent shareholders meeting.

Under Regulation 73 (1)(e) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The details of the proposed allottees for the aforesaid preferential issue are:

Name & Address of the Proposed Allottees	Category (Promoter/ Non - Promoter)	No. of securities to be allotted	% of post Issue share holding after conversion of Warrants
Chhatisgarh Biri Patta Pvt. Ltd. 419, Centre Point, 21, Hemant Basu Sarani, Hare Street, Kolkata – 700 001	Non Promoter	87,00,000	11.515
Imtihaan Distributors Pvt. Ltd. 180, M. G. Road, 3 rd Floor, Kolkata – 700 007.	Non Promoter	85,000	0.1125
Jai Prakash Agarwal 35/1, JL Nehru Road, Kailash Building, Flat 5F, 5 th Floor, Kolkata – 700 071	Non Promoter	10,00,000	1.324
Manoj Kumar Agarwal Gujrat Mansion, 14, Bentick Street, 2 nd Floor, Kolkata – 700 001	Promoter	50,000	0.0662
Ram Prasad Agarwal Grewal Colony, Govind Nagar, Bekar Bandh, Jharkhand	Promoter	50,000	0.0662
Ram Prasad Agarwal (HUF) Grewal Colony, Govind Nagar, Bekar Bandh, Jharkhand	Promoter	50,000	0.0662
Shakuntala Agarwal Grewal Colony, Govind Nagar, Bekar Bandh, Jharkhand	Promoter	50,000	0.0662
Suchitra Agarwal Grewal Colony, Govind Nagar, Bekar Bandh, Jharkhand	Promoter	50,000	0.0662
Kavita Bhalotia P-48, Senhati Colony, Kolkata – 700 034	Promoter	2,40,000	0.318
Dalhousi Datamatics Pvt. Ltd. Gujrat Mansion, 14, Bentick Street, 2 nd Floor, Kolkata – 700001	Promoter	4,75,000	0.629
Bharat Cement Pvt. Ltd. Gujrat Mansion, 14, Bentick Street, 2 nd Floor, Kolkata – 700001	Promoter	18,00,000	2.382

DIRECTORS REPORT

Dear Shareholders,

Your Directors presents the 26th Annual Report of the Company, together with the Audited Accounts for the financial year ended 31st March 2012.

FINANCIAL RESULTS

The financial results for the year ended 31st March 2012 are summarized below:

	(Rs. In Lakhs)	
Particulars	2011-12	2010-11
Sales (Net)	4623.57	2738.10
EBDIT	442.86	269.09
Interest	218.61	116.36
Depreciation	72.89	73.40
Profit before Tax	151.36	79.33
Income Tax		
-Current Tax	19.51	36.86
-Deferred Tax	29.81	(6.16)
-Fringe Benefit Tax	—	—
Profit after Tax	102.04	48.63
Balance brought forward from last year	529.20	480.57
Earlier Year Adjustment	—	—
Balance carried forward to Balance Sheet	631.24	529.20

DIVIDEND

Due to inadequate profit your directors do not recommend any dividend for the year ended 31st March, 2012.

RESULT OF OPERATION

The Company's performance during the year 2011-12 has improved in terms of production, sales and profitability. During the year Company recorded net sales Rs. 46.23 Crores compared to previous years Rs. 27.38 Crore and net profit Rs. 1.02 Crore compared to Rs. 48.63 lacs in previous year. We are pleased to inform you that we have achieved net sales of Rs. 46.23 Crore in the Financial Year 2011-12 due to better marketing strategies adopted by the management. But now we have started appointing the Dealers across Bihar, Jharkhand and West Bengal. In recent past we have also taken up Brand Building initiatives of our product by advertising through Electronic Media i.e T.V and other means like Hoarding , wall painting etc. We have also introduced incentive schemes for dealers and started organizing of Masons meet. All these measures have improved our Brand image and in turn improved sales in the last financial year 2011-12.

PROJECT AT PATRATU

The Project at Patratu was delayed due to non allotment of lime stone mines. In September, 2010 Jharkhand State Mineral Development Corporation had allotted lime stone mines at Benti Bagda. The Company has already started mining activities and civil work at project site. The bank finance for the project has been

arranged and financial closure for the project has been achieved. After review of the project the project cost has been increased to Rs. 197.42 Crore out of which Rs. 125.00 Crore has to be brought in the form of term loan from Banks and balance as equity. During the past years company has faced many hurdles to start the project but now everything is in line and we are expecting the completion 1st phase of construction of patratu plant by the end of financial year 2012-13.

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) The financial statements are prepared in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956 to the extent applicable to the Company and there are no material departures from prescribed accounting standards.
- (ii) The Board of Directors accept responsibility for the integrity and objectivity of these financial statements. The accounting policies used in the preparation of financial statements 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 2012 and of the profit or loss for the financial year ended 31st March 2012.
- (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.

OUR VISION

To take the company to a new height so that the expectations of investors, customers and society should be fulfilled.

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. Prem Prakash Sharma and Manoj Kumar Agarwal are liable to retire from office by rotation and being eligible offers themselves for reappointment.

The Board recommends the above appointment and Resolution 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.

Place: Kolkata

Date: 08.08.2012

For and on behalf of the Board

ASHOK GUTGUTIA

Vice Chairman and Managing Director

MANOJ KUMAR AGARWAL

Director

ANNEXURE – A TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2012
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
Foreign exchange outgo

Nil
Nil

ANNEXURE TO THE REPORT OF THE DIRECTORS

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, 2012.

A. POWER AND FUEL CONSUMPTION

	Current Year (2011-12)	Previous Year (2010-11)
1. Electricity		
a. Purchase		
Units (KWH)	7561930	5151850
Total Amount (Rs. Lacs)	514.50	323.04
Rate per unit	6.80	6.27
b. Own Generation		
I) Through Diesel Generators		
Unit	NA	NA
Unit per Ltr. of Diesel Oil	NA	NA
Cost per Unit	NA	NA
I) Through Steam turbine/generator		
Unit	NA	NA
Unit per Ltr. of Fuel Oil/Gas	NA	NA
Cost per Unit	NA	NA
2. Coal (A to D grade used in Dryer)		
Quantity (Tonnes)	870.00	215.00
Total Amount (Rs. Lacs)	50.66	12.62
Average Rate (Rs.)	5823.19	5872.59
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 (2011-12)	Previous Year (2010-11)
Electricity (Unit)	N. A.	67.96	70.27
Furnace Oil	N. A.	N.A.	N.A.
Coal (Ton)(A to D grade used in dryer)	N. A.	0.008	0.003
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
Recurring
Total R&D expenditure
As a percentage of Turnover

**TECHNOLOGY ABSORPTION,
ADOPTION AND INNOVATION**

N.A.

For and on behalf of the Board

Date : 8th August, 2012
Place : Kolkata

ASHOK GUTGUTIA
Vice Chairman & Managing Director
MANOJ KUMAR AGARWAL
Director

MANAGEMENT DISCUSSION & ANALYSIS

Industry Structure & Developments

Cement industry has a vital role to play in the infrastructural and economic development of any country. India is a fast developing country providing enormous scope for the development of cement industry. The cement industry in India had been completely under the supervision and control of the government but after the economic reforms, the scenario has changed significantly. But still the government plays a major role in regulating the prices.

