DRAFT PROSPECTUS

Dated [●]

(To be updated on filing with ROC)

BCL

BURNPUR CEMENT LIMITED

(Originally incorporated as Ashoka Concrete & Allied Industries Private Limited on June 19, 1986 with the Registrar of Companies, West Bengal Kolkata. The name of the Company was changed to Burnpur Cement Private Limited on September 18, 2001. Subsequently the Company was converted into a Public Limited Company under section Sec. 44 of the Companies Act, 1956 on November 12, 2001 and the name of the Company was changed to Burnpur Cement Limited and a fresh Certificate of Incorporation obtained from the Registrar of Companies, West Bengal Kolkata.
For details of changes in Registered Office of the Company please refer to page no 9 of this Draft Prospectus.)

Registered Office: Cement house, Saradapally, Ashoknagar P.O. Asansol- 713304, Dist.: Burdwan (West Bengal), India
Tel.: (0341)2250663, 2250859/61/62; Fax: (0341) 2250860; E-mail: info@burnpurcement.com; Website: www.burnpurcement.com;
Plant: Vill-Palasdiha Panchgachia Road P.O. - Kanyapur, Dist. Burdwan West Bengal Pincode-713341
Tel: (0341) 2250454, 2252965; **Contact Person/Compliance Officer**: Mr. Manoj Agarwal, Company Secretary

PRESENT ISSUE

ISSUE OF 3,18,25,100 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. 3182.51 LACS (AT THE LOWER END OF THE PRICE BAND OF RS.10/-PER EQUITY SHARE) AND RS. 3819.01 LACS (AT THE HIGHER END OF THE PRICE BAND OF RS. 12/-PER EQUITY SHARE) (HEREINAFTER REFERRED TO AS "THE ISSUE")

OFFER THROUGH THIS DRAFT PROSPECTUS

2,19,00,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PREMIUM OF RS. [●] PER EQUITY SHARE. THE ISSUE COMPRISES A RESERVATION FOR ELIGIBLE EMPLOYEES OF UPTO 10,95,000 EQUITY SHARES OF RS.10/- EACH (HEREINAFTER REFERRED TO AS THE "EMPLOYEE RESERVATION PORTION") AND THE NET ISSUE TO THE PUBLIC OF 2,08,05,000 EQUITY SHARES OF RS.10/- EACH (HEREINAFTER REFERRED TO AS THE "NET ISSUE")

PRESENT ISSUE WOULD CONSTITUTE 74.02% OF THE FULLY DILUTED POST-ISSUE PAID UP CAPITAL OF THE COMPANY. THE NET ISSUE TO THE PUBLIC WOULD CONSTITUTE 48.39% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

Price Band: Rs. 10/- to Rs. 12/- per Equity Share of Rs. 10/- each
The Company will determine the Issue Price before filing the Prospectus with RoC

RISK IN RELATION TO THE ISSUE

This being the first issue of Equity Shares of the Company, there has been no formal market for the Equity Share of the Company. **The face value of the Equity Share is Rs 10/- and the Issue Price is 1.0 time of the face value at the lower end of the price band and 1.2 times at the higher end of the price band**. The Issue Price (has been determined and justified by the Lead Manager and the Issuer Company as stated under the paragraph "Basis for Issue Price" on page no 39 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

The Company has not opted for IPO grading.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section "Risk Factors" beginning on page vii of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Company has received in-principle approvals from BSE and NSE vide their letters dated **[●]** and **[●]**, respectively for the listing of Equity Shares being issued in terms of this Draft Prospectus. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SREI **SREI CAPITAL MARKETS LIMITED** 'Vishwakarma', 86 C, Topsia Road (South) Kolkata - 700 046, West Bengal, India Tel : +91 33 3987 3810/3845 Fax: +91 33 3987 3861/3863 E-mail: capital@srei.com Website: www.srei.com	**NICHE TECHNOLOGIES PRIVATE LIMITED** D-511, Bagree Market, 71, B R B Basu Road Kolkata - 700 001, West Bengal, India Tel : +91 33 2234 3576/2235 7271/7270 Fax: +91 33 2215 6823 E-mail: burnpur@nichetechpl.com Website: www.nichetechpl.com

ISSUE PROGRAM	
ISSUE OPENS ON : [●]	**ISSUE CLOSES ON : [●]**

TABLE OF CONTENTS

SECTION I: DEFINITIONS AND ABBREVIATIONS

Conventional/General Terms

Terms	Description
"Burnpur Cement Limited " or "Burnpur" or "the Issuer Company" or "the Issuer" or "the Company" or "we" or "us" or "our Company" or "BCL"	Unless the context otherwise requires, refers to, Burnpur Cement Limited, a public limited company incorporated under the Companies Act and having its registered office at Cement house, Saradapally, Ashoknagar, P.O. Asansol- 713304, West Bengal, India.
Articles/Articles of Association/AOA	The Articles of Association of Burnpur Cement Limited as amended from time to time.
Auditors	The statutory auditors of the Company, viz. M/s N K Agarwal & Co., Chartered Accountants.
Board/Board of Directors	The Board of Directors of the Company or a committee constituted thereof.
Companies Act/ the Act	The Companies Act, 1956, as amended from time to time.
Director(s)	Director(s) of the Burnpur Cement Limited, from time to time, unless otherwise specified.
Equity Shares	Equity shares of the Company of face value of Rs.10/- each unless otherwise specified in the context thereof.
Group Companies/Firms	BCL Developers.
Memorandum/MOA/ Memorandum of Association	The Memorandum of Association of Burnpur Cement Limited.
Promoter(s)	Shall mean jointly Mr. Ashok Gutgutia, Mrs. Shashi Gutgutia, Insight Consultants Private Limited, Bharat Cement Private Limited and Goyal Auto Distributors Private Limited
Promoters' Group	As defined in Explanation II of Clause 6.8.3.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and amendments thereof Promoters' Group includes: Asha Devi Bhartia A.K. Gutgutia & Sons R.A. Gutgutia & Co.
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Fiscal/FY/ Financial Year	Twelve months ending March 31st of a particular year unless otherwise specified.
You, Your, Yours	Unless the context otherwise requires, refers to, investors

Issue Related Terms

Term	Description
Allotment	Issue or transfer of Equity Shares pursuant to the Offer, to the successful applicants in the issue.
Allottee	The successful applicant to whom the Equity Shares are being/have been issued.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the investors shall apply for the Equity Shares of the Company
Banker(s) to the Issue	[•]

BSE	Bombay Stock Exchange Limited
Committee	Committee of the Board of Directors of the Company authorized to take decisions on matters related to/incidental to this issue
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant /DP	A Depository Participant as defined under the Depositories Act, 1996..
Designated Stock Exchange	Bombay Stock Exchange Limited
Eligible Employees	Means a permanent employee of the Company or the Director(s) of the Company other than promoter Director who Indian Nationals, based in India and is an Employee of the Company as on the date of filing the Prospectus with the RoC is physically present in India on the date of submission of the Application Form.
Employee Reservation Portion	The portion of the Issue comprising upto 10,95,000 Equity Shares
Equity Shareholders	Person(s) holding equity share(s) of the Company unless otherwise specified in the context thereof
Fresh Issue/ Issue/ Public Issue/ Offer	Public Issue of 2,19,00,000 Equity Shares of Rs. 10/- each for cash at at a premium of Rs. [•] per equity share, in terms of this Draft Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India.
Issue Opening Date	The date on which the issue Opens for subscription (i.e., (•), 2007)
Issue Closing Date	The date on which the issue Closes for subscription (i.e., (•), 2007)
Issue Period	The period between the Issue Opening Date and Issue Closing Date and includes both the dates.
Issue Price	The price at which Equity Shares will be issued by the Company in terms of this Draft Prospectus i.e. Rs. (•) per share. The Issue Price will be decided by the Company in consultation with the Lead Manger prior to filing of the Prospectus with the RoC.
IPO	Initial Public Offering
Issuer	Burnpur Cement Limited
Lead Manager/LM	Lead Manager to the Issue, in this case being SREI Capital Markets Limited.
Mutual Funds	Means Mutual Funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue/Offer to Public/Net Issue	The Issue of 2,08,05,000 Equity Shares of Rs.10/- each.
Non-Institutional Investors	All investors that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 1,00,000/-.
NSE	National Stock Exchange of India Limited.
OCB / Overseas Corporate Body	Means and includes an entity defined in Clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of commencement of the withdrawal of general permission to Overseas Body Corporate Regulations, 2003 and immediate prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Foreign Exchange Management (Deposit) Regulations, 2000.
Offer Document/ Prospectus	The Prospectus filed with RoC in accordance with the provisions of section 60 of the Companies Act containing inter alia the Issue Price and the number of Equity Shares to be issued and certain other information.
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies for the Public Issue.
Qualified Institutional	Public financial institutions as defined in Section 4A of the Companies

Buyers or QIBs	Act, FIIs, Scheduled Commercial Banks, Mutual funds registered with SEBI, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority(IRDA), Provident Funds with minimum corpus of Rs. 2500 lacs, Pension Funds with a minimum corpus of Rs. 2500 lacs, and Multilateral and Bilateral development financial institutions.
Registrar of Companies/ RoC	Registrar of Companies, West Bengal, Kolkata situated at "Nizam Palace", 2nd MSO Building, 2nd floor, 234/4, A J C Bose Road, Kolkata-700020
Registrar / Registrar to the Issue	Being the Registrar appointed for the Issue, in this case being Niche Technologies Private Limited having its registered office at D-511, Bagree Market, 71, B R B Basu Road Kolkata – 700 001, West Bengal India
Retail Individual Investors.	"Retail Individual Investor" means an individual investor (including HUF and NRIs) who applies for securities of or for a value of not more than Rs.1,00,000/-.)
SCML/SREI	SREI Capital Markets Limited a public limited company incorporated under the provisions of the Companies Act and with its registered office at 'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700046
Stock Exchanges	BSE and NSE
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Underwriters	[•]
Underwriting Agreement	The agreement dated [•] between the Underwriters and the Company to be entered into before the filing of Prospectus with the RoC.

Glossary of Technical and Industry Terms

Term	Description
Kcal	Kilo calories
KVA	Kilo Volt Ampere
KWh	Kilowatt hours
MnTPA	Million tons per annum
MPa	Mega Pascal
Mnt	Million Tons
Mw	Mega Watt
OPC	Ordinary Portland Cement
Petcoke	Petroleum Coke
PPC	Pozzolona Portland Cement
PSC	Portalnd Slag Cement
TPD	Tons per day
TPH	Tons per hour

Abbreviation of General Terms

Term	Description
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
BIFR	Board for Industrial & Financial Reconstruction
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended
ECS	Electronic Clearing System
EGM	Extraordinary general meeting
EPS	Earnings per Share
ESOP	Employee Stock Option Plan
Face Value	Value of paid up equity capital per Equity Share

FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the Regulations framed there under for the time being in force.
FI	Financial Institution
FII/Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995), registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board
FY/ Fiscal	Financial year ending on March 31
FDI	Foreign Direct Investment
GAAP	Generally accepted accounting principles
GoI	The Government of India
HNI	High Net-worth Individual
HUF	Hindu Undivided Family
IPO	Initial Public Offering
INR/ Rs	Indian Rupees
ISO 9001:2000	International Standard Organisation 9001:2000 Certification Standard
I.T. Act	The Income Tax Act, 1961, as amended.
MoU	Memorandum of Understanding
NAV	Net Asset Value
NRE Account	Non-Resident External Account.
NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
P/E	Price earning ratio
PAN	Permanent Account Number
PAT	Profit after Tax
PBDT	Profit Before Depreciation and Tax
PBIDT	Profit Before Interest, Depreciation and Tax
PBT	Profit Before Tax
R&D	Research and Development.
RBI	The Reserve Bank of India.
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rs.	Indian National Rupee
SCRA	Securities Contracts (Regulation) Act, 1956 as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended.
SEBI Guidelines	Means the extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted in the Securities and Exchange Board of India Act, 1992 (as amended, called Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000)
SSI	Small scale Industries
Sq. mt.	Square Metre
Sq. ft.	Square Feet
TAN	Tax Deduction Account Number

SECTION II: RISK FACTORS

Certain Conventions, Use of Market Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from the restated financial statements as of and for the years ended March 31, 2002, 2003, 2004, 2005 and 2006 and for the nine months ended December 31, 2006 prepared in accordance with Indian GAAP, the Companies Act, 1956 and restated in accordance with SEBI Guidelines, as stated in the report of the Statutory Auditors, M/s N K Agarwal & Co., Chartered Accountants, included on page no. 112 of this Draft Prospectus. The fiscal year commences on April 1st of a year and ends on March 31st of the following year. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh" or "Lac" means "one hundred thousand" and the word "million" means "ten lac" and the word "Crore" means "ten million". In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to "India" contained in this Draft Prospectus are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

Market and Industry Data used throughout this Draft Prospectus has been obtained from publications available in the public domain and internal Company reports. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent source.

Forward-Looking Statements And Market Data

This Draft Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", intend", "objective", "may", "plan", "project", "shall", "will" "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe Company's objectives, strategy, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company's ability to successfully implement its strategy and its growth and expansion plans and technological changes;
- Factors affecting the Cement industry;
- The ability to modify and enhance the product offerings based on customer needs and evolving technologies;
- The ability to retain the existing clients and acquire new clients;
- Changes in the pricing policies or those of the competitors;
- Inadequate availability of Raw Materials;
- Increasing competition in the Cement industry;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers' defects or mechanical problems with Company's plant & machineries or incidents caused by human error;
- Cyclical or seasonal fluctuations in the operating results;
- Amount that the Company is able to realise from the clients;
- Changes in laws and regulations that apply to the cement industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the interest rates and tax laws in India.
- The Company's ability to meet its capital expenditure requirements.

For further discussion of factors that could cause Company's actual results to differ, please see the section entitled "Risk Factors" included in this Draft Prospectus. In the light of inherent risks and uncertainties, the forward-looking statements, events and circumstances discussed in this Draft Prospectus might not occur and are not guarantees of future performance.

Neither the Company, it's Directors and Officers, any member of the Issue Management Team nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, for purposes of the Issue, the Company and the Lead Manager to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. The investors should carefully consider all information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any of the following risks or any of the other risks and uncertainties discussed in this Draft Prospectus actually occur, the Company's business, financial condition and future results of operations could suffer, the trading price of its Equity Shares could decline, and the investors may lose all or part of their investment.

Unless specified or quantified in the relevant risk factors below, the Company is not in a position to quantify the financial or other implications of any of the risks mentioned hereunder.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. *Some events may not be material individually but may be found material collectively.*
2. *Some events may have material impact qualitatively instead of quantitatively.*
3. *Some events may not be material at present but may be having material impacts in future.*

Internal Risk Factors:

1. The company's business is dependent upon its ability to source sufficient limestone for its operations.

Management Perception

The company would be able to meet most of its requirement of limestone, the key raw material for cement production, from mines which are located near its proposed plant. The proposed cement plant located in Hazaribag district is near rich sources of limestone. The Company has entered into an lease agreement dated 26th September, 2006 with M/s Pandya Minerals ffor mining limestone. These leased mines have an area of 8.53 acres at village Kadhu P.S. Ramgarh. Jharkhand. Limestone shall be mined on the basis of the JV agreement with Pandya Mines and the MOU with Government of Jharkhand (GOJ), As per the MOU with the GOJ, the State Government shall assist the Company to source limestone as per the requirements of the Company. The Company has already made an application to the GOJ for grant to mining lease for mining limestone on the 27th of September, 2006 and is awaiting grant of the said mining rights from the GOJ.

Although the Company believes that its mining rights are sufficient to meet current and future production levels, in case the mining rights granted by GOJ or Joint Venture agreement with Pandya Mines are revoked or are not renewed upon its expiry, or significant restrictions on the usage of the rights are imposed or applicable environmental standards are substantially increased, the Company's abilities to operate its plant could be effected which could materially and adversely affect the financial condition and results of operations.

2. The Company is dependent upon the continued supply of coal, gypsum and other raw materials and fuel, the supply and costs of which can be subject to significant variation.

Management Perception

The Company would be relying on a number of domestic suppliers to provide certain raw materials, including gypsum and additives for the proposed plant. The Company would also be dependent on various domestic suppliers for the supply of coal. If the Company is unable to obtain adequate supplies of raw materials or fuel in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, the business and results of operations may be materially and adversely affected. As per the MOU with the Government of Jharkhand (GOJ), the GOJ will assist the Company in sourcing raw materials. The Company, however, based on its experience in the region is confident that such an occasion would not arise, on account of its multiple supplier profile.

3. **The Company depends on its own distribution network for the sale of its products.**

Management Perception
The Company's products are currently marketed through a distribution network comprising of around 525 distributor/dealers/C&F Agents and 21 market organizers who in turn sell the products to end users such as contractors, retailers, and the like. The Company also markets its products directly to institutions and Corporate bodies. Since the dealers/distributors/C&F agents have day-to-day contact with customers, the Company is exposed to the risk of its dealers/distributors/C&F agents failing to adhere to the standards set for them in respect of sales and after-sales service, which in turn could affect customer's perception of the Company's brand and products. If the competitors of the Company provide better commercial terms to the dealers, they may be persuaded to promote the products of the Competitors instead of the products of the Company.

4. **Disruptions in supply and transportation could affect the business of the Company.**

Management Perception

The production of cement is dependent on a steady supply of various raw materials. These inputs would be transported to the Company's existing plant at Asansol & the proposed unit at Hazaribagh, Jharkhand by road and cement is transported to the customers by both road and rail. Transport of the inputs and finished products is subject to various bottlenecks and other hazards beyond the control of the Company. An increase in the price of transportation or interruptions in transportation of the inputs or finished products could have an adverse effect on the business, financial condition and results of operations. Transportation strikes by members of various Indian truckers' unions have had in the past, and could have in the future, an adverse effect on the receipt of supplies and delivery of the products by the Company. In addition, cement is a perishable product as its quality deteriorates upon contact with moisture over a period of time. Therefore, prolonged storage or exposure to moisture during transport may result in such cement stocks being written off. Although the Company has not encountered any significant disruption to the supply and transportation of inputs and finished products till date, no assurance can be given that any such disruption will not occur in the future. The Company typically uses third party transportation providers for the supply of raw materials and for delivery of its products to the customers. In addition, transportation costs have been steadily increasing. Continuing increases in transportation costs or unavailability of transportation services for the products may have an adverse effect on on the Company's business and results of operations.