Demand for cement depends on industrial activity, real estate and construction activity. Indian cement industry has grown largely due to the rising demand from the housing sector, increased activity in infrastructure and construction recovery. Even in the tough conditions, Indian cement industry has been able to sustain its growth. Production and capacity of cement has been rising over the years. Number of plants in cement industry with more than one million tone capacity have also increased.

Cement is an adhesive that holds the concrete together and is therefore vital for meeting economy's needs of Housing & accommodation and necessary infrastructure such as roads & bridges, schools, hospitals etc. Hence, the cement is one of the fundamental elements for setting up strong and healthy infrastructure of the country and plays an important role in economic development and welfare of the nation.

After posting the poorest show in a decade in 2010-11, at sales growth of less than five per cent, India's cement industry put up a better performance in financial year 2011-12, thanks to the robust demand revival in the second half of the year. The industry sold 223.02 million tonnes of the building material, compared with 209.5 million tonnes in FY 2010-11. Production, too, rose to 223.6 million tonnes against 210.5 million tonnes, up 6.2 per cent.

During the first half of the year (April-September), the industry managed to grow a mere 3.23 per cent. From October, the industry notched up sales growth of 19.5 per cent (one of the highest in many years in a month). Though, the demand growth later tapered, it remained in double digits till February.

Opportunities & Threats

Growth in domestic cement demand is likely to remain strong, with the resumption in the housing markets, regular government spending on the rural sector and infrastructure spend accomplished by rise in the number of infrastructure projects implemented by the private sector. Furthermore, it is expected that the industry will continue to increase their annual cement output in coming years and India's cement production will grow at a compound annual growth rate (CAGR) of around 12 percent during 2011-12 – 2013-14 to reach 303 Million Metric Tons, according to Indian Cement Industry Forecast to 2012. Cement Manufacturing Association (CMA) is targeting to achieve 550 MT capacities by 2020.

Our country is the second major cement producing country following the China having a total capacity of around 230 MT (including mini plants). However, on account of low per capita consumption of cement in the country (156 kgs/year as compared to world average of 260 kgs/year) there is an enormous potential for growth of the industry.

As far as the demand for the cement is concerned, more than half of the demand comes from the housing industry. Infrastructure projects such as highway construction and construction of flyovers and ports also contribute towards the same. The demand for cement mainly depends on the level of development and the rate of growth of the economy. There are no close substitutes for cement and hence the demand for cement is price inelastic.

A large number of overseas players are also expected to enter the industry in the coming years as 100 per cent FDI is permitted in the cement industry which is a threat to mini and medium size plants.

Future Outlook

Due to the general economic slowdown, financial institutions tightened their credit norms. This led to a credit crunch and impacted upcoming real estate, infrastructure and other projects. With that, demand for cement moderated. However, stimulus packages and agricultural income, government spending on the infrastructure, rural demand will give an impetus to the demand for the commodity. The cement industry is likely to maintain its growth momentum and continue growing at around 8% to 9% in the medium to long term in line with the development of the economy (GDP). Government initiatives in the infrastructure sector and the housing sector are likely to be the main growth drivers. The main drivers of cement demand are development of infrastructure like, Power Houses, Roads, Ports, Airports, and Mass Housing, both urban and rural.

Risk & Concern:

During the first half of the year, there was marginally poor off take in cement demand due to passive construction activity, which lead to excess supply, thus putting downward pressure on realizations. This has been coupled with rise in input costs, especially prices of coal and petroleum products. As a result, both the top line and bottom line have been affected. This demand supply mismatch scenario is expected to prevail for some time. During the year the Company has been hit badly by the steep increase in the cost of coal, fuel and freight.

Performance of the Company :

Particulars	(Rs. in Lacs)	
	2011-12	2010-11
1. Total Income	5295.73	3118.04
2. Total expenditure	4852.88	2848.94
3. Profit before Interest depreciation and Tax	442.86	269.09
4. Interest	218.61	116.35
5. Profit after Interest but before depreciation and Tax	224.25	152.73
6. Depreciation	72.88	73.40
7. Profit before tax	151.36	79.33
8. Profit after tax	102.04	48.63
Annual Production		
No. of Bags (Weight 50 kgs. Each)	2225213	1466311

Internal control system and its Adequacy:

The Company has proper and adequate systems of internal controls to provide reasonable assurance that transactions are authorized, recorded and reported correctly and to ensure

compliance with policies, statute. From the month of April in the financial Year 2012-13 the company has introduced ERP system for sales, purchases, dispatches etc. The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures. The Internal Audit function is an independent function and is carried out by team of external auditors at the plants and registered office. The Company has an Audit Committee that regularly reviews the reports submitted by the Internal Auditors.

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 is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. During the year your company has involved in various social activities like conducting health checkup for company labour and local villagers, Distribution of foods to local villagers during different local festivals, Plantation of tree nearby areas and conducting of blood donation camp. Apart from above activities the company has involved in various social activities near Patratu area where the company's second plant is coming up. The Company has distributed blankets to poor villagers residing near Patratu unit and constructed a water tank for supply of drinking water to Gawareatand village near Patratu unit. The Company has donated materials for construction of Bajrang Bali temple in Gawareatand village. Company has distributed playing kits like bat, football to local children and also donated land for burial ground purpose. Company has constructed toilets for the benefits of local villagers near Patratu plant. Your company continues to discharge its social responsibilities along with achievement of its own goal and objectives.

2. BOARD OF DIRECTORS

(A) Composition of Board

The present strength of the Board of Directors is six, out of which three are independent director and one is professional 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 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	Whole-Time Director	Executive	Promoter
Mr. Subrata Mookerjee	Director	Non-Executive	Independent
Mr. Keshab Chandra Das*	Director	Non-Executive	Non-Independent
Mr. Bal Krishan Ladha	Director	Non-Executive	Professional
Mr Ansul Agarwal	Director	Non-Executive	Independent

* Ceased to be director due to retire by rotation in last AGM held on 30.11.2011.

Industrial Relation:

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships, therefore your company has specific industrial policy to create and maintain good relations between employees and management. Your company believes that nurturing and development of human capital is of key importance for its operations. 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.

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.

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 2011-12 are given below:

Number of Board Meetings held during 2011-12 : 6

Sl.No.	Date of Board Meeting	Sl.No.	Date of Board Meeting
1	30.05.2011	5	03.02.2012
2	29.06.2011	6	14.02.2012
3	05.08.2011		
4	29.10.2011		

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	3	No	3	Nil	Nil
2	Mr. Ashok Gutgutia	6	Yes	Nil	Nil	Nil
3	Mr. Manoj Kumar Agarwal	6	Yes	Nil	Nil	Nil
4	Mr. Subrata Mookerjee	3	No	Nil	Nil	Nil
5	Mr. Bal Krishan Ladha	4	No	Nil	Nil	Nil
6	Mr. Keshab Chandra Das	3	No	Nil	Nil	Nil
7	Mr. Ansul Agarwal	4	Yes	1	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.

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 30.05.2011, 05.08.2011, 29.10.2011 and 14.02.2012 and attendance of the Members of the Committee at these Meeting are as under

Name of the Members	No. of Meetings Attended
Mr. Ansul Agarwal	2
Mr. Subrata Mookerjee	3
Mr. P P Sharma	3
Mr. Bal Krishan Ladha	4

(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 passed a resolution by circulation on 28th March, 2012 and approved the remuneration paid to Mr. Ashok Gutgutia as Managing Director w.e.f. 1st April, 2012.