5. **Rise in Input Costs may affect profitability**

The input costs of the products of the Company may increase due to various reasons. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

Management Perception

The Company constantly endeavours to procure raw materials and packing materials at the lowest prices using its long-term association with the suppliers and constantly developing new sources. The Company also follows prudent pricing policy to keep the costs under check. The risk on account of price fluctuation in raw material is reduced to a significant extent by passing incremental raw material cost to the prices of finished products thereby insulating the Company from fluctuation in raw material prices. Profitability will depend upon the extent up to which the company is able to pass on the burden of rise in the price of raw material to the consumers.

6. **The operations of the Company are subject to manufacturing risks and may be disrupted by a failure in the manufacturing facilities.**

Management Perception

The manufacturing operations of the Company could be disrupted for reasons beyond the control of the Company. These disruptions may include extreme weather conditions, fire, natural catastrophes or raw material supply disruptions. The manufacturing facilities are also subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Any significant manufacturing disruption could adversely affect the ability of the Company to make and sell products, which could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Company is in the process of setting up a Clinkerisation and cement grinding plant at Patratu in Hazaribag by incurring significant capital expenditure. The Company's expansion plans involve risks and difficulties, many of which are beyond its control and accordingly there can be no assurance that the Company will be able to complete its plans on schedule or without incurring additional expenditures. The Company's success will *inter alia* depend on, its ability to assess potential markets, control input costs and maintain sufficient operational and financial controls. There can be no assurance that the Company's expansion plans will result in it achieving the production levels that it expects to. The Company's future results of operations may be adversely affected if it is unable to implement its growth strategies successfully.

7. **The business and future results of operations of the Company may be adversely affected if the Company is unable to set up the proposed plant at Patratu, Jharkhand.**

Management Perception

The Company is in the process of setting up a Clinkerisation and Cement grinding plant of 800 TPD expendable to 1600 TPD at Patratu Jharkhand to start its production capacity by incurring significant capital expenditure. The Company proposes to manufacture Clinker, Ordinary Portland Cement (OPC), Portland Pozzolona Cement (PPC) and Portland Slag Cement (PSC). The Company expects to incur significant capital expenditure for the proposed plant. There exist other risks associated with such major projects, such as time overrun, cost overruns, delays in implementation and changes in market conditions etc. The business and future results of operations of the Company may be adversely affected if the Company is unable to set up the proposed cement plant within the stipulated time.

8. **The results of operations could be adversely affected by strikes, work stoppages or increased wage demands by the employees or the inability of the Company to attract and retain skilled personnel.**

Management Perception

As of March 31, 2007, the Company had 86 permanent employees. While the Company considers the current labour relations to be good, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force, which could adversely affect its business and future results of operations.

The Company's ability to meet future business challenges depends on its ability to attract and recruit talented and skilled personnel. It faces strong competition to recruit and retain skilled and professionally qualified staff. The loss of key personnel or inability to manage the attrition levels in different employee categories may materially and adversely impact business, the Company's ability to grow and its control over various business functions.

9. **The Eastern India cement market is highly competitive.**

Management Perception

The Company's primary markets are the Eastern States of India namely West Bengal, Bihar and Jharkhand. Some of the competitors of the Company are larger than the Company and have financial resources and thus may be able to deliver products on more attractive terms or may be able to invest larger amounts of capital into their business, including greater expenditure for better and more efficient production capabilities. These competitors may limit the opportunity of the Company to expand its' market share and may compete with it on pricing of products. The business, financial condition and prospects of the Company could be adversely affected if it is unable to compete with its competitors and sell cement at competitive prices.

With increased thrust and emphasis given by the Government and private sector to construction activities and infrastructure development, the demand for cement is going to be ever-increasing. The Compay therefore foresees no let up in demand for Company's products.

10. **Non availability of power could disrupt the operations for the proposed project.**

Management Perception

The power requirement for running the proposed clinkerisation and cement grinding plant would be obtained from the existing 33 KV HT lines of Damodar Valley Corporation by tapping the same, application for the same would be made by the Company to the concerned authorities in due course. The Company has already obtained the required power connection for the construction period. The Company would also be taking necessary precautionary back up measures such as D.G. set.

11. **The Company has not started recruiting the manpower for the proposed plant.**

Management perception

The Company does not foresee any difficulty in recruiting the required manpower in time for the proposed plant expansion project. The Company has currently on its payrolls experienced manpower whose services shall also be used for the proposed project. Trained manpower in the managerial, supervisory and skilled categories are expected to be easily available. Personnel in the semi skilled and unskilled categories are proposed to be employed from nearby villages/towns.

12. **The proposed project of the Company would be partially funded from this Public Issue. Any delay/failure of the same, may adversely impact the implementation of the project and cost overrun.**

Management Perception

The Company requires significant capital to finance its proposed project which would be partly funded through the IPO. In case there is a delay in Public Issue/failure of the same, the Company would have to make alternate funding arrangements through an equitable mix of secured/unsecured loans, private placement of equity and contribution from the promoters.

13. **There may arise production problems on account of possible flaws in design estimates.**

Management Perception

The Company has appointed Development Consultants Private Limited as engineering consultants who would be providing design, drawing, technology and would be monitoring the project and ensure successful commissioning of the Plant. Development Consultants Private Limited have a past experience in handling projects of such magnitude.

14. **The Company's sustained growth depends on its ability to attract and retain skilled Personnel. Failure of the Company to attract and retain skilled personnel could adversely affect the Company's growth prospects**

Management Perception

The Company has devised a sound human resource policy to develop and retain its key management personnel and talent and the Company has been able to retain significant part of its manpower talent.

15. **There may be Time and Cost overrun in the Proposed Project**

The Company, as regards this Project, has made certain assumptions on the time frame by which the Project will be completed. While adequate contingency provisions have been made while assessing the capital cost of the project, the costs are subject to fluctuations in future due to hike in input cost, higher levies etc. Also, the disbursement of the loans is contingent on the satisfaction of certain conditions such as clearance from SEBI etc. In case there is a delay in complying with any of the conditions, it may result in time and cost over run, which in turn may adversely impact the future profitability.

Management Perception

The proposed project would be under the overall supervision of Development Consultants Private Limited (DCPL). The contractor for construction would be appointed by the Company in consultation with DCPL. The Company has identified M/s ThyssenKrupp Industries India Pvt. Limited, one of the reputed suppliers of cement equipments, for supplying main Plant & Machinery to set up a clinkerisation and Cement grinding unit at a capacity of 800TPD expendable to 1600 TPD at Patratu in Jharkhand. The Company has already received the land allotment and land development is in progress. The Company does not foresee any delay in the overall completion of the work and hopes to conduct its trial run and commercial production as per schedule.

16. **Competence of the Promoters in handling Project of this size is yet to to be tested. Further, the promoters have no past experience in handling a cement clinkerisation unit.**

The cost of the project is Rs.12090 lakhs, including public issue expenses. Although the promoters have past experience of running a grinding unit, their competence in running a cement clinkerisation unit remains to be demonstrated. An equity investor is therefore faced with an uncertainty of performance by the management.

Management Perception

The promoters of the Company have considerable experience of having run this business successfully and profitably in the cement sector for nearly 15 years. The Company has also on board senior and experienced Professionals who have the experience of setting up & running similar facilities in the past. Moreover, the promoters view the present optimistic scenario and economic growth in the country and the corporate sector as an opportunity to enlarge the scale of the operations of the Company. Please refer page no. 106 for profile of the promoters and page no. 104 for experience of key managerial personnel.

17. **The Company is yet to place orders for the plant and machinery relating to the project.**

Management Perception

The Company has floated enquiries for all the equipments, plant and machineries, and the quotations from various parties have already been received. Development Consultants Private Limited (DCPL) would be assisting the Company in selecting the right vendors for supply of plant and machineries.

18. **The operations of the Company are subject to Environmental, health and safety hazards.**

Management Perception

The operations of the Company are subject to various risks associated with the production of cement. These hazards can cause injury and/or loss of life, severe damage to, and destruction of, property and equipment, and environmental damage, and may result in the suspension of operations and the imposition of civil and criminal liabilities on the Company.

The Company proposes to set up the project while conforming to all pollution control and safety norms as stipulated by State Pollution Control Board.

19. **The Company’s operations and consequently its revenues could be adversely affected by under utilization or mis utilization of its existing as well as proposed capacity**

Management Perception

Effective utilization of capacities is a key factor in the Company's ability to generate revenue. The Company proposes to set up a new Integrated Cement Plant at Patratu, Hazaribag to increase its manufacturing capacities. The Company constantly strives to scale up its operations based on capacity utilization of its facilities on a long-term basis.

20. Further equity offerings may lead to dilution of equity and impact its market price

The Company may require further infusion of funds to satisfy its capital needs and future growth plans, which it may not be able to procure. Any future equity offerings by the Company may lead to dilution of equity and may affect the market price of its Equity Shares.

Management Perception

In the near future, there are no plans to issue further equity shares. In case the Company decides to raise additional funds through the issuance of equity, the same would be done for further value creation for the shareholders of the Company and after taking adequate consent from them.

21. The Company's dependence on its promoters is tremendous, and any inability on the part of the promoters to contribute to the growth and business of the Company may affect its performance.

Management Perception

The Company is dependent on the experience and efforts of its promoters, as is applicable to any other company/industry. However, the Company has been in this business for over 15 years. The promoters' family has been associated with the Company and its business since inception. The promoters have been involved with critical functions like development of the product, marketing, and other operations of the Company. The Company also has a qualified team of marketing executives, finance professionals and professionals in other functional domains who are involved in the day-to-day operations of the Company. This reduces the company's dependence on the promoters to manage the operations of the company.

22. Legal proceedings:

The Company, directors and promoter are involved in certain legal proceedings. The Company may need to make provisions in its financial statements, which could increase its expenses and its current liabilities. The Company can give no assurance that these legal proceedings will be decided favourably. Any adverse decision may have a significant effect on the Company's business and results of operations.

a. Legal proceedings instituted against the directors/officers of the Company and the monetary amount involved in these cases is given in the following table:

Type of litigation	**Total number of pending cases**	**Remarks and amount involved**
Criminal Case	1	Special Court, Burdwan. Under Section 151 of the Electricity Act, 2003 read with Section 190(1)(a) of the Code of Criminal Procedure for a commission of Offence punishable under Section 135 of the Electricity Act, 2003 pertaing to theft of energy

b. The Company is involved in the following legal proceedings for tax demands :

A classification of the legal proceedings instituted by the Company and the monetary amount involved in these cases is given in the following table:

Type of Litigation	Amount Involved (in Rupees)	Financial Implication	Status
Sales Tax	4507639.10	Provisions in financial statements required, if legal proceedings not decided in Company's favour.	Pending before the West Bengal Appellate & Revisional Board

For more information regarding litigations, please refer to the section titled "Outstanding Litigations and Defaults" beginning on page no. 161 of this Draft Prospectus.

23. Contingent Liability as on 31st December, 2006

As per the Audited Financial Statements, the Company has certain contingent liabilities, which, if determined against it in future, may impact its financial position, adversely. Details of the contingent liabilities as on December 31, 2006 are given in the following table:

Rs. in Lakhs

Brief Particulars	As at December 31, 2006
Sales tax Demand	45.08
WBSEB	99.00
Outstanding Bank Guarantee *	18.46
Total	**162.54**

* The outstanding bank guarantees of Rs. 18.46 lacs as mentioned above are covered to the extent of Rs. 11.95 lacs by fixed deposits in the name of the Company and its promoters.

24. Payment or benefit to Promoter Director

The Registered/Corporate Office of the Company situated at Cement House, Saradapally, Ashoknagar P.O. Asansol- 713304, Dist.: Burdwan, West Bengal and a part of the factory premises situated at Vill-Palasdiha, Panchgachia Road P.O. – Kanyapur, Dist. Burdwan West Bengal Pincode-713341 is owned by Mr. Ashok Gutgutia, Promoter and Vice Chairman & Managing Director of the Company and has been taken on rent by the Company.

25. Any inability to manage the Company's growth could disrupt its business and reduce profitability.

The Company has experienced significant growth in revenues in the past years and expects this growth to place significant demands on both its management and resources. This will require the Company to continuously evolve and improve its operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges involved in:

- Recruiting, training and retaining sufficient skilled technical, sales and management personnel;
- Maintaining high levels of customer satisfaction; and
- Developing and improving the Company's internal administrative infrastructure, particularly the financial, operational and other internal systems.

Management Perception

The Company has demonstrated its ability to grow the business and its flexibility in scaling its operations to various levels as is evident from turnover trends in the last few years. Internal and administrative processes and systems have also undergone tremendous change keeping with the requirements and growth patterns. The company feels that in the future and keeping in perspective its past track records, it will be able to grow operations at a continued pace and adapt its organisation based on its evolving business strategies

26. The Company may not have adequate insurance to cover any and all losses incurred in its business operations.

Management Perception

The Company maintains insurance coverage in such amounts and against such risks, which it believes, are in accordance with industry practice.

However, such insurance may not be adequate to cover all conceivable losses or liabilities that may arise from operations, and the Company may, in the future, not be able to maintain insurance of the types or at levels which it deems necessary or adequate or at rates which it considers reasonable.

27. The Company significant indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.

28. Due to high transportation costs, the Company may not market its products outside Esatern India.

External Risk Factors:

1. **The Indian Cement Industry is cyclical and affected by a number of factors, which are beyond the control of the Company.**

   Management Perception

   The Indian cement industry is cyclical in nature. In recent years, cement prices and profitability of cement manufacturers have fluctuated significantly in India, depending upon overall supply and demand. A number of factors influence supply and demand for cement, including production, overcapacity, general economic conditions, in particular, activity levels in certain key sectors such as housing and construction, competitors' actions and local, State and Central Government policies, which in turn may affect the prices and margins the Company and other Indian cement manufacturers can realize.

2. **Slowdown of the Indian economy and in particular Eastern India could affect the operations of the Company.**

   Management Perception

   Due to the significant impact of transportation costs on overall costs, cement manufacturing and sale in India is largely regional in nature. The production facility of the Company is located at Asansol in the State of West Bengal in Eastern India, and it sells its cement to customers in Eastern India. Economic conditions and the level of growth in Eastern India therefore have a direct impact on its business and results of operations, including the level of demand and the prices for its products and the availability and prices of transport and raw materials.

3. **The cement business is seasonal in nature.**

   Management Perception

   The sale of cement is adversely affected by difficult working conditions during monsoon which restrict construction activities. Accordingly, revenues recorded in the first half of the financial year between April and September are traditionally lower, compared to revenues recorded during the second half of the financial year. During periods of curtailed construction activity due to adverse weather conditions, the Company may continue to incur operating expenses, but its revenues from sale of its products may be delayed or reduced.

4. **The Cement Industry is dependent upon the Government Policy on Infrastructure development.**

   The business of the company is dependent to a large extent on the implementation of the central and state budget allocations to the infrastructure sector. The liberalization policy of the Government and incentives offered by it has spurred the growth of opportunities in the field of Infrastructure and particularly road sector giving rise to increased demand for cement. Adverse changes if any, in the Government policy could thus affect the company's business prospects.

5. **The Indian Cement Industry is fragmented which may result in decline in cement prices.**

   Management Perception

   Currently, the cement industry in India is highly fragmented as compared to those in other cement producing countries. Though the share of cement production of the top eight cement companies in India has risen to 60% in the year ended March 31, 2006 there are still over 45 different cement companies in India which have less than 2 million tonnes cement capacity. The Company is subject to competition from numerous regional competitors. Such producers have mayin the past tried try to gain a the market share by discounting lowering their prices, which may putting pressure on the Company and other leading cement companies to lower prices as well, so as to maintain their respective market shares.

6. **Taxes and other levies imposed by the Government of India or State Governments relating to the Company's business may have a material adverse effect on the demand of its products**

   Management Perception

   Taxes and other levies imposed by the Central or State Governments that affect the industry include Customs duties, Excise duty and Central and State sales tax / value added tax. These taxes and levies affect the cost of production of cement. An increase in any of these taxes or levies, or the imposition of new taxes or levies in future, may have a material adverse impact on the business, profitability and financial condition of the Company.

7. **The cement industry is subject to various environmental and other regulations. Any significant change in the regulations may result in additional cost and reduction in profitability.**

   Management Perception

   The Company's cement operations are subject to various Central and State environmental laws and regulations relating to the control of pollution in the locations where it operates. In particular, the discharge or emissions of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels are strictly monitored by the Central and State Governments. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on the financial condition of the Company and future results of operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on the Company or result in the need for additional investment in pollution control equipment, either of which could affect its business, financial condition or future prospects.

8. **Any further issuance of equity shares by the Company may adversely affect the trading price of the Equity Shares.**

   Management Perception

   Any future issuance of equity shares by the Company or any future issuance of convertible securities by the Company, may significantly affect the trading price of its equity shares. Such issuances of equity shares and convertible securities may dilute the position of investors in the Equity Shares and could adversely affect the market price of the Equity Shares.

9. **Factors beyond the management's control**

Political, Economical and Social unrest, terrorist attacks, civil disturbances and regional conflicts in the country could adversely affect the business of the Company. Natural calamities and adverse weather conditions could have a negative impact on business of the Company.

10. **Natural calamities and acts of violence involving Indian and other countries.**

Floods, earthquakes, terrorist attacks and other acts of violence or war/destruction involving India and other countries could adversely affect the Country's business and economy, and consequently reflect on the Company's business.

Management Perception

The consequences of any of the above are unpredictable and the Company may not be able to foresee events that could have a material adverse effect on its business, financial condition or results of operations.

11. **After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop**

The prices of the Company's Equity Shares on the Indian stock exchanges may fluctuate after this Issue.

Management Perception

Fluctuations in equity share prices on the Indian stock exchanges may result from several factors, including:

a. Volatility in the Indian and global securities market
b. Results of operations and performance of the Company
c. Performance of the competitors, the Indian Cement industry and the perception in the market about investments in the Cement sector
d. Adverse media reports on Burnpur or the Industry segments in which the company operates
e. Changes in the estimates of the Company's performance or recommendations by financial analysts
f. Significant developments in India's economic liberalisation and deregulation policies
g. Significant developments in India's fiscal and environmental regulations

There has been no public market for the Company's Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or sustain after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

12. **Stability in policies and political situation**

The Company's performance is linked to the stability of policies and the political situation in India

Management Perception

The role of the Indian Central and State Governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for Company's shares. Protests against privatisation could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the cement sector, foreign investment, currency exchange rates and other matters affecting investment in Company's securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect Company's business.

Notes to Risk Factors

1. Issue of 3,18,25,100 equity shares of Rs.10 each for cash at a premium of Rs.[•] per equity share aggregating to Rs. 3182.51 lacs (at the lower band of the issue price of Rs. 10/-per equity share) and Rs. 3819.01 lacs (at the higher band of the issue price of Rs. 12/-per equity share). The issue through this Draft Prospectus comprises of 2,19,00,000 equity shares of Rs.10 each for cash consisting of a reservation for eligible employees of upto 10,95,000 equity share of Rs.10/- each (hereinafter referred to as the "employee reservation portion") and a net issue to the public of 2,08,05,000 equity shares of Rs.10/- each.

2. The net worth of the Company was Rs. 1081.61 lacs as at March 31, 2006 and Rs. 1423.59 lacs as at December 31, 2006 as per the restated financial statements under Indian GAAP.

3. The Book Value per Equity Share of Rs.10/- each was at Rs. 12.59 as at March 31, 2006 and Rs. 16.57 as at December 31, 2006, as per the restated financial statements under Indian GAAP.

4. The average cost of acquisition of Equity Shares of the Promoters are as follows:

Sr. No.	**Name of Promoter**	**Avg. Cost of Acquisition of Equity Share (Rs.)**
1	Mr. Ashok Gutgutia	2.23
2	Mrs. Shashi Gutgutia	10.00
3	Insight Consultants Private Limited	10.74
4	Bharat Cement Private Limited	10.00
5	Goyal Auto Distributors Private Limited	10.00

5. For details of the Company's related party transactions, please refer to the section titled "Related Party Transactions" on page 110.

6. Trading in Equity Shares for all investors shall be in dematerialised form only.

7. Investors are advised to refer to the paragraph on "Basis for Issue Price" on page no. 39 of this Draft Prospectus before making an investment in this Issue.

8. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis. For more information please refer to the section titled "Basis of Allotment" beginning from page no. 191 of the Draft prospectus.

9. Any clarification or information relating to the Offer shall be made available by the Lead Manager, and the Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the Lead Manager or the Compliance Officer for any complaints/clarifications / information pertaining to the Offer.

10. Investors are advised to refer to the section titled "Basis for the Offer Price" on page 39 of this Draft Prospectus before making any investment in this issue.

11. The Promoters/ Directors/ Key Managerial Personnel are interested to the extent of the normal remuneration, reimbursement of the expenses incurred, or benefits such as sitting fees and those relating to their respective shareholdings in the Company.

12. There are no relationships with Statutory Auditors to the Company other than auditing and certification of financial statements.

13. In addition to the LM, the Company is obliged to update the Draft Prospectus and keep the public informed about any material changes till listing and trading commences in respect of the shares issued through this Draft Prospectus.

14. None of the Promoters, Promoter Group has undertaken transactions in the shares of the Company from the last six months in the last six months preceding the date on which the Draft Prospectus is filed with SEBI.

15. The investors are advised to refer the Paragraph on promoter’s background and past financial performance of the Company before making an investment in the proposed issue.
16. The company, its directors, company's associates or group companies have not been prohibited from accessing the capital market under any order or direction passed by SEBI.
17. The promoters, their relatives, issuer, group companies, associate companies are not detained as willful defaulters by RBI/Government authorities and there are no violations of securities laws committed in the past or pending against them.

SECTION III: INTRODUCTION

Summary

You should read the following summary together with the Risk Factors beginning from page no. vii of this Draft Prospectus and the more detailed information about Burnpur Cement Limited and its financial data included in this Draft Prospectus.

Industry Overview

The cement industry is a core sector and one of the kingpins for the growth of the country. Cement is one of the most basic construction materials, and hence, an essential item for the infrastructure development of the country.

The evolution of the cement industry in India can be broadly classified into three periods: The period up to partial decontrol (up to 1982), the period up to total decontrol (1982-89) and the period after total decontrol (after 1989 to date). The following table summarizes the events in the cement industry.

Events during the period of government control	
Period	**Events**
1942	FOR (free on rail) destination price of cement fixed on a cost plus basis.
1946-1952	Cost of production of ACC used as a basis for fixing cement prices. Freight equalisation system introduced simultaneously.
1958	Introduction of three-tier retention price scheme, whereby retention prices are decided based on the age of the plant and technology employed.
Jan-66	Price and distribution controls lifted.
Jan-68	Price and distribution controls re-imposed.
Apr 1969 - May 1979	Period of single price regime; total distribution control.
	Cement industry grew at around 4.0 per cent during this period as against the high growth rates in the past.
Sep-77	Government guarantees 12 per cent post-tax return on the net worth of new cement companies.

Events during the period of partial decontrol	
Period	**Events**
Feb-82	Companies allowed to sell 33 per cent of their production in the open market, while price and distribution controls enforced for the remaining production
1985-86	Proportion of cement for free market sale increased to 50 per cent.

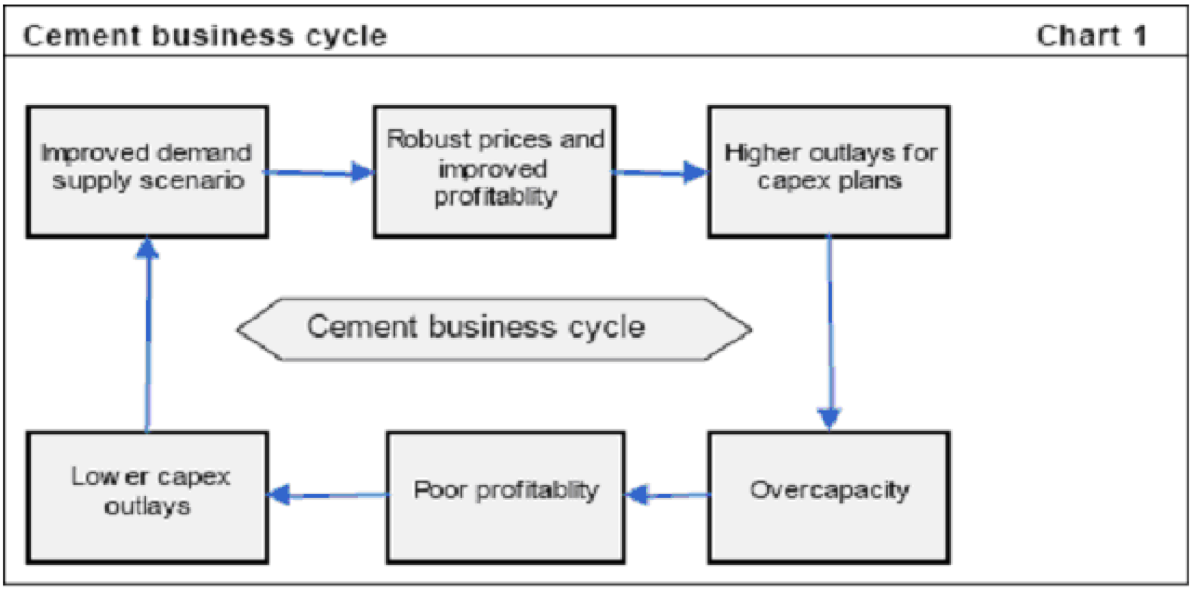
Events post decontrol	
Period	**Events**
Mar-89	Price and distribution controls removed completely.
Jul-91	Industrial licensing abolished for new capacities.

The cement industry in India has grown steadily since 1914, when the first cement unit of 1000 tonnes was set up at Porbandar. The growth in the industry has followed the pattern of economic growth, i.e., moderate to low growth during the fifties, the sixties and the seventies and high growth during the eighties & the nineties. Since decontrol of cement, the industry showed characteristics symptoms of free market conditions, where producers build capacities ahead of demand in the expectation of capturing the future demand.

Indian Cement Industry Structure

The cement industry in India is estimated at 125 million tonnes (2004-05) by volume. The domestic cement industry is highly fragmented, with over 50 cement players and more than 120 manufacturing plants. This apart, the industry is highly regionalized, as cement units are concentrated in clusters, close to the limestone deposits. Competition is also regionalized since the low-value of the commodity makes transportation over long distances uneconomical.

Like in most commodity industries, the business cycle in the cement industry follows a set pattern. When the demand-supply gap narrows, price realizations improve and companies increase their capex outlays for building capacities and increasing their market shares. As capacities start bunching up, overcapacity starts creeping-in and player profitability deteriorates. This constraints further capacity additions, which results in lower capex outlays
and, over a period of time, helps in improving the business scenario. Most of the large companies with high level of financial flexibility are the first to take off in good times as they are continuously looking at improving their market share.



Players
The main players in the cement industry are the raw material suppliers, manufacturers, distributors and end-users. Given below is a brief summary of the characteristics of each party.

Raw Material Suppliers
Most of the main raw material suppliers are either in the public sector domain or controlled by the central or state Governments. As the cement companies, generally enter into prospecting/mining lease with the respective state Governments, the Government generally controls the prices. Most of the cement companies are assigned quarterly linkages for coal (fuel) from specific coalfields. The cement industry accounts for only 3% of the total coal requirements.
Power is purchased from the respective State Electricity Boards. Arising from the lack of availability of quality power, cement companies have been increasingly using captive power to augment their requirements.

(Source : Financial Appraisal Note – SBI Capital Markets Limited)

For further details, see the section on 'Industry Overview' beginning from page no 51 of the Draft Prospectus.

Business Overview

Burnpur Cement Limited (BCL) is one of the established cement manufacturers of Eastern India having its market presence in West Bengal, Jharkhand and Bihar. BCL started operations in October 1991 with a small cement plant with 30 TDP capacity in Asansol. Expansion of facilities over the years has resulted in a capacity of 1000 TDP of cement making. For its consistent and continuous endeavours, the company has received ISO-9001:2000 certification in January, 2004 The Company has also been certified by the Bureau of Indian Standards for its quality and has been certified IS 455 : 1989

BCL is a professionally managed company. The Company has achieved a turnover of Rs. 25.85 crores in FY 2005-06.

The Company started operations in the cement industry in October 1991 with a small cement plant of 30 TPD in Asansol to produce Portland Slag Cement conforming to IS 455:1989. The production phase was ushered in with the commissioning of the Plant in October, 1991. A slow and steady commissioning of other units led to a gradual stepping up of production over the years. Expansion of facilities over the years has resulted in a capacity of 1000 TPD of cement making. The Company has earned brand recognition for consistent product quality, customer satisfaction, marketing network etc. For its consistent and continuous endeavors the company has received ISO-9001:2000 in 2004.

The capacity of the grinding unit has not been optimally utilized due to non-availability of clinker. Considering the constraints in availability of raw material (clinker) and also for planned expansion in the cement sector the company has decided to set up an 800 TPD expandable to 1600 TPD Clinkerisation and Cement grinding unit at Patratu Hazaribagh, Jharkhand which is approximately 3.0 km away from Patratu Thermal Power Station and about 10-15 kms from vast limestone deposits.

For further details, see the section on 'Business Overview' beginning from page no 66 of the Draft Prospectus.

Competitive Strengths

The Company believes that the following are the principal competitive strengths which differentiate the Company from other Cement manufacturing Companies.

- ***The Company has experienced promoters***

  The promoters of the Company have past experience and are well versed in the cement industry. They are in this business since 1991.

- ***The Company has presence & brand image in Eastern India cement market*:**

  The cement industry in India is region-focused due to the high transportation costs and proximity to limestone mines. With an ongoing developmental phase in the areas of infrastructure driven by demand for cement from construction, increased spending on infrastructure by the state and central governments and development of special economic zones and real estate demand, there would be a more demand in Eastern India for cement from the construction sector. The Company believes that it is well positioned to take advantage of this demand being the one of the key manufacturers in Eastern India and also due to the Company's proposed new project at Patratu which will address the expected demand growth.

  Further, the Company believes that its brand name and reputation provide the Company with a competitive advantage in ensuring that cement dealers carry the products.

- ***The Company will have access to quality raw material and fuel for its proposed unit :***

  Two critical materials for the cement production are Limestone as raw material and coal as fuel. Limestone deposits of good quality having CaO (calcium Oxide) of around 46.74% are spread over a large area within 10-15 kms from the proposed project site of the Company.

  Coal having Calorific value of 4500 Kcal /Kg. and ash content as low as 30.06% is available in plenty in Jharkhand The nearest place of coal from the proposed plant is Bhurkunda which is approx. 12 km from the proposed project site. Access to quality limestone and coal used in production of cement at near by locations, would help the Company to produce cement at competitive prices.The Company has access to reserves of limestone which the Company believes are sufficient to sustain the operations both existing and future. Further, the manufacturing plants being in close proximity to the limestone reserves, results in lower transportation costs. The Company has entered into a Joint Venture agreement with Pandya Mines for supply of limestone. The Company has also made an application to the

Government of Jharkhand for grant to mining lease for mining limestone on the 27th of September, 2006 and is awaiting grant of the said mining rights from the Government of Jharkhand.

- ***The Company follows an Established raw materials policy*:**

  The Company procures its raw materials directly from reputed manufactures and suppliers which helps the company to establish an efficient supply chain at competitive prices and ensures delivery on-time. The management of the Company places significant emphasis on the sourcing and logistics for raw material. The Company is able to source key raw materials close to the factory resulting in reduction of transportation costs.

- ***The Company's marketing and distribution network is in place*:**

  The Company has a wide distribution network in Eastern India. The Company has around 525 dealers/distributors/C&F agents all across the states of West Bengal, Bihar and Jharkhand. The Company believes that this network and the cordial relationships that it enjoys with the dealers/distributors/C&F agents enables the Company to market and distribute its cement widely and efficiently in every district of the region.

- ***Experience and technical know-how:***

  The Company has over 15 years of experience in the Indian cement industry, which it believes provides the Company with the experience and skills to maximize production efficiency, expand production capacity and reduce costs. Over the years, the Company has developed long-term customer relationships and a reputation for quality. Further, the Company has a stable and experienced management team with significant experience in the industry.

- ***Government Incentives***

  The Company's proposed project at Patratu would be eligible to avail the various incentives from the Government of Jharkhand as follows:
  - Capital Investment Subsidy of Rs. 7.00 crores to be paid within 3 months from the commencement of commercial production.
  - Refund of Commercial Tax (VAT): 75% of the VAT paid to be refunded in the subsequent year for a period of 8 years.
  - Interest subsidy: 50% of interest paid or 2% of the turnover (whichever is minimum) for a period of 5 years subject to maximum of Rs. 1.00 crore per annum.
  - Pollution Control equipment subsidy.
  - Exemption for registration fees.

Business Strategy

The Company operates in a competitive market and aims to be a premier cement manufacturing company. The Company believes that there is a tremendous growth opportunity in the cement sector particularly in eastern India and the domain expertise that the Company has obtained in the past will enable the company to compete effectively in this sector and deliver value proposition to the customers and stakeholders. The Company aims to achieve this by implementing the following strategies:

- **Consolidation of Company's position through capacity expansion**

To achieve the Company's objective of increasing its presence in the Eastern Indian markets and associated demand for the products, the Company has increased its cement capacity at its existing plant over the years from 30 TPD to 1000 TPD. The cement production facility to be set up at Patratu would be scaled up taking the total production capacity to 1800 TPD.

- **Focusing on sales on a region wise basis**

The cement industry in India is region-focused due to the high transportation costs. The Company's strategy is to focus on maximizing net sales realization by focusing on sales of its product on a regional basis. The Company's strategy is to focus on saturating the markets which are close to its plant where it enjoys a relative freight advantage. However the growth in the Indian cement markets of Central India has presented a growth opportunity for the Company.

- **Increase in distribution and sales network**

The Company's products are currently marketed through a widespread distribution network comprising of around 525 dealers/distributors/C & F agents who in turn sell the product to end users such as contractors, retailers, etc. It will continue to focus on building a dedicated and motivated dealer network spread across the states of Eastern India by seeking to add additional dealers to the network and strengthen its relationship with the existing dealers.

The Company also sells its products directly to Government and high end users and would be focusing strongly in this sector.

- **Increased promotion of Company's brand**

To promote the Company's products and the brand with dealers who are the customers of the Company, the Company organizes meetings with its dealers/customers. The Company also intends to undertake advertising and promotional campaigns in select markets to increase the brand awareness and enhance the understanding of the Company's products. Direct promotional efforts to reach out to contractors and builders would also be done.

- **The Company adopts a multipronged strategy for continuous growth of its business through the following measures :**
    - Enhance the quality, design and get up, in accordance with the International Standards.
    - Horizontal integration by way of adding new products to the existing products.
    - Long term customer relationship and customer satisfaction.
    - Need based production.

The Issue:

Equity Shares offered:	
Fresh Issue	3,18,25,100 Equity Shares of Rs. 10/ each
Of which	
Participation by Promoters/Promoter Group/Directors/Friends & Associates/Others before the Issue	99,25,100 Equity Shares of Rs. 10/- each
Offered through this Prospectus	**2,19,00,000 Equity Shares of Rs. 10/- each**
Out of which	
Employee Reservation Portion	10,95,000 Equity Shares of Rs. 10/ each
Net Issue	2,08,05,000 Equity Shares of Rs. 10/ each
Of which:	
a. As per SEBI Guidelines, a minimum of 50% of the net issue is reserved for Retail Portion	At least 1,04,02,500 Equity Shares (Allocation on proportionate basis)
b. As per SEBI Guidelines, a maximum of 50% to Other than Retail Individual Portion	Not more than 1,04,02,500 Equity Shares (Allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	1,11,68,800 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue	4,29,93,900 Equity Shares of Rs. 10/- each
Objects of the Issue	Please refer to the section titled "Objects of the Issue" at page no. 25 of this Draft Prospectus.

Fresh Issue of Equity shares has been authorized by the Board of Directors of the Company at their meeting held on 18th November, 2006 and has been authorised by a Special Resolution pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting of the Company held on 12th December, 2006

- Eligible Employees of the Company during the period commencing from the date of filing of the Prospectus with ROC up to the Issue closing date shall be entitled to apply in the Reserved for Employees category.

- Under subscription, if any, in any of the above two categories of Net Issue would be met with spill over inter se from the other category.

SUMMARY OF FINANCIAL DATA

The following tables which set forth the summary of financial and operating information should be read in conjunction with the Financial Statements and notes thereto included in the "Financial Statements" and "Management Discussion and Analysis of Financial Condition and Result of Operations" beginning from page 112 and 150 respectively in the Draft Prospectus.