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 2012

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

* The Managing 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#	90,000/-
2	Mr. Keshab Chandra Das	60,000/-
3	Mr. Subrata Mookerjee#	90,000/-
4	Mr. Ansul Agarwal#	60,000/-
5	Mr. Bal Krishan Ladha	1,20,000/-
Total		4,20,000/-

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

SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

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 14th February, 2012 in which 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. 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
Gujarat Mansion,
14, Bentinck Street,
2nd Floor, Kolkata,
West Bengal, Pin- 700 001
Tel No-(033) 2262 3167, 3025 0826 ;
Fax No-(033) 2262 3168
Email: info@burnpurement.com,
investors@burnpurement.com

General Body Meetings

Details of Annual General Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2010-2011	Asansol Club Limited Court Compound, Asansol – 713 304	30-11-2011	11.00 A.M.
2009-2010	Asansol Club Limited Court Compound, Asansol – 713 304	29-09-2010	3.30 P.M.
2008-2009	Asansol Club Limited Court Compound, Asansol – 713 304	16-09-2009	3.00 P.M.

Two special resolution was passed in the previous three Annual General Meeting of the members of the company.

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

The financial statements are prepared in accordance with the accounting standards issued by the **Institute of Chartered Accountants of India**. 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 26th 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:

- The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
 - 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;
 - 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.
- 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.
- 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.
- They have indicated to the auditors and the Audit Committee:
 - Significant changes in the internal control over financial reporting during the year
 - Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - 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@burnpurburncement.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 are 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 English news paper (Mint) (all editions) and in Bengali news paper: (Dainik Statesman or Ek Din) (Kolkata edition). The financial Results for the year ended 31st March 2012 and other useful information on the company are also available on the Company's Website at www.burnpurburncement.com.

General Shares Holders Information				
I) AGM: Date, time & venue	28 th September, 2012, 3.00 P.M. Surya Sen Mancha, 432, Prince Anwar Shah Road, Kolkata – 700 068. West Bengal.			2. The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra(E), Mumbai-400 051 The Company has paid the listing fee for the year 2012-13 to both the Stock Exchanges.
II) Financial Calendar for F.Y. 2012- 13 (Tentative)	Unaudited Financial Results for the First Quarter ended 30.06.12 Unaudited Financial Results for the Second Quarter/ half year ended 30.09.12 Unaudited Financial Results for the Third Quarter/nine months ended 31.12.12 Unaudited Financial Result for the fourth quarter/ year ended 31.03.2013 Audited Results: Year ended 31.03.2013	Within 15 th August, 2012 Within 15 th November, 2012 Within 15 th February, 2013 Within 15 th May, 2013 By the end of May, 2013 or any other date fixed by the Board.	VI) Stock Code	Bombay Stock Exchange: 532931 National Stock Exchange: BURNPUR
			VII) ISIN allotted to Equity Shares	INE817H01014
			VIII) Registered Office	'Gujarat Mansion' 14, Bentinck Street, 2 nd Floor, Kolkata – 700 001 West Bengal. Tel No-(033) 2262 3167, 3025 0826. Email: info@burnpurburncement.com , investors@burnpurburncement.com Website- www.burnpurburncement.com
III) Date of Book Closure	21 st September, 2012 to 28 th September, 2012 (Both the days inclusive)		IX) Registrar and Share Transfer Agents (RTA)	NICHE TECHNOLOGIES PRIVATE LIMITED 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
IV) Dividend Payment	N.A.			
V) Listing on Stock Exchange	The Company's Equity shares are listed at the following Stock Exchanges: 1. Bombay Stock Exchange Ltd. 25 th Floor, Phiroze Jeejeebhoy Towers Dalal Street Fort, Mumbai-400 001		x) Address for investors' correspondences	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,2012

No. of shares held	No. of Shareholders	% of Shareholder	No. of Shares Held	% of shareholding
1 to 500	28443	78.6740	58,83,371	9.7886
501 to 1000	4634	12.8177	37,21,576	6.1919
1001 to 5000	2595	7.1778	57,06,350	9.4941
5001 to 10000	257	0.7109	19,07,960	3.1744
10001 to 50000	173	0.4785	34,32,717	5.7113
50001 to 100000	26	0.0719	19,20,425	3.1952
100001 and above	25	0.0692	3,75,31,964	62.4447
Total	36153	100.0000	6,01,04,363	100.0000

b) Pattern of Shareholding as on 31st March, 2012

Category	No. of Shareholders	% of shareholders	No. of shares held	% of Shareholding
Individual	35614	98.51	24943115	41.50
Bodies Corporate	263	0.727	34093801	56.724
NRI / OCBs	195	0.539	682132	1.135
Clearing Member / Clearing corp.	81	0.224	385315	0.641
Total	36153	100	60104363	100
Promoters	26	0.072	19101397	31.78
Non-Promoters	36127	99.928	41002966	68.22
Total	36153	100	60104363	100

C) Summary report of shareholding as on 31st March, 2012

PARTICULARS	NO. OF SHARES	% OF SHAREHOLDING
PHYSICAL	167764	0.279
NSDL	40529552	67.432
CDSL	19407047	32.289
TOTAL	60104363	100

Status of Shareholders' / Investors' Complaints for the year ended 31.03.2012

Nature of Complaint	No. of Complaints pending as on 31.03.2011	No. of complaints received	No. of complaints resolved	No. of complaints pending as on 31.03.2012
IPO Related Matter	Nil	Two	Two	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 2011-12.

Month	Bombay Stock Exchange*		National Stock Exchange*		Sensex	
	High	Low	High	Low	High	Low
April	9.60	8.15	9.60	8.15	19811.14	18976.19
May	8.90	7.75	9.60	7.80	19253.87	17786.13
June	8.20	6.81	8.35	6.80	18873.39	17314.38
July	8.94	7.00	8.30	6.90	19131.70	18131.86
August	7.33	5.41	7.20	5.60	18440.07	15765.53
September	9.90	6.00	9.90	5.95	17211.80	15801.01
October	7.90	6.92	8.10	6.95	17908.13	15745.43
November	8.25	6.55	8.25	6.50	17702.26	15478.69
December	7.40	5.90	7.45	6.00	17003.71	15135.86
January	7.49	6.01	7.45	6.00	17258.97	15358.02
February	8.14	6.51	8.05	6.40	18523.78	17061.55
March	8.05	6.15	8.15	6.35	18040.69	16920.61

- xi) Dematerialization of Equity Shares and Liquidity: 99.72% of Equity Shares have been dematerialized as on 31st March, 2012
- xii) Outstanding GDRs/ ADRs / Warrant: The company has issued 20000000 Convertible warrants to non promoters in 2010-11 and during the year 2011-12, 17100000 warrants has been converted into equity.
- xiv) Plant Location: Village-Palasdiha, 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 2012.

For BURNPUR CEMENT LTD.

Place: Kolkata
Date: 8th August, 2012

Ashok Gutgutia
Vice-Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Share Holders
Burnpur Cement Ltd.

We have examined the Compliance of the conditions of Corporate Governance by Burnpur Cement Ltd for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement 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 Accountant)

Place: Kolkata
Date: 8th August, 2012

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, 2012**, the Statement of the Profit & Loss 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 a 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 enclose in the Annexure a statement on the matters 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 those books.