Summary Statement of Profits & Losses, as Restated

(Rs. in lacs)

Particulars	For the Year/Period Ended					
	31-Dec-06	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
	Audited					
Income						
Sales from:						
- Manufactured Goods	1,211.80	2,107.95	1,328.05	940.17	696.21	543.63
- Traded Goods	63.11	476.96	84.99	-	-	-
Gross Sales	**1,274.90**	**2,584.91**	**1,413.04**	**940.17**	**696.21**	**543.63**
Less : Excise Duty	151.76	301.92	200.22	143.08	108.93	73.87
Net Sales	**1,123.14**	**2,282.99**	**1,212.82**	**797.08**	**587.28**	**469.76**
Other Income	27.00	31.76	0.01	83.83	56.35	32.02
Increase/(Decrease) in Stock	(0.34)	0.23	(5.50)	2.28	2.89	(2.83)
Total	**1,149.80**	**2,314.97**	**1,207.33**	**883.20**	**646.52**	**498.96**
Expenditure						
Manufacturing Expenses	241.61	469.21	259.71	242.76	140.57	103.47
Raw Materials Consumed	515.30	951.00	536.85	394.76	284.01	228.14
Trading Purchase	57.00	423.96	74.67	-	-	-
Staff Costs (incl. Directors' Remuneration)	26.00	30.57	25.76	19.06	15.35	9.47
Administrative, Selling & Distribution Exp.	136.10	212.66	169.22	96.90	90.13	84.52
Interest & Financial Charges (Net)	69.40	63.58	34.58	59.41	49.92	23.40
Depreciation	60.86	58.18	43.75	39.48	49.22	26.16
Total	**1,106.27**	**2,209.17**	**1,144.55**	**852.38**	**629.19**	**475.15**
Profit Before Tax (PBT)	**43.54**	**105.80**	**62.78**	**30.82**	**17.33**	**23.80**
Current Tax	10.85	8.90	4.92	2.37	0.29	-
Deferred Tax/(Credit)	(0.56)	7.91	13.95	13.30	40.08	-
Fringe Benefit Tax	0.63	0.20	-	-	-	-
Profit After Tax (PAT), as restated	**32.61**	**88.79**	**43.91**	**15.15**	**(23.05)**	**23.80**
Profit & Loss Account b/f	202.14	139.92	106.52	105.14	127.24	103.44
Adjustments - Prior Period Items	0.36	-	-	(3.26)	0.95	-
Appropriations	-	-	-	-	-	-
Transferred to General Reserve	-	-	5.00	5.00	-	-
Dividend	-	23.31	4.88	4.88	-	-
Dividend Tax	-	3.27	0.62	0.64	-	-
Net Profit carried to Balance Sheet	**235.11**	**202.14**	**139.92**	**106.52**	**105.14**	**127.24**

Summary Statement of Assets and Liabilities as restated (Rs. in lakhs)

Particulars	As At					
	31-Dec-06	31-Mar-06	31-Mar-05	1-Mar-0	31-Mar-03	31-Mar-02
	Audited					
Fixed Assets						
Gross Block	1,991.08	1,957.77	1,842.83	729.12	773.01	619.26
Less: Accumulated Depreciation	427.60	339.16	244.21	200.46	160.98	111.76
Net Block	1,563.48	1,618.61	1,598.62	528.65	612.03	507.49
Less: Revaluation Reserve	790.55	818.13	854.90	-	-	-
Net Block after Adjustment of Revaluation Reserve	772.93	800.48	743.73	528.65	612.03	507.49
Capital work in Progress	56.53	22.46	-	147.13	-	-
Total (a)	**829.46**	**822.94**	**743.73**	**675.79**	**612.03**	**507.49**
Investments (b)	1.00	1.00	1.00	1.00	1.00	1.65
Current Assets, Loans & Advances						
Inventories	599.35	379.54	519.90	451.97	324.93	205.66
Sundry Debtors	386.80	532.62	96.33	65.54	54.56	89.02
Cash & bank balances	445.84	187.74	69.98	48.06	57.96	40.65
Loans & advances	499.41	363.11	104.42	56.49	61.65	82.78
Total (c)	**1,931.40**	**1,463.01**	**790.64**	**622.06**	**499.10**	**418.11**
Total Assets (d) = (a + b + c)	**2,761.86**	**2,286.95**	**1,535.36**	**1,298.85**	**1,112.14**	**927.26**
Liabilities & Provisions						
Secured Loans	1,053.71	919.22	506.48	402.92	390.25	307.07
Unsecured Loans	21.00	-	-	244.09	238.87	222.55
Deferred Tax Liability	74.69	75.24	67.33	53.38	40.08	-
Current Liabilities & Provisions	188.87	210.88	335.35	379.16	230.00	162.63
Total (e)	**1,338.27**	**1,205.34**	**909.17**	**1,079.55**	**899.21**	**692.24**
Net worth (f) = (d - e)	**1,423.59**	**1,081.61**	**626.20**	**219.29**	**212.92**	**235.02**
Represented By						
Equity Share Capital	859.39	859.39	466.19	97.69	97.69	97.69
Share Application Money	309.00	-	-	-	-	-
Reserves & Surplus						
Reserves & Surplus	1,045.75	1,040.35	1,014.90	121.60	115.23	137.33
Less: Revaluation reserve	790.55	818.13	854.90	-	-	-
	255.20	222.22	160.01	121.60	115.23	137.33
Less: Miscellaneous Expenditure	-	-	-	-	-	-
Net Worth	**1,423.59**	**1,081.61**	**626.20**	**219.29**	**212.92**	**235.02**

General Information

Burnpur Cement Limited

Incorporation:
Originally incorporated as Ashoka Concrete & Allied Industries Private Limited on June 19, 1986 with the Registrar of Companies, West Bengal Kolkata The name of the Company was changed to Burnpur Cement Private Limited on September 18, 2001. Subsequently the company was converted into a Public Limited Company under section Sec. 44 of the Companies Act, 1956 on November 12, 2001 and the name of the Company was changed to Burnpur Cement Limited and a fresh Certificate of Incorporation obtained from the Registrar of Companies, West Bengal Kolkata

Registered Office:
'Cement House' Saradapally, Ashok Nagar P.O.
Asansol –713304 District- Burdwan, -713304 West Bengal
Tel: (0341) 2250663, 225 0859/61/62;
Fax: (0341) 225 0860
Email: info@burnpurcement.com
Website:www.burnpurcement.com

The Registered Office of the Company was initially situated at Radha Nagar Road, Burnpur. It was shifted from Radha Nagar Road, Burnpur to 28, New Road, Alipur, Kolkata – 700 027 with effect from 1st August, 1991. The registered office was further shifted to Radhanagar Road, P.O.: Burnpur (Asansol), Dist. : Burdwan with effect from 15th June, 1995. The Registered office was further shifted to Cement House, Saradapally, Ashok Nagar, P.O. Asansol, District: Burdwan, West Bengal – 713304 with effect from 1st December, 1995.

Plant:
Vill-Palasdiha Panchgachia Road
P.O. – Kanyapur, Dist. Burdwan
West Bengal Pincode-713341
Tel: (0341) 2250454, 2252965

Branch Offices :

i. 4, Fairlie Place,
"HMP House"
Suite No.. 106, 1st Floor,
Kolkata – 700 001
Tel : (033) 2231 6620

ii. Saket Dham,
Shanti Niketan Colony,
North of Bihar College of Pharmacy,
West Bailey Road,
Patna, Bihar
Tel : (0621) 2428243

iii. 2C, Krishna Tower,
2nd Floor, Garikhana
Upper Bazar
Ranchi – 834 001, Jharkhand
Tel : (0651) 2205334
Fax: (0651) 2205346

Proposed Plant :
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 Estate
Jharkhand State

Company Registration No.: 21-40831
Company Identification No. (CIN): U27104WB1986PLC040831

Address of Registrar of Companies:
Registrar of Companies, West Bengal, Kolkata
"Nizam Palace",
2nd MSO Building, 2nd floor
234/4, A J C Bose Road
Kolkata-700020
West Bengal

Board of Directors

Name of the Director	Designation	Status
Mr. Arvind Pande	Chairman	Non-Executive & Independent Director
Mr Ashok Gutgutia	Vice Chairman & Managing Director	Executive Director
Mrs Shashi Gutgutia	Director	Non Executive & Non Independent Director
Mr Kailash Pd. Agarwal	Director	Non Executive & Non Independent Director
Mr. Keshab Chandra Das	Director	Non Executive & Non Independent Director
Mr Subroto Mukherjee	Director	Non-Executive & Independent Director
Mr. Prabha Shanker Mishra	Director	Non-Executive & Independent Director
Mr. Girdhar Lal Harlalka	Director	Non-Executive & Independent Director
Mr. Abdul Kalam	Director	Non-Executive & Independent Director

Brief Profile of the Chairman and the Vice Chairman & Managing Director

Mr. Arvind Pande, ***Chairman (Non-Executive & Independent Director)***

Mr. Arvind Pande, IAS, aged 64, Chairman of the Company, is a Bachelor of Science from Allahabad University and a Bachelor of Arts and Master in Arts (Economics) from Cambridge University, U.K. He joined the Indian Administrative Service (IAS) in 1965 and has held several important positions in his tenure in the Indian Administrative Service both in India and abroad. He was an advisor to Executive Director for India, Bangladesh and Sri Lanka at the World Bank, Washington D.C. USA and in World Bank assisted projects in the Department of Economic Affairs, Ministry of Finance. He was also the Joint Secretary to the Prime Minister of India from 1981 to 1986. Mr. Pande moved on to the Corporate Public Sector in 1986 after he joined the Steel Authority of India Ltd. as a full time functional director dealing with several areas like Corporate Planning, Personnel and Human resources and moved on to become the Chairman and Chief Executive Officer of SAIL from January 1997 to September 2002. He was instrumental in implementing a major restructuring schedule at SAIL. He is also on the board of several companies like HDFC Bank Limited, Visa Steel Limited, Era Construction (India) Limited, Sandhar Technologies Limited etc. Mr. Arvind Pande has been appointed as an Additional Director of the Company w.e.f 05.10.2006. He is also a member of the audit committee of the Company.

Mr Ashok Gutgutia, ***Vice Chairman & Managing Director***

Mr. Ashok Gutgutia, aged 46 years is a Graduate of Commerce from University of Ranchi and is an MBA from Indian Institute of Business Management, Patna. He was appointed as a Director of the company with effect from 19th June 1986 and Managing Director with effect from April 1, 2002 upto March 31st, 2007. He was further re appointed as Managing Director of the Company for a period of five years with effect from 1st April, 2007. He was Chairman of the Company till 16th February, 2007 and was redesignated as Vice Chairman with effect from 16th February, 2007. He along with his father, Late Ramawatar Gutgutia, had founded Ashoka Concrete & Allied Industries Private Limited on June 19, 1986 which later on became Burnpur Cement Limited. Mr. Gutgutia has 15 years of experience in the Cement Industry. His long-term strategy-planning along with knowledge of the cement industry contributes to the Company's continued growth and expansion. He is also a member of the IPO committee of the Board.

For details of Board of Directors please refer to the section titled "Management & Organisation" beginning from page 94 of this Draft Prospectus

Company Secretary and Compliance Officer
Mr. Manoj Agarwal
Cement house, Saradapally, Ashoknagar
P.O. Asansol- 713304, Dist.: Burdwan (W.B.), India.
Tel.: (0341) 2250663, 2250859/61/62,
Fax: (0341) 2250860
E-mail: info@burnpurcement.com
Website: www.burnpurcement.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post- Issue related problems such as, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

Legal Advisor to the Issue

Mukherjee Agarwalla & Co.
Advocates
7C, Kiran Shankar Roy Road
Ground Floor, Room No. - GQ
Kolkata – 700 001
Tel.: +91-33-22133001/22133002
Fax: +91-33-22133002
Email: -

Bankers to the Company
State Bank of India
B.B. Ganguly Street
4,Gangadhar Babu Lane,
Kolkata- 700 012
Tel:033-2236-1614/2234-5304
Fax:033-2236-1614
Email : -

State Bank of India
Bijoy Pal Sarani,
Asansol-713 304
Tel: 0341-2250385
Fax: 0341-2252212
E-mail: Sbi00011@sbi.co.in

UTI Bank Ltd.
Dalhousie Square Branch
4, Clive Row, Kolkata – 700 001
Tel: 033-2242-0072/2242-0075
Fax: 033-2242-0076
E-Mail: dalhousiebranchhead@utibank.co.in

UTI Bank Ltd.
3/20 K.K. Banerjee Road
Berhampore - 742101
Tel: 03482-260698/872
Fax: 03482-260365
E-mail:beharamporebranchhead@utibank.co.in

UTI Bank Ltd.
Apcar Garden,
Asansol- 713304
Tel: 0341-2254618/19
Fax: 0341-2254623
E-mail: asansolbranchhead@utibank.com

HDFC Bank
P.C. Chatterjee market
Rambandhu Tala
G.T. Road
Asansol - 713303

Tel: 0341-2215176
Fax: 0341-2215176
E-Mail:Shubhamoy.dey@hdfcbank.com

Lead Manager

SREI

SREI Capital Markets Limited
'Vishwakarma', 86C Topsia Road (South)
Kolkata- 700 046
Tel: +91 33 3987 3810//3845
Fax: +91 33 3987 3861/3863
E-Mail: capital@srei.com
Website: www.srei.com
SEBI Registration No. INM 000003762
Contact Person: Mr. Manoj Agarwal

Registrar to the Issue

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B R B Basu Road
Kolkata – 700 001
Tel : +91 33 2235 7270/71/3070
Fax: +91 33 2215 6823
E-mail: burnpur@nichetechpl.com
Website: www.nichetechpl.com
SEBI Registration No. : INR000003290*
Contact Person: Mr Shoab Abbas

* The Registrar has informed that in the matter of Ankit Prachi Trading & Investment Ltd., notice of enquiry has been issued by SEBI and necessary submissions have been made. The matter is presently pending before SEBI.

Bankers to the Issue
[•]

Brokers to the Issue

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

Statutory Auditors to the Company
M/S N K Agarwal & Co.
303, N.S. Road
P.O. - Asansol (W. Bengal)
Pin – 713301
Tel- 0341-2202371 / 3090901
Fax: -0341-2202371
E-mail: nirajagarw@gmail.com

Statement Of Inter Se Allocation Of Responsibilities Amongst Lead Manager
Since SREI Capital Markets Ltd. is the sole Lead Manager for this Issue, the entire Issue related activities are handled by SREI.

Credit Rating of the Issue
This being an Issue of Equity Shares, credit rating is not required.

IPO Grading
The Company has not opted for IPO grading in relation to this issue of equity shares.

Trustee
This being an Issue of Equity Shares, appointment of Trustee is not required.

Monitoring Agency to the Issue
There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI DIP Guidelines. However, the Board of Directors and the Audit Committee of the Board would monitor the deployment of the issue proceeds.

Appraising Entities
The Project has not been appraised by any Bank or Financial Institution.

Underwriters to the Issue
The Company intends to get the issue underwritten as follows:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the ROC)

Name and Address of the Underwriter	Date of Agreement	Amount Underwritten (Rs. in lakhs)

In the opinion of the Board of Directors of the Company (based on a Certificate given to it by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Burnpur Cement Limited at their meeting held on [•], and Burnpur has issued letters of acceptance to the Underwriters.

In the event of any default, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure or subscribe in the event that the Issue remains unsubscribed or undersubscribed, or to the extent of the devolved amount.

Capital Structure Of The Company

The Company Share Capital as at the date of filing this Draft Prospectus with SEBI (before and after the Issue) is set forth below:

(In Rupees, except share data)

	Particular		Nominal Value	Aggregate Value at Issue Price
A.	**Authorised Capital**			
	4,60,00,000	Equity shares of Rs 10/-each	46,00,00,000	46,00,00,000
B.	**Issued, Subscribed and Paid Up Capital before the Issue**			
	1,11,68,800	Equity Shares of Rs 10/- each fully paid up	11,16,88,000	11,68,37,800
C.	**Present Issue**			
	3,18,25,100	Equity Shares of Rs 10/- each	31,82,51,000	[•]
	Out of which			
D	**Promoter's Contribution**			
	99,25,100	Equity Shares of Rs. 10/- each to be issued to promoters/promoter group/Directors/Friends & Associates/Others before the issue.	9,92,51,000	[•]
E	**Offer Through this Draft Prospectus**			
	2,19,00,000 Equity Shares of Rs.10/- each		21,90,00,000	[•]
	Out of Above			
	Employee Reservation Portion			
	10,95,000	Equity Shares of Rs.10/- each	1,09,50,000	[•]
F	**Net Issue to the Public**			
	2,08,05,000	Equity Shares of Rs 10/- each	20,80,50,000	[•]
G.	**Paid Up Share Capital After Issue**			
	4,29,93,900	Equity Shares of Rs 10/- each	42,99,39,000	[•]
H.	**SHARE PREMIUM ACCOUNT**			
	Before the Issue		51,49,800	
	After the Issue			[•]

NOTES TO CAPITAL STRUCTURE

The Authorised Equity Share Capital of the Company has been built-up as per the details given below:

Date	Increased from			Increased to	
	Face Value (Rupees)	Number of Shares	Amount (Rs. in lacs)	Number of Shares	Amount (Rs. in lacs)
19th June, 1986 On Incorporation	100	-	-	5,000	5
15th November, 1990	100	5,000	5	24,000	24
25th May, 1992	100	24,000	24	35,000	35
25th January, 1993	100	35,000	35	70,000	70
6th April, 1993	100	70,000	70	100,000	100
2nd September, 2004	100	1,00,000	100	200,000	200
15th March, 2005 Change in Face value of Equity Shares from Rs. 100/- to Rs.10/-				20,00,000	200
15th March,2005	10	20,00,000	200	50,00,000	500
30th March,2006	10	50,00,000	500	1,00,00,000	1,000
12th December 2006	10	1,00,00,000	1,000	2,00,00,000	2,000
15th March ,2007	10	2,00,00,000	`2,000	4,60,00,000	4,600

The current authorised capital is sufficient to meet the requirements of the fresh issue.