- (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub sec (3c) of sec 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors as on 31st March 2012 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 accounts read together with significant accounting policies and 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, 2012**.
 - (ii) in the case of the Statement of Profit & Loss, 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 Accountant)

Dated : 25/05/2012
Place : Kolkata

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

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 re-valued 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 body 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) 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.
 - a) Demand of Rs.55.06 Lac raised on completion of Sales Tax Assessment for the years ended on 31-03-1996 and 31-03-2005 under West Bengal Sales Tax Act, 1994, have not been provided for in the books. It is 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.
 - b) The demand of Rs. 380.46 Lakhs raised on completion of Income Tax regular assessment for the asst. year 2008-09 has been reduced to Nil by CIT(A), Asansol. But the department has gone in second appeal before the Tribunal and the management firmly believes that there will not be any demand.
- 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 according to information and explanation given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to Banks and Financial Institutions.
- 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 of 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 of clause 4(xv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- 17) According to information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment and vice versa.
- 18) The company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes 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.
- 20) In our opinion and according to the information and explanations given to us, the Company 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 Public Issues. But out of 2 crores share warrants issued in last year, 1.71 crores have been converted into equity shares and balance of 29 lakh warrants will be converted in the next year.
- 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 Accountant)

Dated : 25/05/2012
Place : Kolkata

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

BURNPUR CEMENT LIMITED
BALANCE SHEET as at 31st March, 2012

	SCH	As at 31.03.12 Amount (₹)	As at 31.03.11 Amount (₹)
A. EQUITY & LIABILITIES :			
Shareholders' Funds			
(i) Share Capital	1	601,043,630.00	430,043,630.00
(ii) Reserves and Surplus	2	227,773,516.04	187,046,211.59
(iii) Money received against Share Warrants	3	34,800,000.00	863,617,146.04
			213,900,000.00
			830,989,841.59
Non Current Liabilities			
(i) Long term Borrowing	4	111,933,313.73	76,445,470.40
(ii) Deferred Tax liabilities (net)		9,290,950.90	6,310,048.00
(iii) Other Long Term provision	5	3,277,184.00	124,501,448.63
			2,452,282.00
			85,207,800.40
Current Liabilities			
(i) Short Term Borrowings	6	164,491,470.18	77,691,689.20
(ii) Trade Payable	7	58,805,208.45	33,731,058.55
(iii) Other Current Liabilities	8	15,836,833.70	12,636,001.15
(iv) Short Term Provisions	9	13,129,468.35	252,262,980.68
			11,346,529.63
			135,405,278.53
Total :		1,240,381,575.35	1,051,602,920.52
B ASSETS :			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	10	208,454,007.37	137,364,872.63
(ii) Intangible Assets		613,919.06	-
(iii) Capital Work in Progress		14,415,506.50	22,936,846.96
(iv) Capital Work in Progress (Jharkhand project)		241,155,134.07	464,638,567.00
			237,551,149.08
			397,852,868.67
Long Term Loans & advances	11	385,308,519.00	371,043,959.26
Current Assets			
(i) Inventories	12	89,098,651.24	60,830,194.11
(ii) Trade Receivable	13	194,117,180.13	164,987,663.46
(iii) Cash & Cash equivalents	14	48,510,560.72	23,068,485.65
(iv) Short Term Loans & Advances	15	57,186,292.26	32,906,531.37
(v) Other Current Assets	16	1,521,805.00	390,434,489.35
			913,218.00
			282,706,092.59
		1,240,381,575.35	1,051,602,920.52
Significant Accounting Policies			
Notes on Financial Statement	01-41		

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

Mr. N. K. Agarwal
(Proprietor)

Date: 25th May 2012
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, 2012

	SCH	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
A CONTINUING OPERATIONS :			
1 Revenue from Operations(Net)	17	462,357,501.63	273,810,190.05
2 Other Income	18	10,082,307.89	3,482,877.00
Total Revenue (1+2)		472,439,809.52	277,293,067.05
4 Expenditure			
Cost of Materials Consumed	19	249,006,845.28	150,989,489.26
Purchase of Stock in Trade	20	13,020,931.88	915,463.00
Change in Inventory of Stock in Trade	21	(11,446,442.67)	-
Employee Benefits Expenses	22	16,830,593.00	12,270,095.60
Finance Cost / Interest & Other Charges	23	21,861,351.06	11,635,895.11
Depreciation & amortisation expenses	10	7,288,506.60	7,340,482.12
Other Expenses	24	160,741,970.63	86,208,154.04
Total Expenses		457,303,755.78	269,359,579.13
5 Profit/(Loss) before exceptional & extraordinary items & tax		15,136,053.74	7,933,487.92
6 Profit/(Loss) before tax		15,136,053.74	7,933,487.92
7 Tax Expenses			
(a) Current tax expenses for current year		1,951,032.43	3,686,320.63
b) Deferred tax		2,980,902.90	(615,896.00)
8 Profit / (Loss) from continuing operation (6-7)		10,204,118.42	4,863,063.29
B TOTAL OPERATIONS :			
10 Profit/ (Loss) for the year.		10,204,118.42	4,863,063.29
11 Earning per Share(of Rs.10/- each)	25		
(a) Basic		0.17	0.11
(a) Diluted		0.16	-
12 No.of share used in computing Earning per Shares			
(a) Basic		60,104,363	43,004,363
(a) Dilute		63,004,363	—

Significant Accounting Policies
Notes on Financial Statement

01-41

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

Mr. N. K. Agarwal
(Proprietor)

Date: 25th May 2012
Place: Kolkata

Ashok Gutgutia
VC & Managing Director

On behalf of the Board

Manoj Kumar Agarwal
Director

S S Panigrahi
Company Secretary

Cash Flow Statement For The Year Ended 31st March, 2012.

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

A. CASH FLOW FROM OPERATING ACTIVITIES:	As at 31.03.2012 Amount in (₹)	As at 31.03.2011 Amount in (₹)
Net Profit Before Tax	15,136,053.74	7,933,487.92
Adjustment for:		
Depreciation	7,288,506.60	7,340,482.12
Interest Expenditure	21,861,351.06	11,635,895.11
Dividend Income from liquidity fund	0.00	0.00
(Profit) on sale of Investments	-	0.00
Payment of Gratuity	(7,452.00)	(20,000.00)
Prior Period Expenses	-	-
Loss on Sale of Fixed Assets	-	138,112.00
Interest on Fixed Deposits/cr. w/off	(1,037,122.22)	(2,004,952.00)
Operating Profit Before Working Capital Changes	43,241,337.18	25,023,025.15
Adjustment for:		
Decrease/(Increase) Inventories	(28,268,457.13)	(21,563,075.61)
Decrease/(Increase) Sundry Debtors	(29,129,516.67)	4,123,366.98
Decrease/(Increase) Loans and Advances(ST/OCT)	(18,670,347.31)	2,901,353.61
Decrease/(Increase) Loans and Advances(LONG TERM)	(8,644,080.00)	-
(Decrease)/Increase Current Liabilities	115,899,665.43	16,127,067.91
Cash Generated From Operations	74,428,601.50	26,611,738.04
Direct taxes paid (net of refunds)	(5,781,122.00)	(2,626,500.00)
Net Cash from Operating Activities	(A) 68,647,479.50	23,985,238.04
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work-In-Progress	(17,191,497.31)	(63,959,598.70)
Purchase of Fixed Assets	(66,777,521.61)	(7,663,460.29)
Sale of fixed Assets (Vehicle)	-	115,000.00
Sale/(Purchase) of Investments	-	-
Profit on Sale of Investment	-	-
Interest on Fixed Deposits	1,037,122.22	2,004,952.00
Net Cash From Investing Activities	(B) (82,931,896.70)	(69,503,106.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Capital	(8,100,000.00)	213,900,000.00
Proceeds from LT & Unsec Borrowings	35,487,843.33	-
Repayment of Borrowings	-	(305,286,056.37)
Interest Paid	(21,861,351.06)	(11,635,895.11)
Security Premium Recd.	34,200,000.00	-
Repayment of Unsecured Loan	-	-
Proceeds from Unsecured loan	-	32,124,955.07
Net Cash From Financing Activities	(C) 39,726,492.27	(70,896,996.41)
D. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS.	(A+B+C) 25,442,075.07	(116,414,865.36)
Closing Balance of Cash and Cash Equivalents	48,510,560.72	23,068,485.65
Opening Balance of Cash and Cash Equivalents	23,068,485.65	139,483,351.01
	25,442,075.07	(116,414,865.36)