A Share Capital History of the Company

Capital Build up: The existing equity share capital of Company has been subscribed and allotted as under:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment	No. of Equity Shares Cumulative	Paid–up Capital (Rs.)	Cumulative Share Premium (Rs.)
19.06.86	20	100	100	Cash	Subscription on signing of Memorandum of Association	20	2000	-
31.03.95	43,780	100	100	Cash	Further Allotment	43,800	43,80,000	-
31.03.95*	3,000	100	100	Other than cash	Further Allotment	46,800	46,80,000	-
16.02.99	4,890	100	100	Cash	Further Allotment	51,690	51,69,000	-
19.03.02	46,000	100	100	Cash	Further Allotment	97,690	97,69,000	-
15.03.05		10	-	Reduction in Face value	Reduction in face value from Rs. 100/- to Rs. 10/-	9,76,900	97,69,000	-
31.03.05	36,85,000	10	10	Cash	Further Allotment	46,61,900	4,66,19,000	-
31.03.06	39,32,000	10	10	Cash	Further Allotment	85,93,900	8,59,39,000	-
20.02.07	25,74,900	10	12	Cash	Further Allotment	1,11,68,800	11,16,88,000	51,49,800

Note:

* Burnpur Cement Limited "Buyer") had entered into two Deeds of Sale on the 30th of March, 1992 with Mr. Ashok Gutgutia and Mr. Pawan Gutgutia respectively (collectively called the "Seller") for purchase of land situated at Mouza Palashidiha. P.S.Asansol within the Registry Office Asansol, District Burdwan and the area and plot No. and Khatian Nos. as described in the above mentioned Deeds of Sale.

The Company paid a consideration of Rs. 3,00,000/- (Rupees Three Lakhs only) by way of allotment of 300 Equity Shares of Rs.100/- each as follows:

Mr. Ashok Gutgutia - 1,500 Equity Shares of Rs.100/- each
Mr. Pawan Gutgutia - 1,500 Equity Shares of Rs.100/- each

The Board of Directors of the Company at their Meeting held on 31st March, 1995 approved the purchase of the said land and the allotment of shares

B Share Capital History of the Promoters:

Name of the Promoter	Date of Allotment / Transfer and made fully paid-up	Consideration	No. of Shares	Face value (Rs.)	Issue / Transfer Price (Rs.)	% age of Pre Issue Paid-up Capital *	% age of Post Issue Paid-up Capital
Mr Ashok Gutgutia	19.06.86	Cash	10	100	100		
	31.03.95	Cash	1,720	100	100		
	31.03.95	Consideration Other than cash	1,500	100	100		
	19.03.02	Cash	10,000	100	100		
	20.08.04	Transfer	8,260	100	100		
	20.08.04	Transfer	1,000	100	25		
	20.08.04	Transfer	1,200	100	10		
	20.08.04	Transfer	7,500	100	12		
	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	3,11,900	10	-	2.79	0.73
	31.03.05	Cash	11,12,000	10	10	9.96	2.59
	22.03.06	Transfer	62,050	10	10	0.56	0.14
	31.03.06	Cash	53,000	10	10	0.47	0.12
	Sub Total (A)		**15,38,950**			**13.78**	**3.58**
Mrs Shashi Gutgutia	31.03.95	Cash	600	100	100		
	19.03.02	Cash	15,000	100	100		
	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	1,56,000	10	-	1.40	0.36
	31.03.05	Cash	5,33,000	10	10	4.77	1.24
	22.03.06	Transfer	6,000	10	10	0.05	0.01
	Sub Total (B)		**6,95,000**			**6.22**	**1.62**
Insight Consultant Private	31.03.05	Cash	4,00,000	10	10	3.58	0.93
	31.03.06	Cash	37,30,000	10	10	33.40	8.68
	20.02.07	Cash	24,00,000	10	12	21.49	5.58

Limited	**Sub Total (C)**		**65,30,000**			**58.47**	**15.19**
Bharat Cement Private Limited	19.03.02	Cash	21,000	100	100		
	15.03.05	Reduction in face value from Rs100/- to Rs.10/-	2,10,000	10	-	1.88	0.49
	Sub Total (D)		**2,10,000**			**1.88**	**0.49**
Goyal Auto Distributors Private Limited	31.03.95	Cash	5,500	100	100		
	15.03.05	Reduction in face value from Rs100/- to Rs.10/-	55,000	10	10	0.49	0.13
	Sub Total (E)		**55,000**			**0.49**	**0.13**
Total Promoters Holding (A+B+C+D+E)			**90,28,950**			**80.84**	**21.00**

* - indicates percentage on pre-issue capital, which does not constitute the firm allotment to promoters/promoters group/ Directors/Friends & Associates/Others prior to opening of the Issue.

Promoters Contribution and Lock-in

i. **3 years lock – in**

In terms of chapter IV of the SEBI DIP Guidelines, an aggregate of 20% of the post-issue paid up Equity Share capital of the Company held by the promoters of the Company shall be locked in for a period of three years. The details of the promoter's Equity shares locked in for a period of three years are as under:

Name of the Promoter	Date of Allotment/ Transfer and made fully paid-up	Consideration	No. of Shares	Face value (Rs.)	Issue / Transfer Price (Rs.)	% age of Post Issue Paid-up Capital	Lock in period (years)
Mr. Ashok Gutgutia	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	1,28,118	10	-	0.30	3
	31.03.05	Cash	11,12,000	10	10	2.59	3
	22.03.06	Transfer	62,050	10	10	0.14	3
	31.03.06	Cash	53,000	10	10	0.12	3
	Sub Total (A)		**13,55,168**			**3.15**	
Mrs Shashi Gutgutia	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	64,702	10	-	0.15	3
	31.03.05	Cash	5,33,000	10	10	1.24	3
	22.03.06	Transfer	6,000	10	10	0.01	3
	Sub Total (B)		**6,03,702**			**1.40**	
Insight Consultant	31.03.05	Cash	4,00,000	10	10	0.93	3
	31.03.06	Cash	37,30,000	10	10	8.68	3

Private Limited	20.02.07	Cash	24,00,000	10	12	5.58	3
	Sub Total (C)		**65,30,000**			**15.19**	
Bharat Cement Private Limited	15.03.05	Reduction in face value from Rs100/- to Rs.10/-	87,099	10	-	0.20	3
	Sub Total (D)		**87,099**			**0.20**	
Goyal Auto Distributors Private Limited	15.03.05	Reduction in face value from Rs100/- to Rs.10/-	22,811	10	10	0.05	3
	Sub Total (E)		**22,811**			**0.05**	
Total Promoters Holding (A+B+C+D+E)			**85,98,780**			**20.00**	

ii. **1 year lock-in**

The details of the promoter's Equity shares locked in for a period of one year are as under :

Name of the Promoter	**Date of Allotment / Transfer and made fully paid-up**	**Consideration**	**No. of Shares**	**Face value (Rs.)**	**Issue / Transfer Price (Rs.)**	**% age of Post Issue Paid-up Capital**	**Lock in period (years)**
Mr. Ashok Gutgutia	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	1,83,782	10	-	0.43	1
	Sub Total (A)		**1,83,782**			**0.43**	
Mrs. Shashi Gutgutia	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	91,298	10	-	0.21	1
	Sub Total (B)		**91,298**			**0.21**	
Bharat Cement Private Limited	15.03.05	Reduction in face value from Rs100/- to Rs.10/-	1,22,901	10	-	0.29	1
	Sub Total (C)		**1,22,901**			**0.29**	
Goyal Auto Distributors Private Limited	15.03.05	Reduction in face value from Rs100/- to Rs.10/-	32,189	10	10	0.07	1
	Sub Total (D)		**32,189**			**0.07**	
Total Promoters Holding (A+B+C+D)			**4,30,170**			**1.00**	

C Shareholding pattern of persons in Promoter Group:

Name of the Promoter	Date of Allotment/ Transfer and made fully paid up	Consideration	No. of Shares	Face value (Rs.)	Issue/ Transfer Price (Rs.)	% age of Pre Issue Paid-up Capital *	% age of Post Issue Paid-up Capital
Asha Devi Bhartia	31.03.05	Cash	60,000	10	10	0.54	0.14
		Sub Total (A)	**60,000**			**0.54**	**0.14**
A.K. Gutgutia & Sons	20.08.04	Transfer	1,960	100	10	0.02	0.0046
	20.08.04	Transfer	11,500	100	12	0.10	0.03
	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	1,34,600	10	-	1.21	0.31
	31.03.05	Cash	6,25,000	10	10	5.60	1.45
	31.03.06	Cash	7,000	10	10	0.06	0.02
		Sub Total (B)	**7,66,600**			**6.86**	**1.78**
R.A. Gutgutia & Co.	31.03.95	Cash	990	100	100	0.01	0.002
	20.08.04	Transfer	1370	100	50	0.01	0.003
	15.03.05	Reduction in face value from Rs.100/- to Rs.10/-	23,600	10	-	0.21	0.05
	31.03.06	Cash	1,42,000	10	10	1.27	0.33
		Sub Total (C)	**1,65,600**			**1.48**	**0.39**
Total (A+B+C)			**9,92,200**			**8.88**	**2.31**

* - indicates percentage on pre-issue capital, which does not constitute the firm allotment to promoters/promoters group/ Directors/Friends & Associates/Others prior to opening of the Issue.

There would be a Participation by Promoters/Promoter Group/Directors/Friends & Associates/Others to the tune of 99,25,100 shares before the issue.

The Promoters/Promoter group would be subscribing to 58,35,000 Equity Shares of Rs.10/- each at a premium of Rs.[•] per share aggregating to Rs.583.50 lacs (at the lower band of the issue price of Rs. 10/-per equity share) and Rs. 700.20 lacs (at the higher band of the issue price of Rs. 12/-per equity share) before the Issue.

Friends & Associates/Others would be subscribing to 40,90,100 Equity Shares of Rs.10/- each at a premium of Rs.[•] per share aggregating to Rs.409.01 lacs (at the lower band of the issue price of Rs. 10/-per equity share) and Rs. 490.81 lacs (at the higher band of the issue price of Rs. 12/-per equity share).

1. Out of the total Promoters' holding, 85,98,780 equity shares being 20% of the Post-Issue Equity Share Capital will be under lock in for 3 years. In terms of Clause 4.12.1 of the SEBI DIP Guidelines, the balance equity shareholding of the promoters i.e. 4,30,170 Equity Shares (in excess of the aforesaid 20%) shall be locked in for a period of one year. The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as Promoters under the SEBI DIP Guidelines.

2. In terms of Clause 4.13.1 of the SEBI DIP Guidelines, the lock-in shares mentioned above has been arrived on the basis of 'Issued Last, Locked First'. The promoters have given a written undertaking that these shares shall not be transferred except inter se transfer as per the SEBI guidelines.

3. In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of post-issue shareholding of the Promoter for three years, as specified above, the entire pre-issue share capital of the Company shall be locked in for a period of one year.

4. Locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions. In terms of Clause 4.16(b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and amongst the Promoter/Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

5. Further, in terms of Clause 4.16(a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

6. The lock-in period shall commence from the date of allotment of Equity Shares in this issue and the last date of the lock-in shall be reckoned as three years from the date of commercial production or date of allotment of shares in the public issue, whichever is later.

7. In case the final allotment of equity shares exceeds the number of equity shares offered through this issue on account of rounding off to the nearest integer as decided at the time of allotment, the number of shares to be locked in for three years shall be calculated on the increased allotted share capital.

8. **Pre-issue and post issue share holding pattern of the Promoters and the promoter group is as under:**

Name of Shareholder	**Pre Issue**		**Post Issue**	
	No. of Shares	**% Holding**	**No. of Shares**	**% Holding**
PROMOTERS				
Mr Ashok Gutgutia	15,38,950	13.78	[•]	[•]
Mrs Shashi Gutgutia	6,95,000	6.22	[•]	[•]
Insight Consultants Private Limited	65,30,000	58.47	[•]	[•]
Bharat Cement Private Limited	2,10,000	1.88	[•]	[•]
Goyal Auto Distributors Private Limited	55,000	0.49	[•]	[•]
Sub Total (a)	**90,28,950**	**80.84**	[•]	[•]
PROMOTERS' GROUP				
Asha Devi Bhartia	60,000	0.54	[•]	[•]
A.K. Gutgutia & Sons	7,66,600	6.86	[•]	[•]
R.A. Gutgutia & Co.	1,65,600	1.48	[•]	[•]
Sub Total (b)	**9,92,200**	**8.88**	[•]	[•]
Shareholding of Promoters and Promoters' Group (a+b)	**100,21,150**	**89.72**	**1,58,56,150**	**36.88**

9. **Shareholding pattern- Pre-issue and Proposed Post Issue Share Holding Pattern of the Company is as under:**

Sr.No.	Category	Pre-Issue		Post-Issue#	
		No. of Shares	% Holding	No. of Shares	% Holding
1	**Promoters**				
(i)	Indian	90,28,950	80.84	[•]	[•]
(ii)	Foreign	-	-	[•]	[•]
2	**Promoter Group :**				
(i)	Relatives	60,000	0.54	[•]	[•]
(ii)	Others	9,32,200	8.35	[•]	[•]
	Total Shares of Promoter and Promoter Group (A)	**100,21,150**	**89.72**	**158,56,150**	**36.88**
3	**Non Promoters:**			[•]	[•]
(i)	Foreign Institutional Investors	-	-	[•]	[•]
(ii)	Financial Institutions	-	-	[•]	[•]
(iii)	Venture Capital				
(iv)	NRI & OCB	-	-	[•]	[•]
(v)	Employees	17,750	0.16	11,12,750##	2.59
(vi)	Public	-	-	[•]	[•]
(vii)	Friends & Associates	1,63,300	1.46	[•]	[•]
(viii)	Other Bodies Corporate	9,66,600	8.65	[•]	[•]
(ix)	Net Issue ###	**-**	**-**	208,05,000	48.39
	Total Shares of Non Promoters (B)	**11,47,650**	**10.28**	**271,37,750**	**63.12**
	Total (A)+(B)	**111,68,800**	**100.00**	**429,93,900**	**100.00**

 # Post-Issue shareholding pattern will be determined after the Issue.
##Assuming that the number of shares held by the employees prior to the Issue remains the same and Employee Reservation Portion is fully subscribed by the Eligible Employees of the Company
This figure represents the net issue through this Issue.

10. **Equity Shares held by top 10 ten shareholders**

a. Top ten shareholders as on the date of filing the Draft Prospectus with SEBI is as follows:

Sl. No.	Name of Shareholder	No. of Shares	% to total paid up capital
1	Insight Consultants (P) Ltd.	65,30,000	58.47

2	Ashok Gutgutia	15,38,950	13.78
3	A.K. Gutgutia & Sons	7,66,600	6.86
4	Shashi Gutgutia	6,95,000	6.22
5	Oracle Marketing Pvt. Ltd.	4,00,000	3.58
6	Online Tradecon Pvt. Ltd.	4,00,000	3.58
7	Bharat Cement (P) Ltd.	2,10,000	1.88
8	Nissan Commodities Pvt. Ltd.	1,66,600	1.49
9	R.A. Gutgutia & CO.	1,65,600	1.48
10	Sitaram Bhartia	75,000	0.67
	Total Shares	**1,09,47,750**	**98.02**

b. Top ten shareholders ten (10) days prior to the date of filing the Draft Prospectus with SEBI is as follows:

Sl. No.	Name of Shareholder	No. of Shares	% to total paid up capital
1	Insight Consultants (P) Ltd.	65,30,000	58.47
2	Ashok Gutgutia	15,38,950	13.78
3	A.K. Gutgutia & Sons	7,66,600	6.86
4	Shashi Gutgutia	6,95,000	6.22
5	Oracle Marketing Pvt. Ltd.	4,00,000	3.58
6	Online Tradecon Pvt. Ltd.	4,00,000	3.58
7	Bharat Cement (P) Ltd.	2,10,000	1.88
8	Nissan Commodities Pvt. Ltd.	1,66,600	1.49
9	R.A. Gutgutia & CO.	1,65,600	1.48
10	Sitaram Bhartia	75,000	0.67%
	Total Shares	**1,09,47,750**	**98.02**

c. Top ten shareholders two years prior to the date of filing the Draft Prospectus with SEBI is as follows:

Sl. No.	Name of Shareholder	No. of Shares	% to total paid up capital
1	Ashok Gutgutia	14,23,900	30.54
2	A.K. Gutgutia & Sons	7,59,600	16.29
3	Shashi Gutgutia	6,89,000	14.78
4	Oracle Marketing Pvt. Ltd.	4,00,000	8.58
5	Online Tradecon Pvt. Ltd.	4,00,000	8.58
6	Insight Consultants Pvt. Ltd.	4,00,000	8.58
7	Bharat Cement Lt.	2,10,000	4.50
8	Sitaram Bhartia.	75,000	1.61
9	Asha Devi Bhartia	60,000	1.29
10	Goyal Auto Distributors Pvt. Ltd.	55,000	1.18
	Total Shares	**44,72,500**	**95.94**

13. The Promoter and the Promoter Group have not purchased or sold any Equity Shares from the market during the period of six months preceding the date on which the Draft Prospectus is filed with SEBI.

14. Neither the Company, its promoters, its Directors, nor the LM have entered into any buy-back and/or standby arrangements for purchase of Equity Shares of the Company offered through this Draft Prospectus.

15. An over-subscription to the extent of 10% of the issue size public can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the allotment.

16. The Company has not raised any bridge loan from any Bank against the proceeds of this issue.

17. There are no partly paid up Equity Shares as on the date of Draft Prospectus.

18. The Equity Shares offered through this issue will be made fully paid up, and hence there shall be no partly paid shares in this issue.

19. A total of 10,95,000 Equity Shares have been reserved for allocation to the eligible employees.

20. Under-subscription, if any, in the Reservation for Eligible Employees shall be added back to the Net issue. In case of under-subscription in the Net Issue spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion.

21. As per SEBI Guidelines, a minimum of 50% of the net issue is reserved for allotment to individual investors applying for Equity Shares of or for a value of not more than Rs. 1,00,000/-. The remaining 50% of the net issue is reserved for individuals applying for Equity Shares of a value more than Rs. 1,00,000/- and corporate bodies/institutions etc.

22. Subject to participation by Promoters/Promoter Group/Directors/Friends & Associates/Others before the issue, the company shall not make further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, or pubic issue or otherwise during the period commencing from the submission of Draft Prospectus with SEBI, till the Equity Shares to be issued pursuant to the Issue have been listed

23. Subject to participation by Promoters/Promoter Group/Directors/Friends & Associates/Others before the issue, the company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the issue, by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except, that if the company goes for acquisitions and joint ventures it might consider raising additional capital to fund such activity or use share as currency for acquisition and/or participation in such joint venture.

24. On the date of filing the Draft Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares, which would entitle the existing Promoters or shareholders, or any other person any option to receive Equity Shares after the Offer.

25. The company has not issued any Bonus shares or shares out of revaluation reserves or reserves without accrual of cash resources.

26. The Company has not issued any Equity shares for consideration other than cash except issue of 3000 Equity Shares of Rs. 100/- each as consideration for purchase of land.

27. An investor cannot apply for more than the number of Equity Shares offered under this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

28. At any given point of time, there shall be only one denomination for the Equity Shares of the Company and the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

29. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in para on "Basis of Allotment" beginning on page no. [•] of this Draft Prospectus.

30. Allotment shall be on a proportionate basis rounded off to the nearest integer subject to the minimum allotment being equal to the minimum application size. In case of over

subscription the proportionate allotment will be subject to the reservation for Retail Individual Investors as below: -

a) A minimum of 50% of the net issue will initially be made available for allotment to retail individual investors.
b) The balance net issue shall be made available for allotment to applicants other than retail individual investors.

31. Under–subscription, if any, in the Retail and Non Institutional l categories would be allowed to be met with spill over inter se from the other category, at the sole discretion of the Company in consultation with the LM. Applicant cannot make an application for more than the number of Equity Shares offered to the public, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

32. The company has 17 Equity Shareholders as on 31 March, 2007

Objects of the Issue

The objects of the Issue are as stated herein below:

1. To set-up a Integrated Clinkerisation and Cement grinding plant of 800 TPD capacity expandable to 1600 TPD in the Hazaribagh district of Jharkhand at Patratu Industrial Estate, for manufacturing Clinker, Ordinary Portland Cement (OPC), Portland Pozzolona Cement (PPC) and Portland Slag Cement (PSC).
2. To meet the expenses of the Issue.
3. To list the equity shares of the Company on the Bombay Stock Exchange Limited (BSE), and the National Stock Exchange of India Limited (NSE), which will enhance the Company's brand name and provide liquidity to its existing and future shareholders.

The main object clause and objects incidental or ancillary to the main object clause of the Memorandum of Association of the Company permits the Company to undertake the existing activities and the activities for which the funds are being raised through the present issue.

Cost of the Project

The company is setting up an integrated Cement plant in the Hazaribagh district of Jharkhand at Patratu Industrial Estate, for manufacturing Clinker, Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) at an estimated cost of Rs. 12090 lakhs.

The Company has appointed Development Consultants Private Limited (DCPL), 24B Park Street, Kolkata – 700 016 as engineering consultants for the proposed project. The terms of DCPL's appointment includes finalising the basic engineering of the plant, selection of vendors for main plant & equipment and all auxiliaries not ordered along with the main machinery, procurement assistance and follow up, detailed engineering and to extend miscellaneous services for inspection, project monitoring, site supervision and successful commissioning of plant. Development Consultants Private Limited have carried out a Techno Economic feasibility study of the proposed project.

The Company has also appointed SBI Capital Markets Limited for carrying out the financial feasibility and economic viability of the proposed project and SBI Capital Markets Limited have given a Financial Appraisal Note of the proposed project.

Break up of Project Cost

(Rs. in lacs)

Sr. No.	Particulars	Total Cost
1	Land & Site Development	257.00
3	Building and Civil works	1756.00
3	Plant & Machinery	8023.00
4	Misc. Fixed Assets	197.00
5	Contingency *	748.00
6	Interest During Construction	386.00
7	Technical Know how fee	50.00
8	Preliminary Expenses	228.00
9	Preoperative Expenses	65.00
10	Working Capital margin	380.00
	Total Project Cost	**12090.00**

** estimated at 6.19% of total project cost.*

Source :*(As per the Financial Appraisal Note of SBI Capital Market)*.

SBI Capital Markets Limited had considered 1756.00 as cost for Building and Civil Works, Rs. 8023.00 lacs as cost of Plant & Machinery, Rs.50 lacs as cost of Technical Know how fee and Rs.228.00 lacs as cost of Preliminary Expenses. However, in view of the increase/decrease in costs as per the quotations received vis a via the earlier estimates, the Company has reworked the above mentioned costs and the difference between the total project cost as per the Financial Appraisal Note of SBI Capital Markets Limited and the actual requirements of the Company would be set off from the "Contingencies".

The revised break up of project cost of the Company has been computed as follows:

(Rs. in lacs)

Sr. No.	Particulars	Total Cost
1	Land & Site Development	257.00
3	Building and Civil works	1718.16
3	Plant & Machinery	8379.53
4	Misc. Fixed Assets	197.00
5	Contingency	329.31
6	Interest During Construction	386.00
7	Technical Know how fee	100.00
8	Preliminary Expenses	278.00
9	Preoperative Expenses	65.00
10	Working Capital margin	380.00
	Total Project Cost	**12090.00**

MEANS OF FINANCING

The Project is proposed to be funded from Promoter's contribution, Public Issue, Term loans from Banks/Financial Institutions. The proposed means of the finance for the Project will be as under:

Particulars	Amount (Rs. in lacs)
Shareholder's Fund/Equity	
Promoter's Contribution	[•]
Public Issue	[•]
Internal Accruals	[•]
Sub Total (Equity)	**4030.00**
Debt/Term Loan	8060.00
Total Project Cost	**12090.00**

The Company confirms that firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed public issue has been made.

Equity

The total equity requirement for the Project is projected at Rs.4030 lacs. This is proposed to be funded as follows:

Promoters Contribution

The promoters/promoter group/Friends & Associates/Others have already brought in about Rs 308.99 lacs as on 20th February, 2007 through subscription to 25,74,900 equity shares of Face Value of Rs.10 each at a premium of Rs.2. For details of the contribution by promoter group and others please refer to section titled Capital Structure on page no. 14 of this Draft Prospectus.

Public Issue

The Company proposes to use net proceeds of the issue for funding its proposed Project.

Term Loan

The details of the term loan sanctioned are as follows:

The entire debt component of the proposed project has been already tied up and various banks have already given the sanction letter(s). The tentative break up of the debt allocation by various banks are as follows:

Term loan sanctioned by Banks: (Rs. In Lacs)

Name of Bank	Amount Sanctioned	Tentative Allocation	Date of Sanction
State Bank of India	1500	1500	15.12.2006
State Bank of Hyderabad	1500	900	05.01.2007
Canara Bank	2015	1210	09.12.2006
Punjab National Bank	1500	950	04.01.2007
Indian Overseas Bank	1000	700	15.11.2006
Union Bank of India	1500	900	06.01.2007
Bank of India	1000	700	16.11.2006
Oriental Bank of Commerce	1000	700	24.11.2006
Indian Bank	1000	500	24.01.2007
Grand Total	**12015**	**8060**	

State Bank of India is the leader of the Consortium**.** For major terms and conditions of Term Loan, please refer to Page No 133 of this Draft Prospectus

Break-up of Project Cost

In order to take the advantage of the increasing demand for cement in the Eastern region and capitalize on the brand image of the Company and to enable the Company to sell cement at competitive rates, the Company is in the process of setting up a 800 TPD expandeble to 1600 TPD Clinkerisation and Cement grinding unit at Patratu Industrial Area, District Hazaribagh, Jharkhand, which is approximately 3.0 km away from Patratu Thermal Power Station and about 10-15 kms from vast limestone deposits. The project will be implemented in-house with technical consultancy from Development Consultants Private Limited a Kolkata based technical consultancy firm with experience in cement industry.

The Company proposes to set-up a new Clinkerisation and Cement grinding plant in the Hazaribagh district of Jharkhand at Patratu Industrial Estate, for manufacturing Ordinary Portland Cement (OPC), Portland Pozzolona Cement (PPC) and Portland Slag Cement (PSC). The break up of the respective capacities are as follows:

S No.	Name of the Unit	Capacity (TPA)
1	Clinkerisation Unit	800 TPD
2	Crushing	220 TPH
3	Raw Material Grinding	75 TPH
4	Raw Mill Blending	2500 T
5	Pyroprocessing	800 TPD
6	Clinker Storage	7000 T
7	Clinker Grinding	45 TPH
8	Cement Storage Cilos	4x2500 T
9	Packing Plant	2x90 TPH
10	Gypsum Coal Crusher	1x20 TPH

Land & Site Development

Location :

The proposed Clinkerisation and Cement grinding plant is located within the State Industrial Estate of Jharkhand State, which is approx. 3.00 km away from Patratu and about 10-15 kms from the limestone deposit. Electricity is available from the existing DVC HT line passing by the side of the project. Power can also be available from nearby Patratu. Water from both surface and as well as underground is available at the site. Major source of water shall be the existing reservoir which is around 1.5 km away from the proposed site.

The company has been allotted 60 acres of land on lease for a period of 30 years from the Government of Jharkhand for establishing the cement plant. The land is sufficient to establish the project. The limestone mines are scattered at a distance of about 10-15 kms from the proposed project site.

Locational Advantages :

- The site is located very close to the limestone mines, which are scattered at a distance of about 10-15 kms from the proposed project site.
- The proposed site is located at a distance of about 400 meters only from State High way connecting Ranchi-Patratu.
- The nearest railhead is at Patratu, which is about 7 km from the proposed site and Airport is at Ranchi, which is 45 km from the site.
- The power requirement for running the cement plant can be obtained from the existing 33 KV HT lines of DVC by tapping the same. Power is also available at the limestone deposit from existing 6 KV Power line.
- The total water requirement for the proposed project is estimated at 373 m3/day. The required number of bore wells shall be provided at the plant and mines, based on hydrological investigations, to meet the water requirement of the proposed project. However alternate arrangements can be made to get water from existing reservoir which is 1-1.5 km away from the proposed site.
- Transportation facilities to access various markets are readily available.
- Both skilled and unskilled labour is easily available in the area.

The land has been leased for a period of 30 years and the Company has paid a premium of Rs. 211 lacs. Land tax and land maintenance rent of Rs. 1.80 Lacs and 1.31 Lacs per annum respectively is to be paid to the government at the end of every financial year. Land maintenance to be paid after 2 years from the allotment of land or from the date of commercial production whichever is earlier. The details of the cost of land and site development are given below:

(Rs. In lacs)

Description	Total Cost
Land Premium	211
Internal road for factory	40
Soil Investigation	4
Land Tax	2
Total	**257**

Building & Civil Works

The estimates of costs of Building and civil works is as per the quotation ref No. DCPL-K6C10/PC-7/7402 dated 28th March, 2007 of Development Consultants Private Limited. As per the Techno Economic feasibility Report of Development Consultants Private Limited, each building and structure shall be designed functionally so as to provide enough space for operation, maintenance and provide the plant workers good and safe environment. Steps shall generally be 250 mm wide and 200 mm rise for industrial buildings and 150 mm rise for Administrative Buildings, canteen and other non-plant buildings. Hand rails 1.0 m high with toe guards shall be provided for all stairs and walkways.

The cost under this head includes civil and structural cost for common facilities also. The Company is yet to award the contract for Building & Civil works. However Development Consultants Private Limited would design the foundation, buildings and structural and oversee the construction of the building and civil works. . The detailed break up of Building and civil works as per the quotation ref No. DCPL-K6C10/PC-7/7402 dated 28th March, 2007is as given below.

(Rs. In lacs)

Description	Total Cost
Factory Bldg for the main plant & equipment	854.58
Factory Buildings for Auxiliary Services like steam supply, water supply, Laboratory, workshop etc	54.12
Administrative building	42.80
Godowns, Warehouse & Open-yard facilities	84.10
Misc. non-factory buildings like canteen, time office, excise house etc.	2.36

Silos, tanks, walls, chests, basins, cisterns, hoppers, Bins and other structures which are Necessary for installation of Plant & Equipment	650.00
Garages	7.20
Civil Engineering works not included above	23.00
Total	**1718.16**

SBI Capital Markets Limited had estimated Rs.1756 lacs as the cost of Building and Civil Works. However as per the quotations received the cost of Building and Civil Works works out to be Rs.1718.16 lacs.

Plant and Machinery

Cost of plant and machinery includes impact of taxes and duties. The details of the equipment the Company intends to purchase and their estimated costs, including the estimated costs of associated spares, attachments and other accessories, are as follows :

The cost is based on the estimates provided by technical consultants for the project. The break-up of the plant and machinery cost is as given below.

(Rs. In lacs)

Description	Total Cost
Main Plant & equipment	7212.53
Other Plant and Machinery	415.00
Electrical and Instrumentation & Control	752.00
Total	**8379.53**

The detailed break up of major Plant & Machinery been given below.

Main Plant and Machinery

Prices for design, engineering, manufacturing and supply of main plant and machinery as described below as per the quotation received from Thyssenkrupp Industries India ref No.CN/MK/AB/Q 60074 dated 17.01.2007 is as under:

Estimated Cost :

Rs. in lakhs

PARTICULARS	COST
Raw material drying and grinding (Ball Mill)	6020.00
Raw meal transport, Blending Silo and Kiln feed	
Pyroprocessing	
Coal drying and grinding	
Coal dosing	
Water cooling system and Compressor Room	
Electrical and Instrumentation as per scope of supply	
Basic Total	**6020.00**
Excise Duty including Cess @ 16.32%	982.46
Sub Total	**7002.46**
CST @ 3%	210.07
TOTAL COST	**7212.53**

The equipments specified in the quotation of ThyssenKrupp Industries India have the following specifications :

1. Raw Material Grinding	
Composition of raw material	
Limestone	93%
Laterite	05%
Bauxite	02%
Grindability of raw material	11.8 KWH/T at shaft @ 12% R on 90 micron
	As per ACC test report

Raw Mill Section (Ball Mill)	
a) Type	Ball Mill
b) Size of Mill	4.2 x 13 m long
c) Drying chamber size	3.6 x 3 m long
d) Capacity of mill	145 TPH
e) Feed size of raw material	90% Passing 25 mm, Max. 30 mm
f) Maximum moisture content in feed	Avg. 5% , 6% max.
g) Product size	12% residue on 90 micron
h) Maximum moisture content in product	< 1%
One no. of Separator of separation of product	
a) Type	Dynamic air separator
b) Size	NSV 250/4
c) Rotor size (Dia)	2500 mm
2. Raw Material Transport	
a) Capacity	180 TPH
b) Conveying equipment	Bucket elevator
3. Blending silo	
One no. of blending silo	
a) Type of silo	Tangential
b) Capacity of silo	6000 Ton
c) Silo size	14 m dia. X 40 m filling height
4. Kiln Feed	
a) Type of system	Bucket Elevator
b) Capacity	130 TPH
5. Preheater	
Six stage preheater DOPOL with Precalcinator	
a) Type of preheater	DOPOL 90
b) Number of stages	Six
c) Size	A13, B13, B12, B12, B10,C13
6. Kiln	
a) Size of Kiln	3.4 m x 51 m long
b) Capacity of Kiln	1600 TPD
c) Sintering zone cooling fans	10 no. cooling fans with capacity of m3.min @ 3.5 mbar
7. Cooler	
a) Type of grate cooler	Single grate reciprocating cooler SR 2418/II with static pre-gate
b) Grate area	42.8 sq.m
8. Clinker Transport	
a) Type	Deep bucket conveyor
b) Capacity	100 TPH
11. Coal Grinding	
One no. of air swept ball mill	
a) Size of mill	3 x 6.25 m long
b) Capacity of mill	16 TPH
c) Coal Hardgrove Index	45
d) Feed size of coal	0 – 30 mm
e) Maximum moisture content	08% max.
f) Material fineness	15% R on 90 microns
g) Maximum moisture content in product	1%
h) Separator	Dynamic separator LMK 155

12. Coal dosing	
a) Type of system	Screw pump
b) Capacity	3 x 7.5 TPH (One standby)

Other Plant and Machinery

Prices for other plant and machinery as described below as per the quotation received from Development Consultants Private Limited ref No. DCPL-K6C10/PC-7/7403 dated 28th March, 2007 is as under:

Estimated Cost :

(Rs. in lacs)

SL No.	Particulars	Total Cost
1	Crushing Section (A)	100.00
	Plant and Machinery other than main plant	
2	Miscellaneous belt conveyors and bag filters	50.00
3	Clinker extraction & feeding to hoppers	35.00
4	Ducts, Chutes, Duct Supports & Miscellaneous maintenance steel platform	200.00
5	Iron /Sweetener/slag handling system	5.00
6	Cranes and Hoist	25.00
	Sub Total (B)	**315.00**
	Total Cost (A+B)	**415.00**

Electrical and Instrumentation & Control

Prices for Electrical and Instrumentation & Control as described below as per the quotation received from Development Consultants Private Limited ref No. DCPL-K6C10/PC-7/7404 dated 28th March, 2007 is as under:

Estimated Cost :

(Rs. in lacs)

SL No.	Particulars	Total Cost
A	**Electrical System**	
	33 K V system	150.00
	6.6 K V system	100.00
	415 V System	150.00
	D.C. System	20.00
	Other Electrical Works like Cabling, Illumination, Inter-Communication, Trays, Earthling etc	150.00
	Miscellaneous Electrical Work	50.00
	Total Electrical System (A)	**620.00**
B	**Instrumentation & Control System**	
	Field Instruments	20.63
	PLC Control & MIS	72.18
	Cables, Tray & Junction Boxes	39.19
	Total for Instrumentation & Control (B)	**132.00**
	Grand Total (A+B)	**752.00**

SBI Capital Markets Limited had estimated Rs.8023 lacs as the cost of Plant and Machinery. However as per the quotations received the cost of plant and machinery works out to be Rs.8379.53 lacs. The difference in the estimates of SBI Capital Markets Limited and actual quotations would be set off from contingencies.

Miscellaneous Fixed Assets

These include equipment for various utilities such as furniture, fire fighting equipment, Tools & Tackles and expenditure on computerization and vehicles and communication systems etc.