1 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.

2 Figures In bracket indicate cash outflow.

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

Mr. N. K. Agarwal
(Proprietor)

Date: 25th May 2012
Place: Kolkata

On behalf of the Board

Ashok Gutgutia
VC & Managing Director

Manoj Kumar Agarwal
Director

SIGNIFICATION 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 / materialized.

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 & AMORTIZATION

- 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 charged 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 is 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 fund 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 M/s N. K. Agarwal & Co.
(Chartered Accountant)

Mr. N. K. Agarwal
(Proprietor)

Date: 25th May 2012
Place: Kolkata

On behalf of the Board

Ashok Gutgutia
VC & Managing Director

Manoj Kumar Agarwal
Director

BURNPUR CEMENT LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

	As at 31.03.2012 Amount (₹)		As at 31.03.2011 Amount (₹)	
Shares Holders Fund				
Authorised Share Capital:				
7,70,00,000 Equity Shares of Rs 10/- each.		770,000,000.00		700,000,000.00
1 Issued Subscribed & Paid up				
6,01,04,363 Equity Shares of Rs 10/- each fully paid up.		601,043,630.00		430,043,630.00
1.1 Shares out of the issued, subscribed and paid up capital were allotted for consideration other than cash.				
1.2 The details of share holders holding more than 5% shares				
Name of the Share holders	31st March'2012		31st March'2011	
Chhatisgarh Biripatta (P) Ltd	9,200,000		—	
Insight Consultants (P) Ltd	8,238,333		8,238,332	
Ashok Gutgutia	2,954,250		2,954,250	
1.3 The reconciliation of the member of share outstanding is set out below:				
Equity Shares of the beginning of the year	43,004,363.00			
Add: Share issued on conversion of warrants	17,100,000.00			
	60,104,363.00			
2 Reserve & Surplus				
Capital Reserve				
O/Balance	1,008,763.15		1,008,763.12	
Add: addition during the year	0.00		0.00	
Less: Utilised	0.00		0.00	
C/Balance	1,008,763.15	1,008,763.15	1,008,763.12	1,008,763.12
General Reserve				
O/Balance	1,000,000.00		1,000,000.00	
Add: addition during the year	0.00		0.00	
Less: Utilised	0.00		0.00	
C/Balance	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Profit & Loss A/c				
O/Balance	52,920,336.51		48,057,273.00	
Add: Transfer from P/L A/c	10,204,118.42		4,863,063.51	
Less: Utilised	0.00		0.00	
C/Balance	63,124,454.93	63,124,454.93	52,920,336.51	52,920,336.51
Revaluation Reserve				
O/Balance	63,296,185.96		67,229,338.96	
Add: addition during the year	0.00		0.00	
Less: Transferred to P/L Statement	3,676,814.00		3,933,153.00	
C/Balance	59,619,371.96	59,619,371.96	63,296,185.96	63,296,185.96
Security premium Account				
O/Balance	68,820,926.00		68,820,926.00	
Add: On Issue of Shares	34,200,000.00		0.00	
Less: Utilised	0.00		0.00	
C/Balance	103,020,926.00	103,020,926.00	68,820,926.00	68,820,926.00
		227,773,516.04		187,046,211.59

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
3 Money Received against Share Warrant		
Aspire Capital (P) Limited	0.00	34,800,000.00
Chhatisgarh Biri Patta (P) Ltd	0.00	110,400,000.00
Grade Merchandise (P) Ltd	0.00	13,200,000.00
Imtihan Distributors (P) Ltd	0.00	12,000,000.00
Omkar Infra Projects (P) Ltd	0.00	34,800,000.00
Bijoy Kumar Agarwal (HUF)	4200000.00	1,050,000.00
Bijoy Kumar Agarwal	4200000.00	1,050,000.00
Gaurav Palriwal	4200000.00	1,050,000.00
Priti Palriwal,	4200000.00	1,050,000.00
Rita Agarwal	4800000.00	1,200,000.00
Saroj Aragwal,	4200000.00	1,050,000.00
Subhas Kumar Agarwal,	4800000.00	1,200,000.00
Vishal Palriwal	4200000.00	1,050,000.00
	34,800,000.00	213,900,000.00
Non Current Liabilities		

4 Long term Borrowings

a) Secured Loan :

From Banks

HDFC Bank Ltd - Car Loan	414,088.64		631,758.26	
HFDC Bank Ltd. - Car Loan (Tata Indigo)	0.00		543,021.00	
HFDC Bank Ltd. - Payloader Loan	2,719,776.91		0.00	
Indusind Bank Ltd. - Excavator	3,735,240.00	6,869,105.55	0.00	1,174,779.26

From Others

Family Credit Limited - Car Loan	0.00		44,405.58	
Magma Fincorp Limited - Jeep	0.00		167,052.38	
West Bengal Financial Corporation	72,450,000.18	72,450,000.18	34,085,000.18	34,296,458.14
		79,319,105.73		35,471,237.40

Notes :

1. WBFC Loan is secured by way of :

- First charge on the whole of the Plant & Machinery both present & future.
- Second Charge on the Current Assets both present & future.

2 Car Loan & Payloader Loan from HDFC Bank Ltd is secured by hypothecation of said Car & Payloader

3 Excavator Loan from Indusind Bank Ltd is secured by hypothecation of said Excavator.

4 Maturity Profile & Rate of Interest as set out below:

	Intt. Rate	F.Y. 12-13	F.Y. 13-14	F.Y. 14-15	Beyond 4 Years
a. West Bengal Financial Corp.	@ 13.75%	14,175,000.00	16,000,000.00	17,260,000.00	25,015,000.18
b. HDFC Bank Ltd.- Car Loan	@ 08.00%	269,448.00	144,640.64	0.00	0.00
c. HDFC Bank Ltd. - Pay Loader	@ 11.52%	929,988.00	929,988.00	859,800.91	0.00
d. Indusind Bank Ltd. - Excavator	@ 05.00%	1,318,320.00	1,318,320.00	1,098,600.00	0.00

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

		As at 31.03.2012		As at 31.03.2011
		Amount (₹)		Amount (₹)
b) Unsecured Loan :				
From Related Parties				
Bharosa Distributors (P) Ltd	0.00		10,519,233.00	
Ashok Gutgutia	3,750,000.00		3,600,000.00	
Dalhousi Datamatics Pvt. Ltd.	15,664,208.00	19,414,208.00	9,855,000.00	23,974,233.00
From Others				
Bachagammon Vinimoy (P) Ltd	0.00		2,500,000.00	
Dream Financial Management Services (P) Ltd	0.00		2,500,000.00	
Jaiswar Commercial (P) Ltd	0.00		2,500,000.00	
Nariman Fiscal Services (P) Ltd	0.00		1,500,000.00	
Swed Exim (P) Limited	0.00		5,000,000.00	
Apundarik Merchants Pvt. Ltd.	1,000,000.00		1,000,000.00	
Axis Shoppers Pvt. Ltd.	2,000,000.00		0.00	
Divij Projects Pvt. Ltd.	1,200,000.00		0.00	
Jap Security Pvt.Ltd	1,500,000.00		0.00	
Lansdowne Towers Pvt Ltd.	2,500,000.00		0.00	
Micro Texfab Trade (P) Limited	2,500,000.00		0.00	
Sanyam Tie-Up Pvt Ltd.	1,500,000.00		2,000,000.00	
Trust Worthy Viniyog Pvt. Ltd.	1,000,000.00	13,200,000.00	0.00	17,000,000.00
		32,614,208.00		40,974,233.00
		111,933,313.73		76,445,470.40
5 Others Long Term Provisions				
Provision for Gratuity		3,277,184.00		2,452,282.00
Current Liabilities				
6 Short Term Borrowings				
Secured				
SBI, Asansol, CC A/c	144,199,788.18		69,666,377.20	
SBI, Asansol, SLC A/c	20,291,682.00	164,491,470.18	8,025,312.00	77,691,689.20
		164,491,470.18		77,691,689.20
Notes : Cash Credit is secured by				
a	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;			
b	Way of second charge on the Plant & Machinery of the Company and personal Guarantees of the promoter directors of the company;			
c	Equitable Mortgage (1st Charge) of Land and Building at Factory, Palashdiha, Kanyapur, Asansol.			
	Jeep Loan from Magma Fincorp. Ltd is secured by hypothecation of said Jeep.			
7 Trade Payable A/c				
b Sundry Creditors for Expenses	22,002,080.67		10,150,081.40	
c Sundry Creditors for Trade/Raw Materials	36,803,127.78	58,805,208.45	23,580,977.15	33,731,058.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

10 FIXED ASSETS

Particulars		Gross Block			Depreciation			Net Block	
		Opening as on 1st April, 2011	Additions during the year	Deduction during the year	Closing as on 31st March, 2012	Opening as on 1st April, 2011	For the year	Total	As on 31st March, 2012
Tangible Assets		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Land (Dharmia Moulza)	0.00%	19,374,263.00	2,201,050.00		2,201,050.00	0.00	0.00	0.00	2,201,050.00
Land (Freehold)	0.00%	17,694,321.28	106,000.00		19,480,263.00	0.00	0.00	0.00	19,480,263.00
Factory Building	3.34%	148,556,017.22	3,672,740.25	67,931,833.49	21,367,061.53	4,794,196.41	596,051.12	5,390,247.53	15,976,814.00
Plant & Machinery*	5.28%	12,126,460.06	112,228.62		12,238,688.68	59,609,517.82	7,567,399.81	67,176,917.63	143,092,933.08
Electrification & Installation	4.75%	813,758.67	661,106.00		831,506.67	5,103,275.10	577,131.12	5,680,406.22	6,558,282.46
Laboratory Equipment	4.75%	2,710,815.68	17,748.00		3,371,921.68	434,467.31	38,867.75	473,335.06	358,171.61
Furniture & Fixtures	6.33%	1,018,025.24	1,430,618.00		2,448,643.24	360,617.90	172,166.33	532,784.23	2,839,137.45
Computer Sets	16.21%	7,683,944.70	4,814,200.00		12,498,144.70	727,844.55	228,826.12	956,670.67	1,491,972.57
Pollution Equipment	5.28%	4,884,799.90	0.00		4,884,799.90	6,060,052.98	423,126.33	6,483,179.31	6,014,965.39
Molar Vehicles	9.50%	7,309,818.45	7,489,337.04		14,799,155.49	1,689,396.37	464,055.99	2,153,452.36	2,731,347.54
Pay Loader/Excavator	11.31%	5,400.00	0.00		5,400.00	6,660,859.56	840,626.43	7,501,485.99	7,297,669.50
Television	6.33%	35,700.00	9,100.00		44,800.00	1,683.82	341.82	2,025.64	3,374.36
Telephone	6.33%	155,900.00	44,409.00		200,309.00	21,494.96	2,465.98	23,960.94	20,839.06
Mobile Sets	6.33%	9,000.00	60,664.00		69,664.00	17,336.96	11,794.03	29,130.99	171,178.01
EPABX Machine	6.33%	6,500.00	75,500.00		82,000.00	1,912.70	622.16	2,534.86	67,129.14
FAX /Xerox Machine	7.07%	501,806.00	187,800.00		689,606.00	510.45	3,087.00	3,597.45	78,402.55
Air Conditions	5.28%	0.00	67,540.00		67,540.00	38,490.68	35,659.07	74,149.75	615,456.25
Water Tank/Purifier	4.75%	0.00	4,500.00		4,500.00	0.00	169.36	2,930.19	64,609.81
Camera	16.21%	0.00	640,000.00		640,000.00	0.00	26,080.94	26,080.94	4,330.64
Intangible Assets :									
Computer Software									
Capital WIP P&M									
Capital WIP Building									
Shed at D/Mouza WIP									
Capital WIP 22&23 -W/FC									
Total		222,886,530.20	88,886,374.40	6,218,000.00	305,554,904.60	85,521,657.57	8,845,148	96,486,978.17	223,483,432.93
Previous Year		219,777,849.76	28,131,845.50	2,086,318.00	245,823,377.26	76,081,228.46	6,089,437	86,521,657.58	160,301,719.59
								-	160,301,719.60
									143,696,621.21