Prices for Miscellaneous Fixed Assets as described below as per the quotation received from Development Consultants Private Limited ref No. DCPL-K6C10/PC-7/7405 dated 28th March, 2007 is as under:

Estimated Cost :

(Rs. In lacs)

Description	**Total Cost**
Office Furniture, computer, photocopy, machines, fax machines etc	2.81
Water supply and distribution system	36.59
Compressed air supply system	11.26
Insulation materials for dedusting	11.26
Fire Fighting system & Equipment	8.44
A/C & Ventilation Equipment	2.81
Laboratory Equipment	11.26
Workshop Equipment	11.26
Road Weigh Bridge	14.07
Lubricants	2.81
Refractories	84.43
Total	**197.00**

Summarized list of plant & Machinery for which orders are yet to be placed :

Sr. No	**Description**	**Tentative Supplier**	**Amount (Rs. in lacs)**	**Quotation no. Date of quotation relied upon**
	Main Plant and Machinery	Thyssenkrupp Industries India	7212.53	Ref No.CN/MK/AB/Q 60074 dated 17.01.2007
	Other Plant and Machinery	As per Estimates by Development Consultants Private Limited	415.00	Ref No. DCPL-K6C10/PC-7/7403 dated 28th March, 2007
	Electrical and Instrumentation & Control	As per Estimates by Development Consultants Private Limited	752.00	Ref No. DCPL-K6C10/PC-7/7404 dated 28th March, 2007
	Total		**8379.53**	

Summary of Orders (excluding escalation, contingencies, transportation etc):

Sr. No.	**Particulars**	**Value (Rs. In lacs**	**%age**
A	**Total Cost of Plant & Machinery :**		
	Domestic	8379.53	100.00%
	Imported	-	-
B	**Value of Orders Placed :**		
	Domestic	-	-
	Imported	-	-
C	**Value of Orders yet to be placed :**		
	Domestic	8379.53	100.00%
	Imported	-	-

The Company has relied on quotations received from various suppliers for orders yet to be placed. Further, The Company has not bought or does not propose to buy any second hand Plant & Machineries out of the Issue proceeds.

Contingency

Provision for contingency has been estimated at Rs 329.31 lacs. In the event of any cost overruns due to any adverse change in asset prices for which agreements have not yet been entered, time variation, unexpected price rise due to factors beyond the control of the Company, the Company has made a contingency provision in tune of Rs.329.31 lacs, to take care of any such eventuality which may occur

Interest During Construction

Interest During Construction (IDC) has been estimated at Rs. 386 lacs.

Technical Know How

The technical know how fee payable to various consultants at different stages of the project implementation has been estimated at Rs. 100 lacs.

SBI Capital Markets Limited had estimated Rs.50 lacs as the total estimated cost of Technical Know how fee. However as per the appointment letter given to Development Consultants Private Limited, the total estimated cost of Technical know how fee works out to be Rs. 100 lacs. The difference iwould be set off from contingencies.

Preliminary Expenses

The preliminary expenses have been estimated at of Rs. 278 lacs, the break up of which has been provided below. The Company shall be issuing 2,19,00,000 shares of Rs.10/- each through Initial Public Offering (IPO) for which expense amounting to Rs. 200 lacs has been estimated.

(Rs. In lacs)

Description	Total Cost
Capital issue expenses(legal, advertising, printing etc)	200
Consultancy & Syndication	26
Other start-up expenses	32
Bank Processing Fee	20
Total	**278**

SBI Capital Markets Limited had estimated Rs.228 lacs as the total estimated cost of Preliminary expenses. However as per the quotations received the total estimated cost of Preliminary expenses works out to be Rs.278 lacs. The difference in the estimates of SBI Capital Markets Limited and actual quotations would be set off from contingencies.

Preoperative Expenses

The preoperative expenses for the project are estimated at Rs. 65 lacs which include rent and taxes, travelling, insurance expenses, etc. The detailed break-up of the preoperative expenses is as follows.

(Rs. in lacs)

Description	Total Cost
Establishment expenses including salaries & wages	14
Rents, rates and taxes	1
Travelling Expenses	1
Miscellaneous expenses like postage, stationary, legal charges etc	1
Insurance during Construction @.50% of P&M	33
Mortgage expenses, stamp duty etc on loan	15
Construction facilities like temporary structures etc	1
Total	**65**

Margin Money for Working Capital

The working capital margin requirement of the project is estimated at Rs. 380 lacs based on the calculations for the first full year of operations (FY 2008-09) for the project. The break-up is given below:

(Rs. in lacs)

Particulars	Days	Mar-08 Amount
Current Assets		
Stock of Raw Materials		
Limestone	7	13
Sweetener	30	10
Iron Ore	30	11
Slag	30	27
Fly Ash	15	1
Gypsum	30	11
Coal	30	18
Consumables	30	12
Packing Materials	30	22
Total Stock of Raw Materials		**126**
Stock of Work-in-Process	10	79
Stock of Finished Goods	10	93
Receivables (Debtors)	60	1259
Total Current Assets (A)		**1556**
Current Liabilities		
Payables (Creditors)	10	20
Other Liabilities	30	17
Total Current Liabilities (B)		**37**
Working Capital Gap (A-B)		1519
Margin Money (25%)		380
Bank Borrowing (75%)		1139

Expenses of the Issue:

The expenses of this issue include, among others, issue management fees, underwriting fees, selling commissions, printing and distribution expenses, legal fees, fees to auditors, advertisement expenses and listing fees. The total expenses for this issue are estimated at Rs. 200 lacs.

Sl. No.	Activity	Estimated Amount (Rs. in lakhs)	% of Total Expenses	% of Total Issue size *
1.	Fees of LM	[•]	[•]	[•]
2.	Underwriting commission	[•]	[•]	[•]
3.	Brokerage & Selling commission	[•]	[•]	[•]
4.	Advertisement & Marketing expenses	[•]	[•]	[•]
5.	Printing and Stationery, Distribution, postage etc	[•]	[•]	[•]
6.	Fees of Registrar to the issue	[•]	[•]	[•]
7.	Other Expenses (including legal fees, filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
	Total	200	[•]	[•]

** will be incorporated after finalization of Issue Price*

Appraisal

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution

The Company has appointed Development Consultants Private Limited as engineering consultants for the proposed project and to finalize the basic engineering, selection of vendors for main plant & equipment and all auxiliaries not ordered along with the main machinery, procurement assistance and follow up, detailed engineering and to extend miscellaneous services for inspection, project monitoring, site supervision and successful commissioning of plant and Development Consultants Private Limited have carried out a Techno Economic feasibility of the proposed project..

The Company has also appointed SBI Capital Markets Limited for carrying out the financial feasibility and economic viability of the proposed project and SBI Capital Markets Limited have given a Financial Appraisal Note of the proposed project.

Undertaking By The Issuer Company

Pursuant to Clause 2.8 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, the Company has made firm arrangements for the stated Means of Finance as follows:

(Rs. In lakhs)

Particulars	**Amount (Rs. in lacs)**
Shareholder's Fund	
Promoter's Contribution	[•]
Public Issue	[•]
Internal Accruals	[•]
Sub Total (Equity)	**4030.00**
Debt	8060.00
Total Project Cost	**12090.00**

The Company confirms that firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed public issue has been made.

Schedule of Implementation:

Particulars	**Duration**	**Expected Month of commencement**	**Expected Month of completion**
Land		Already allotted	
Land development & Civil Works	11 months	Already commenced (July 2006)	February,2008
Plant & Machinery and other fixed assets			
Placement of orders and delivery: ❖ Core Equipments ❖ Electrical ❖ Auxiliary Equipments	 10 months 8 months 7 months	 April, 2007 July, 2007 August 2007	 February 2008 March, 2008 March,2008
Erection & installation	5 months	October 2007	March, 2008
Trial Production	1 months	March, 2008	March, 2008
Start of Commercial Production	1 month	April, 2008	April, 2008

The objects of the issue involve considerable co-ordination and efficiency. The implementation schedule has been drawn up to maintain a strict time schedule. The year wise break up of the proposed expenditure is as follows :

Sr. No.	Particulars	Total	Amount to be utilised upto		
		Up to 31.03.07	31st March 2008	31st March 2009	Total
1	Land & Site Development	211.12	45.88	-	257.00
2	Building and Civil works	227.97	1490.19	-	1718.16
3	Plant & Machinery	-	7500.00	879.53	8379.53
4	Misc. Fixed Assets	-	150.00	47.00	197.00
5	Technical Know how fee	-	50.00	50.00	100.00
6	Preliminary Expenses	83.11	150.00	44.89	278.00
7	Preoperative Expenses	-	65.00	-	65.00
8	Working Capital margin	-	-	380.00	380.00
9	Interest During Construction	-	-	386.00	386.00
10	Contingency	-	-	329.31	329.31
	Total	**522.20**	**9451.07**	**2116.73**	**12090.00**

COST INCURRED ON THE PROJECT TILL DATE

The Company has incurred a sum of Rs.522.20 lakhs till 28.02.2007 towards the objects of the issue, details of which and the sources of finance for the same has been certified by the auditors M/s N.K. Agarwal & Co., Chartered Accountants, vide their certificate dated March 29, 2007:

(Rs. in lacs)

Sr. No.	Particulars	Amount
1.	Land & Site Development	211.12
2.	Building & Civil Work	227.97
3.	Pre-Operative Expenses	83.11
	TOTAL	**522.20**

The Source of above deployment of funds is as under:

(Rs. in lacs)

Sr. No.	Particulars	Amount
1.	Promoter’s Contribution	309.00
2.	Internal Accrual	140.52
3.	Sundry Creditors	72.68
	TOTAL	**522.20**

Monitoring of Utilisation of Funds

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI DIP Guidelines. The Audit Committee appointed by the Board of Directors will monitor the utilization of the issue proceeds.

Interim Use of Funds

The management, in accordance with the policies set up by the Board, will have the flexibility in deploying the net proceeds received by the Company from the Issue. Pending utilization for the proceeds, the Company intends to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposit with banks for necessary duration. The Company may also use the same to fund its working capital requirement on a temporary basis

BASIC TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of the Company, the terms of this Draft Prospectus, Application Form, and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital, listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Registrar of Companies, Stock Exchanges, and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking Of Equity Shares

The Equity Shares being offered shall be subject to the provisions of Memorandum and Articles of the Company and shall rank *pari passu* in all respects with the other existing Equity Shares of the Company. Allottees of the Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of allotment.

Face Value

The Face Value of the Equity Share is Rs. 10/- and the Issue Price is (.) times the face value of the Equity Share. The price band is Rs. 10/- to Rs. 12/- per equity share of Rs. 10/- each i.e., the issue price is 1.0 time of the face value at the lower end of the price band, and 1.2 times the face value at the higher end of the price band.

Rights of the Equity Shareholders

Subject to applicable laws, the Equity Shareholders shall have the following rights:

i. Right to receive dividend, if declared;

ii. Right to attend general meetings and exercise voting rights, unless prohibited by law;

iii. Right to vote on a poll either in person or by proxy;

iv. Right to receive offers for rights shares and be allotted bonus shares, if announced;

v. Right to receive surplus on liquidation;

vi. Right of free transferability; and

vii. Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 1956.

For a detailed description of the main provisions of the Company's Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to 'Main provisions of Articles of Association of the Company' on Page no. 197 of this Draft Prospectus.

Market Lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. As trading in the Equity Shares is compulsorily in dematerialised form, the market lot is one Equity Share.

Allotment of Equity Shares will be done in multiples of one Equity Share, subject to a minimum allotment of [•] Equity Shares.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Net Issue, including devolvement of Underwriters (if any) within 60 days from the date of closure of the issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days, after the company becomes liable to pay the amount, the Company shall pay interest as per Section 73 of the Companies Act 1956.

Authority for the Present Issue

The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on 18th November, 2006. Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Extra-Ordinary General Meeting of the Members held on 12th December, 2006.

Terms of Payment

The entire Issue price is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

Basis for Issue Price

The Offer Price will be determined by the Company in consultation with the LM and specified in the Prospectus that will be filed with the Registrar of Companies. The face value of the Equity Shares is Rs. 10 and the Offer Price is 1.0 times the face value at the lower end of the Price band and 1.2 times the face value at the higher end of the Price Band.

Investors should read the following summary along with the section titled "Risk Factors" beginning on page vii of the Draft Prospectus and the details about the Company and its financial statements included in this Draft Prospectus. The trading price of the Equity Shares of the Company could decline due to these risks and the investor may lose all or part of his investment.

Qualitative factors

1. The Company is one of the established players in Cement sector of Eastern India having its market presence in West Bengal, Jharkhand and Bihar.
2. The Company has a technically qualified management team led by promoters having rich experience in Cement industry.
3. The company has already a grinding unit for manufacture of cement for a capacity of 1,000 TPD located in Asansol district of West Bengal.
4. The company is setting up 800 TPD expandeble to 1600 TPD Clinkerisation and Cement grinding unit in Hazaribagh district of Jharkhand state. The location of the site of the project has following advantages:
   - The site is located about 10-15 kms from limestone mines, which is basic raw material for the production of Cement.
   - Abundance of both skilled and unskilled labourers.
   - Various Tax incentives and Subsidies available from the Government of Jharkhand.
5. The proposed project of the Company has been vetted by Mecon Ltd.
6. The company has successfully implemented expansion projects in the past.
7. The Company was awarded ISO-9001:2000 certification in January 2004 for manufacturing of its products.
8. Being a cement deficit region, there exists a significant gap between demand and supply in the Eastern region, the proposed expansion would enable the Company to increase its capacity, which will cater to this existing gap between Demand and Supply resulting in increase in the sales.
9. The proposed project of the Company would have a participation to the tune of Rs. 8060 lacs from a consortium of bankers
10. The Company has achieved Financial Closure for the propsed project.
11. The Company has appointed Development Consultants Private Limited as engineering consultants for the proposed project. and Development Consultants Private Limited have carried out a Techno Economic feasibility studyof the proposed project..
12. The Company has also appointed SBI Capital Markets Limited for carrying out the financial feasibility and economic viability of the proposed project and SBI Capital Markets Limited have given a Financial Appraisal Note of the proposed project.

Quantitative Factors

Information presented in this section is derived from the Audited Restated Financial Statements prepared in accordance with Indian GAAP.

1. Adjusted earning per share (EPS)

Year	EPS (Rs.)	Weight
2003-04	1.55	1
2004-05	4.45	2
2005-2006	1.90	3
Weighted Average	2.69	
EPS for 9 months ended 31st December, 2006 is Rs. 0.51 (annualised)		

2. Price Earning ratio (P/E ratio) in relation to the Issue Price of Rs [•] per share

	Issue Price	**Rs. [•] per share**
(a)	P/E based on 31st March, 2006 EPS of Rs. 1.90	**[•]**
	P/E Multiple at the lower end of the price band of Rs. 10/- is	5.26
	P/E Multiple at the higher end of the price band of Rs. 12/- is	6.32
(b)	P/E based on Weighted Average EPS of Rs. 2.69	**[•]**
	P/E Multiple at the lower end of the price band of Rs. 10/- is	3.72
	P/E Multiple at the higher end of the price band of Rs. 12/- is	4.46
(c)	Industry P/E	
	Highest	24.6
	Lowest	2.9
	Industry Composite – Category: North India	11.1
	Industry Composite – Category: South India	9.8

Source: Capital Market Volume XXII/03 dated April 09 – 22, 2007; Category: Cement – North India & Cement – South India

3. Return on Net Worth

Year	**RONW (%)**	**Weight**
2003-04	6.91	1
2004 - 2005	7.01	2
2005 - 2006	8.21	3
Weighted Average	7.59	
RONW for 9 months ended 31st December, 2006 is Rs. 0.51 (annualized)	3.05	

4. Minimum Return on Total Net worth after Issue needed to maintain pre-issue EPS of Rs. 1.90 is [•]

5. Net Asset Value (NAV) per share (Rs.):

As at 31st March, 2006	12.59
After Issue	[•]
Issue Price	10-12

Notes:

a. Earning per share represents earning per share calculated on the basis of restated profit divided by the weighted average number of equity shares (Basic/Diluted) as at the end of the year.
b. Return on Net Worth as a percentage represent restated profit after tax divided by Net Worth at the end of each financial year.
c. Net Asset value has been computed on the basis of Net Equity Method (Net Worth at the end of each financial year divided by the weighted average number of Equity Shares at the end of each financial year.

Comparison with Industry Peers

Comparison of the accounting ratios of the issuer company as mentioned above with the peer group i.e. companies of comparable size in the same industry for the year ended ending 31st March 2006 is as follows.

Name of the Company	Share Capital (In Cr)	Sales (In Cr)	PAT (In cr)	EPS (Rs.)	Book value (Rs.)	P/E Ratio	RONW (%)
Dalmia Cement	8.55	571.4	38.9	8.9	107.4	9.0	8.8
K C P	12.89	165.6	17.5	12.8	84.7	6.9	16.8
Sagar Cements	12.70	153.8	2.8	2.2	38.1	6.2	11.8
Vinay Cements	10.00	39.1	5.1	5.1	33.5	4.4	18.9
Anjani Portland	18.39	36.8	-	-	10.3	3.8	0.1
Deccan Cement	7.00	123.2	8.9	12.4	96.9	3.5	13.9
Kakatiya Cements	7.77	126.9	12.8	16.2	96.1	2.9	18.6
Shiva Cements	16.65	18.2	(4.0)	-	1.70	-	2.70
Burnpur Cement Limited	8.59	25.85	0.89	1.90	12.59	-	8.21

Source: Capital Market Volume XXII/03 dated April 09 – 22, 2007; Category: Cement – North India & Cement – South India

The Face value of shares is Rs 10/- per share. The equity shares are being issued at a price of Rs. [•] per share. The issue price is 1.0 times at the lower end of the price band and 1.2 times at the higher end of the price band.

The Lead Manager believes that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors on page no. vii of the Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the Auditors' report beginning from page no [•] of the Draft Prospectus to have a more informed view of the investment proposition.

STATEMENT OF TAX BENEFITS

To
Burnpur Cement Limited
Cement house
Saradapally, Ashoknagar
P.O. Asansol – 713304
Dist: Burdwan (W.B.), India

Dear Sirs,

We hereby certify that the enclosed annexure states the possible tax benefits available to M/s Burnpur Cement Limited (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 (provisions of Finance Act, 2006), and other direct and indirect tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consider in his/her/its own case, the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on information, explanations, and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This report is intended solely for your information and for the inclusion in the offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For N K AGARWAL & CO.
Chartered Accountants

N K Agarwal
Proprietor
Membership No.: 14267

Date: February 19, 2007
Place: Asansol

TAX BENEFITS

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax.

I. BENEFITS AVAILABLE UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. BENEFITS AVAILABLE TO THE COMPANY

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1. Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, the Company will be eligible for exemption of income by way of dividend from domestic company referred to in Section 115-O of the Act.

2. Income from units of Mutual Funds exempt under Section 10(35)

The Company will be eligible for exemption of income received from units of mutual funds specified under Section 10(23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of Section 10(35) of the Act.