@ Original Cost / Professional Valuation as at 31.03.2005

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

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

		As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
8 Other Current Liabilities			
Statutory Liabilities			
a Magma Fincorp Limited	26,501.67		0.00
b Professional Tax	6,485.00		5,040.00
c Employee's contribution to ESIC	1,571.00		0.00
d E.P.F. Payable account	1,665,995.00		133,359.00
e E.S.I.C. Payable account	34,477.00	235,029.67	26,695.00
			165,094.00
Duties & Taxes			
a Sales Tax Account	961,096.82		2,346,101.89
b TDS Payable	1,094,021.00		212,800.00
c W.B. VAT	1,385,143.21	3,440,261.03	2,690,051.26
			5,248,953.15
a Unclaimed/ Unpaid Dividend	15,000.00		15,000.00
b Trade Deposits	11,297,597.00		1,671,451.00
c Sundry Creditors for capital Goods	848,946.00	12,161,543.00	5,535,503.00
		15,836,833.70	12,636,001.15
9 Short Term Provisions:			
Provision for Taxation		13,129,468.35	11,346,529.63
11 Long Term Loans and Advances			
a Advances with Income Tax/ S. Tax	22,388,939.00		16,768,459.26
b Advances for Jharkhand Project	362,919,580.00	385,308,519.00	354,275,500.00
			371,043,959.26
12 Inventories (at lower of cost and net realisable value)			
a Raw Material			
I Clinker	25,153,403.03		19,725,142.67
II Gypsum	599,936.46		117,260.66
III Slag	35,298,319.68	61,051,659.17	34,398,572.27
			54,240,975.60
b Stores, Spares & Others			
II Coal	4,892,654.85		1,199,969.55
III Grinding Media	4,761,539.55		2,028,832.83
IV Stores & Spares	3,685,912.00	13,340,106.40	970,500.00
			4,199,302.38
c Others			
I Advertisement Items		697,120.00	1,132,321.00
d Stock in Trade			
i Lime Stone		11,446,442.67	0.00
c Packing Material			
I HDPE Bags		2,563,323.00	1,257,595.13
		89,098,651.24	60,830,194.11
13 Trade Receivables			
(Unsecured considered good)			
a Over six months.	92,906,542.17		101,592,860.45
b Less than six months	101,210,637.96	194,117,180.13	63,394,803.01
(As Certified by Management)			164,987,663.46
14 Cash and Cash Equivalents			
a Cash in Hand (as certified by management)	21,260,226.82		8,090,404.82
b SBI, Asansol (Unpaid/ Unclaimed Dividend)	15,000.00		15,000.00
c On Current Account with Banks	4,868,314.90		1,804,723.83
c On Deposits Account with Bank	22,367,019.00	48,510,560.72	13,158,357.00
			23,068,485.65
15 Short Term Loans & Advances			
(Unsecured considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be adjusted)			
a. Advance for Raw Materials/Suppliers/Others	46,393,158.17		24,234,581.40
b. Security Deposits with Govt. Authorities	5,164,059.00		4,624,470.00
c. Share Application Money Pending Allotment	0.00		1,250,000.00
d. Excise & Cervat Details	3,664,657.07		(1,433,018.00)
e. Service Tax Account	874,371.80		688,463.97
f. Accrued Interest on FDR	1,090,046.22	57,186,292.26	3,542,034.00
			32,906,531.37
16 Other Current Assets			
a Advance to Office Staff	1,075,255.00		684,440.00
b Pre Paid Expenses	446,550.00	1,521,805.00	228,778.00
			913,218.00

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

	As at 31.03.2012	As at 31.03.2011
	Amount (₹)	Amount (₹)
17 Revenue From Operation		
Cement Sales	517,665,335.83	307,332,110.84
Less Excise Duty	57,133,593.66	34,510,983.00
	460,531,742.17	272,821,127.84
Lime Stone Sales	1,825,759.46	989,062.21
	462,357,501.63	273,810,190.05
18 Other Income		
Misc Income	32,127.00	313,542.00
Discount Received	0.00	13880.00
Income from Lime Stone Mining	5,099,470.76	0.00
Transporting on behalf of Dealer	78,476.00	0.00
Hire Charges of Pay Loader	0.00	1,136,500.00
Rebate on Sales Tax	8,306.20	14,003.00
Sundry Creditors Written off	3,826,805.71	0.00
Interest on Fixed Deposits	1,037,122.22	2,004,952.00
	10,082,307.89	3,482,877.00
19 Cost of Material Consumed		
1 Raw Material Consumed		
Opening Stock	54,240,975.60	36,855,155.83
Purchase	214,485,505.34	138,077,629.36
Freight Inwards	16,194,034.66	19,132,912.84
	284,920,515.60	194,065,698.03
Less Closing Stock	61,051,659.17	54,240,975.60
	223,868,856.43	139,824,722.43
2 Packing Material Consumed		
Opening Stock	1,257,595.13	943,978.67
Purchase	16,337,190.70	9,054,542.00
	17,594,785.83	9,998,520.67
Less Closing Stock	2,563,323.00	1,257,595.13
	15,031,462.83	8,740,925.54
3 Cosumable Misc Stores		
Opening Stock	5,331,623.38	1,467,984.00
Purchase	18,812,129.04	6,287,480.67
	24,143,752.42	7,755,464.67
Less Closing Stock	14,037,226.40	5,331,623.38
	10,106,526.02	2,423,841.29
(A + B + C)	249,006,845.28	150,989,489.26
20 Purchase of Stock in trade	13,020,931.88	915,463.00
21 Change in Inventory of Stock in trade		
Opening Stock	0.00	0.00
Less Closing Stock	11446442.67	0.00
	(11446442.67)	0.00
22 Employee Benefit Expenses		
Directors Remuneration	1,500,000.00	1,620,000.00
Salaries	7,666,747.00	4,599,826.00
Wages	3,999,117.00	3,040,902.00
Bonus	1,050,737.00	687,317.60
Contribution to Recognised Provident Fund	1,012,285.00	848,067.00
Gratuity	832,354.00	940,203.00
Employees State Insurance Scheme	286,616.00	230,551.00
Staff Welfare Expenses	482,737.00	303,229.00
	16,830,593.00	12,270,095.60

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2012

	As at 31.03.2012	As at 31.03.2011
	Amount (₹)	Amount (₹)
23 Finance Cost/ Interest & Other Charges		
Interest on Term Loan	405,567.91	1,187,293.00
Interest on Cash Credit & SLC	20,080,290.00	9,269,916.00
Interest on Car Loan	72,564.09	82,431.13
Other Interest	379,500.00	36,061.23
Bank Charges	358,779.06	309,963.75
Bank Processing Fee	564,650.00	750,230.00
	21,861,351.06	11,635,895.11
24 Other Expenses		
1 Manufacturing Expenses		
Factory Rent	750,000.00	600,000.00
Power & Fuel	43,437,792.89	35,382,569.96
Testing Fees and Incidental Expenses	743,822.00	842,392.00
Loading / Unloading Charges	0.00	2,007,265.00
Repair & Maintenance - Machinery	1,769,783.70	1,922,688.50
Freight Outward Expenses	16,865,203.00	0.00
A	63,566,601.59	40,754,915.46
2 Establishment Expenses		
Insurance Charges	156,731.00	185,253.00
Rent	165,200.00	640,508.00
Legal Cum Service Charges	917,009.00	1,134,875.00
Travelling Expenses	2,002,765.00	667,070.00
Lime Stone Mining Expenses	6,717,266.00	0.00
Auditors Remuneration		
Tax Audit Fees	40,000.00	30,000.00
Fees for Limited Review	30,000.00	30,000.00
VAT Audit Fees	28,000.00	26,230.00
Internal Audit Fees	140,000.00	105,000.00
Statutory Audit Fees	100,000.00	80,000.00
Board Meeting Fees	420,000.00	440,000.00
Rates and Taxes	862,895.00	864,090.00
Printing & Stationery	407,077.00	494,803.00
Postage & Telegram	110,040.00	356,535.00
Telephone Expenses	437,061.00	292,695.43
B	12,534,044.00	5,347,059.43
3 Selling & Distribution Expenses		
VAT on Sales	59,733,007.63	31,291,975.46
Advertisement	15,592,589.39	1,356,248.62
Service Tax paid (Previous Year)	0.00	748,924.01
Penalty on Service Tax (Previous Year)	0.00	56,266.00
Service Tax on outward GTA/TDS/I. Tax	1,096,010.00	401,926.00
Other Misc. Expenses	8,219,718.02	6,250,839.06
C	84,641,325.04	40,106,179.15
(A + B + C)	160,741,970.63	86,208,154.04

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

On behalf of the Board

Mr. N. K. Agarwal
(Proprietor)

Dated : 25th May 2012.
Place : Kolkata

Ashok Gutgutia
VC & Managing Director

Manoj Kumar Agarwal
Director

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF
THE BALANCE SHEET AS ON 31ST MARCH, 2012.**

NOTES ON ACCOUNTS

25. Earning per Share is calculated as follows:

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March 2011
Net Profit/Loss after Tax	1,02,04,118.00	48,63,063.29
Equity Shares outstanding at the period end (in nos)	Basic – 60104363 Diluted – 63004363	43004363
Weighted average no. of equity shares used as denominator for calculating basic and diluted EPS	63004363	43004363
Nominal value per Equity Share (in Rs.)	10	10
Earning per share (Basic and Diluted) (in Rs.)	Basic 0.17 Diluted 0.16	0.11

26. Contingent Liability:

Particulars	Amount as on 31.03.2012 (Rs. In Lacs)
WBSEB Demand	Rs. 99.00
VAT Liability	Rs. 37.09
Bank Guarantee	Rs. 115.16
Sales Tax Demand	Rs. 59.72

27. Depreciation on revalued fixed assets amounting to Rs. 36,76,814.00 has been written off from revaluation reserve.
28. The figures of Excise Duty paid are disclosed in the Books at the net figures after taking credit for rebate / refund of Excise Duty. Cenvat Credit on Capital goods amounting to Rs. 24,30,844/- has been taken during the year.
29. Figures pertaining to previous year have been re-grouped/re-arranged, reclassified and restated, wherever considered necessary, to conform to the classification adopted in the current year.
30. There were no Foreign exchange inflow and outflow during the year.
31. 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. 29,80,903/- (Debited into P/L Account) has been made in the Books of Accounts in accordance with Accounting Standard-22.
32. Service Tax is also being determined in accordance with the provision of Service Tax Law.

33. Quantitative Details And Other Information:

i. Capacity of Production of Plant at Asansol

- a. License capacity - Not Applicable
- b. Installed Capacity - 1000 TPD on triple shift basis

ii. Raw Material Consumption:

Particulars	For the year ended 31 st March, 2012		For the year ended 31 st March, 2011	
	Quantity (MT)	Value	Quantity (MT)	Value
Clinker	46,444.257	14,44,77,378.16	29,851.693	9,11,62,058.76
G. Slag	73,155.793	7,54,21,668.57	48,966.389	4,61,50,040.40
Gypsum	2,443.755	39,69,809.70	1,611.825	25,12,623.27
Total	1,22,043.805	22,38,68,856.43	80,429.907	13,98,24,722.43

iii. Production Of Finished Goods

In Bags of 50 kgs)

Year	Item	Opening Stock	Production	Total
2011-12	Cement (in Bags)	Nil	22,25,213 (1,11,260.650 Mt)	22,25,213
2010-11	- do -	-	14,66,311 (73315.550mt.)	14,66,311

iv. Packing Material Consumed

Particulars	For the year ended 31 st March, 2012		For the year ended 31 st March, 2011	
	Quantity	Value	Quantity	Value
HDPE Bags	22,25,213	1,50,31,462.83	14,66,311	87,40,925.54

v. Sales

Particulars	Unit	For the year ended 31 st March, 2012.		For the year ended 31 st March, 2011.	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Cement	In Bags of 50 Kg.	22,25,213	51,76,65,335.83	14,66,311	30,73,32,110.84
Lime Stone	MT	4,874.587	18,25,759.46	2,817.841 (MT)	9,89,062.21
Total			51,94,91,095.29		30,83,21,173.05

34. 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.

35. 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.

36. Gratuity

The Company has defined gratuity plan. Every employee who has completed 5 years or more of service is entitled to gratuity on terms not less favourable 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.24,52,282.00
Closing Balance as per Actuarial Valuation	Rs.32,77,184.00
Provision made during the Year	Rs. 8,32,354.00
Gratuity Paid during the year	Rs. 7,452.00

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

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. 37.09 Lacs.

ii. Demand of Rs.59.72 Lac raised on completion of Sales Tax Assessment for the years ended on 31-03-1996, 31-03-2005 under West Bengal Sales Tax Act, 1994, have not been provided for in the books. It is 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.

38. 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.

39. Estimated amount of contract remaining to be executed on capital account (Net of Advance) and not provided for Rs. 64.31 crores.
40. Interest on fixed deposits taken in the financial statement is as per management's certificate.

41. 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:

Associate Companies:

- a. Insight Consultants Pvt. Ltd.
- b. Bharat Cement Pvt. Ltd.
- c. Goyal Auto Distributors Pvt. Ltd
- d. Mittal Polypacks (P) Limited.
- e. Mittal Technopack (P) Limited
- f. Dalhausi Datamatics (P) Limited
- g. Bharosa Distributors (P) Limited

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:

	Name of Party	Relation	Transaction Value	Outstanding Balance
1. Advance/Loan	Dalhausi Datamatics (P) Limited	Associates	1,93,46,659/-	1,56,64,208/-
2. Bags Purchased	Mittal Polypacks (P) Limited	Associates	1,41,54,978/-	33,95,070/-
3. Rent	Ashok Gutgutia	Key Management	9,00,000/-	Nil
4. Remuneration	Ashok Gutgutia	-do-	15,00,000/-	Nil
5. Advances	Insight Consultants (P) Limited.	Associates	1,25,0000/-	Nil
6. Advances	Bharosa Distributors (P) Limited.	Associates	5,47,85,580/-	Nil

42. Subsidy received on plant & machinery from West Bengal Industrial Development Corporation Limited, Kolkata has been accounted for during the year by crediting it to plant & machinery A/c, in accordance with the provisions of AS -12.

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

On behalf of the Board

Mr. N. K. Agarwal
(Proprietor)

Ashok Gutgutia
VC & Managing Director

Manoj Kumar Agarwal
Director

Dated : 25th May 2012.
Place : Kolkata

**BURNPUR CEMENT LTD.**

Regd. Office : 14, Bentinck Street, "Gujarat Mansion",
2nd Floor, Kolkata - 700 001, West Bengal

ATTENDANCE SLIP**26TH ANNUAL GENERAL MEETING - FRIDAY, 28TH SEPTEMBER, 2012- 3.00 P.M.**

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

I/we certify that I am/we are registered shareholder/s/proxy for the registered shareholder/s of the Company.
I/We hereby record my/our presence at the 26TH ANNUAL GENERAL MEETING of the Company to be held
at 3.00 P.M. on Friday, 28th September 2012 at Surya Sen Mancha, 432, Prince Anwar Shah Road,
Kolkata 700 068, West Bengal.

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.**

Regd. Office : 14, Bentinck Street, "Gujarat Mansion",
2nd Floor, Kolkata - 700 001, West Bengal

FORM 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 **26TH ANNUAL GENERAL MEETING** of
the Company to be held at 3.00 P.M. Friday, 28th September 2012 at Surya Sen Mancha, 432, Prince Anwar
Shah Road, Kolkata 700 068, West Bengal. and/or at any adjournment thereof.

Signed this day of 2012

Folio No./DPID & Client ID

Signature

Affix a
Revenue
Stamp

- 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

BOOK-POST

If undelivered, please return to:

Burnpur Cement Limited

14, Bentinck Street, "Gujarat Mansion"

2nd Floor, Kolkata - 700 001

West Bengal, INDIA