3. Premium Paid on Health Insurance under Section 36(1)(ib)

In terms of section 36(1)(ib) of the Act, with effect from April 1, 2007, the amount of any premium paid by cheque by the assessee as an employer to effect or to keep in force an insurance on the health of his employees under a scheme framed in this behalf by:

a) the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act,1972 and approved by the Central Government; or

b) any other insurer and approved by the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999

is deductible expenditure and will accordingly apply in relation to the assessment year 2007-08 and subsequent years.

4. Exemption of Long-Term Capital Gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity-oriented fund where the transaction of sale is chargeable to Securities Transaction Tax (STT) shall be exempt from tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

5. Depreciation under Section 32

In accordance with and subject to the provisions of section 32 of the Income tax Act, the company will be allowed to claim depreciation on specified tangible and intangible assets as per the rates specified. Besides normal depreciation, the company, in terms of section 32(1)(iia), shall be entitled to claim depreciation @ 20% of actual cost on new plant and machinery acquired after 31st March, 2005.

6. Preliminary Expenses under Section 35D

In accordance with and subject to the provisions of section 35D of the Income tax Act, the company will be entitled to amortise, over a period of five years, all expenditure in connection with the proposed public issue subject to the overall limit specified in the said section.

7. Exemption of Long Term Capital Gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

8. Lower Tax Rate under Section 111A on Short-Term Capital Gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

9. Lower Tax Rate under Section 112 on Long-Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

10. Benefits under Section 115JAA

Under Section 115JAA(1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.

Under the existing provisions of sections 234A, 234B and 234C, the assessee is held liable to pay simple interest at the rate of one percent for every month or part of a month for default in furnishing return of income, for default in payment of advance tax and for deferment of advance tax respectively. For the purposes of computing interest, credit for advance tax paid and tax deducted or collected at source is allowed. MAT credit under section 115JAA, relief of tax under section 90 and deduction from income-tax payable under section 91 are not taken into account while charging interest under the aforesaid sections. Under section 140A also interest is paid on shortfall of advance tax and for delay in furnishing return of income. However with effect from April 1,2007 i.e., in relation to the Assessment Year 2007-08 and subsequent years, reduction of MAT credit under section 115JAA, relief of tax under section 90 and 90A and deduction from income-tax payable under section 91 is allowed while calculating the interest U/s. 234A, 234B and 234C of the income tax act'1961.

11. Minimum Alternate Tax (MAT) under Section 115JB

Under Section 115JB of the Act, in case of a company, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after the April 1, 2001 is less than seven and one-half per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be seven and one-half per cent of such book profit. However with effect from April 1,2007 i.e., in relation to the Assessment Year 2007-08 and subsequent years if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after the April 1, 2007 is less than ten per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be ten per cent of such book profit.

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. Exemption under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2. Exemption of Long-Term Capital Gain under Section 10(38)

Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

3. Capital Gains under Section 48

Under section 48 of the Act, if the company's shares are sold after being held for not less than twelve months, the gains [in cases not covered under section 10(38) of the Act], if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

4. Exemption of Long Term Capital Gain under Section 54EC

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax, subject to a ceiling of Rs. 50 lakhs, if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the Act for any assessment year beginning on or after April 1, 2006.

5. Exemption of Long term capital gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

6. Rebate under Section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of Securities Transaction Tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

7. Lower Tax Rate under Section 111A on Short-Term Capital Gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

8. Lower Tax Rate under Section 112 on Long-Term Capital Gains

As per the provisions of Section 112 of the Act, long term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

C. BENEFITS AVAILABLE TO NON RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

1. Exemption under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2. Exemption under Section 10(38)

Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction Tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

3. Exemption of Long Term Capital Gain under Section 54EC

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax, subject to a ceiling of Rs. 50 lakhs, if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

4. Exemption of Long Term Capital Gain under Section 54F

Under section 54F of the Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

5. Lower Tax Rate under Section 111A on Short-Term Capital Gains

Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

6. Lower Tax Rate under Section 112 on Long-Term Capital Gains

Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits:

1. Under section 115E, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident India, long-term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

2. Under provisions of section 115F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

3. Under provisions of section 115G of the Act, it shall not be necessary for a Non- Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both;

arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

4. In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

5. As per Section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non- Resident India would prevail over the provisions of the Act to the extent they are more beneficial to the Non- Resident/ Non-Resident India.

D. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2. Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction Tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

3. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax, subject to a ceiling of Rs. 50 lakhs, if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

4. The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIs on sale of shares of the company would be taxed at the following rates as per section 115 AD of the Act

- Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).

- Short term capital gains, referred to under section 111A of the Act shall be taxed @ 10% (plus applicable surcharge and education cess)

- Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation)

It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

5. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

6. As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII.

E. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

F. VENTURE CAPITAL COMPANIES / FUNDS

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

II. BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

III. BENEFITS AVAILABLE UNDER THE GIFT TAX ACT, 1958

Exemption from Gift Tax Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

Notes:

1. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

2. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws as amended by the Finance Act, 2006 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

5. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

6. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

For N K AGARWAL & CO.
Chartered Accountants

N K Agarwal
Proprietor
Membership No.: 14267

Date: February 19, 2007
Place: Asansol

SECTION IV: ABOUT THE ISSUER COMPANY

The information presented in this section has been extracted from Financial Apraisal Note of SBI Capital Markets Limited, publicly available documents from various sources, including officially prepared materials from the Government and its various ministries and has not been prepared or independently verified by the Issuer or the Lead Manager.

1. Industry Overview

Cement Industry

Introduction

The cement industry is a core sector and one of the kingpins for the growth of the country. Cement is one of the most basic construction materials, and hence, an essential item for the infrastructure development of the country.

The evolution of the cement industry in India can be broadly classified into three periods: The period up to partial decontrol (up to 1982), the period up to total decontrol (1982-89) and the period after total decontrol (after 1989 to date). The following table summarizes the events in the cement industry.

Events during the period of government control	
Period	**Events**
1942	FOR (free on rail) destination price of cement fixed on a cost plus basis.
1946-1952	Cost of production of ACC used as a basis for fixing cement prices. Freight equalisation system introduced simultaneously.
1958	Introduction of three-tier retention price scheme, whereby retention prices are decided based on the age of the plant and technology employed.
Jan-66	Price and distribution controls lifted.
Jan-68	Price and distribution controls re-imposed.
Apr 1969 - May 1979	Period of single price regime; total distribution control.
	Cement industry grew at around 4.0 per cent during this period as against the high growth rates in the past.
Sep-77	Government guarantees 12 per cent post-tax return on the net worth of new cement companies.

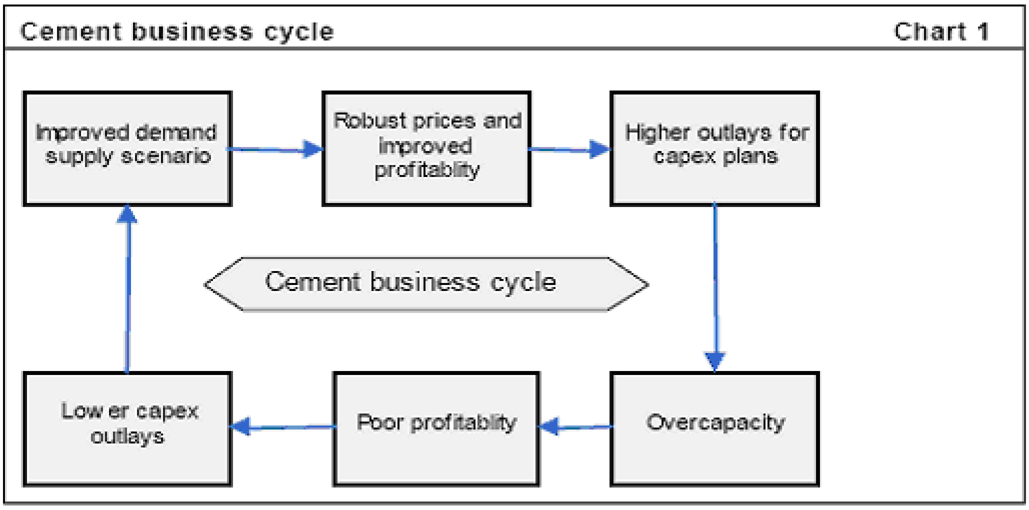
Events during the period of partial decontrol	
Period	**Events**
Feb-82	Companies allowed to sell 33 per cent of their production in the open market, while price and distribution controls enforced for the remaining production
1985-86	Proportion of cement for free market sale increased to 50 per cent.

Events post decontrol	
Period	**Events**
Mar-89	Price and distribution controls removed completely.
Jul-91	Industrial licensing abolished for new capacities.

The cement industry in India has grown steadily since 1914, when the first cement unit of 1000 tonnes was set up at Porbandar. The growth in the industry has followed the pattern of economic growth, i.e., moderate to low growth during the fifties, the sixties and the seventies and high growth during the eighties & the nineties. Since decontrol of cement, the industry showed characteristics symptoms of free market conditions, where producers build capacities ahead of demand in the expectation of capturing the future demand.

Indian Cement Industry Structure
The cement industry in India is estimated at 125 million tonnes (2004-05) by volume. The domestic cement industry is highly fragmented, with over 50 cement players and more than 120 manufacturing plants. This apart, the industry is highly regionalized, as cement units are concentrated in clusters, close to the limestone deposits. Competition is also regionalized since the low-value of the commodity makes transportation over long distances uneconomical.

Like in most commodity industries, the business cycle in the cement industry follows a set pattern. When the demand-supply gap narrows, price realizations improve and companies increase their capex outlays for building capacities and increasing their market shares. As capacities start bunching up, overcapacity starts creeping-in and player profitability deteriorates. This constraints further capacity additions, which results in lower capex outlays
and, over a period of time, helps in improving the business scenario. Most of the large companies with high level of financial flexibility are the first to take off in good times as they are continuously looking at improving their market share.

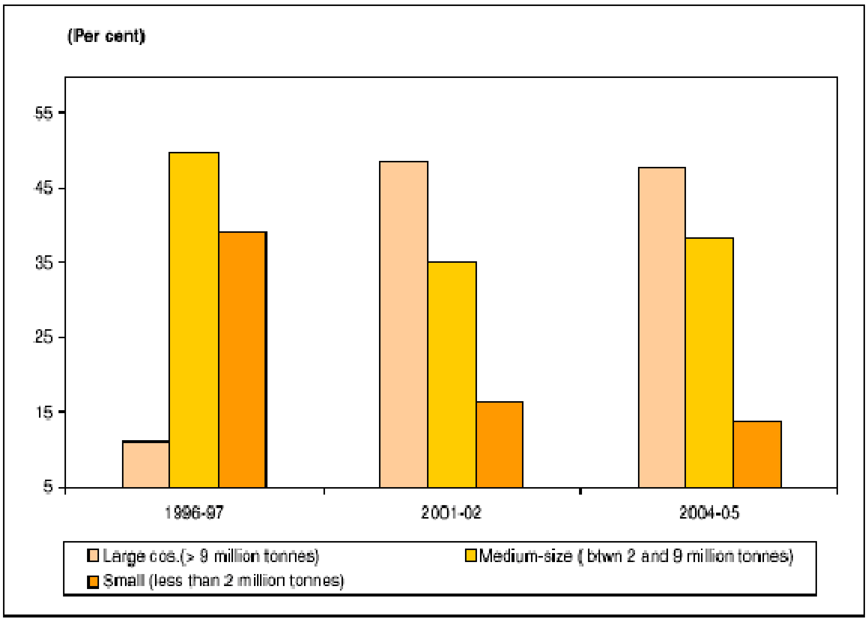


Players
The main players in the cement industry are the raw material suppliers, manufacturers, distributors and end-users. Given below is a brief summary of the characteristics of each party.

Raw Material Suppliers
Most of the main raw material suppliers are either in the public sector domain or controlled by the central or state Governments. As the cement companies, generally enter into prospecting/mining lease with the respective state Governments, the Government generally controls the prices. Most of the cement companies are assigned quarterly linkages for coal (fuel) from specific coalfields. The cement industry accounts for only 3% of the total coal requirements.
Power is purchased from the respective State Electricity Boards. Arising from the lack of availability of quality power, cement companies have been increasingly using captive power to augment their requirements.

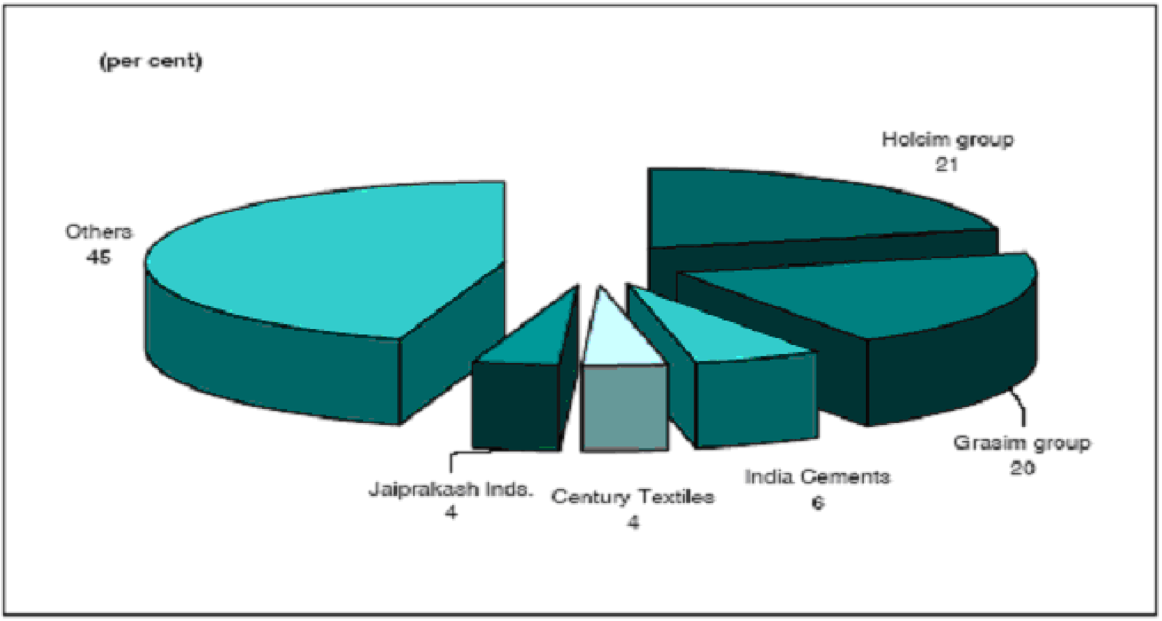
Manufacturers
As cement is a bulky commodity, hence outward freight costs account for a large share of (22% approx.) production costs. Hence cement units prefer not only being close to the limestone quarries but also to the markets. Depending on the location the manufacturers are called cluster or coast based. In 2003-04 around 48% of the cement capacity was located in seven clusters and around 36 % were based near the coast up from 8% in 1993-94. The capacities near the coast have been increasing primarily to benefit from the lower sea level freight for cement exports and coal imports.

Proportion of capacity of the players. Figure 1



Concentration in terms of the number of units and the dominance of large players is moderate but the same has improved over last 6 years. With Grasim's acquisition of Ultratech Cemco (erstwhile L&T Limited), Grasim has emerged as the largest cement producer in the country with approximately 22% market share. The Gujarat Ambuja-ACC combine on the other hand command around a 20% market share, making the Indian cement market a near duopoly.

Market share of top 5 players in 2005-06 **Figure 4**



Distributors

These constitute the important link between the manufacturer and the end user. The main intermediaries in the distribution chain include:

1. **Wholesalers:** The wholesaler is a large trader, who handles sale of 800-20,000 tonnes of cement per month. He maintains liaison with retailers and effect sales to the institutional customers. His role includes, managing the credit risk of customers, aggregating retail demand, order processing, ensuring timely delivery of material and collection of receivables. *In general, a wholesalers' margin is Rs. 1- 2 per bag.*
2. **Retailers**: A retailer is a small trader, who stocks 20-500 tonnes of cement per month. A retailer does not have a preference for any particular wholesaler. Hence, most retailers negotiate with at least two wholesalers to negotiate prices and determine suitable price. *In general, a retailers' margin is Rs. 5-6 per bag.*
3. **Wholesaler-cum-Retailers**: A wholesaler-cum-retailer would operate in markets, which have low off-take levels and limited access to cement. Typically these markets are small towns and rural areas.
4. **End users:** The main end users are Government, institutional buyers and retail buyers. At present, Government accounts for around 20% of the total demand as compared with 40% in the 1980's. The Government purchases cement either by floating tenders or through The Director General of Supplies & Disposals (DGS&D). The organization receives offers from various cement companies and selects cement vendors. Around 60% of total government purchases are through the direct tendering process and the balance through DGS&D. Institutional buyers account for around 50% of the total demand. They buy either directly from the companies or from the wholesalers. As they buy large quantities, they are offered prices, which are Rs.10-15 lower as compared to retail prices. Retail buyers account for around 30 % of total cement demand and buy the cement from retailers. Retail buyers have less pricing flexibility due to their lower requirements.

Structural characteristics of the industry

⌘ **Concentration levels in the industry**: The Grasim-Ultratech Cemco combine and Gujarat Ambuja-ACC combine together account for over 40% of the total production. This is a dramatic increase in the concentration ratio, which can be attributed, largely, to capacity additions by the existing players as also mergers & acquisitions. However, the industry continues to be fragmented in terms of the number of players in the industry.

⌘ **Distribution of capacity based on technology**: As of December 31, 2003, around 94% of the capacity was based on dry process technology as compared to 84 % in 1993-94. The shift is due to lower coal consumption in the dry process technology.

⌘ **Distribution of capacity by region:** The seven states viz. Madhya Pradesh, Andhra Pradesh, Rajasthan, Gujarat, Karnataka, Tamil Nadu and Maharashtra, account for around 74 per cent of the total domestic capacity. Region-wise, the West and South account for a larger share of total domestic capacity and production largely due to the presence of limestone deposits. Although the North is the largest consumer of cement, the capacity and production fall short of consumption, indicating an inflow of cement from other regions.

⌘ **Distribution of capacity by capital cost per tonne**: Around 35% and 45% of the existing capacity were added during the 1980's and 1990's respectively. These capacities were added at a capital cost of Rs 1,000-3,500 per tonne. *Capital cost per tonne increased to Rs. 3,500-4,000 in the 1990's. The increase in capital costs was mainly due to the depreciation of rupee vis-à-vis dollar. In dollar terms, the capital costs have ranged between $ 85-100 per tonne.*

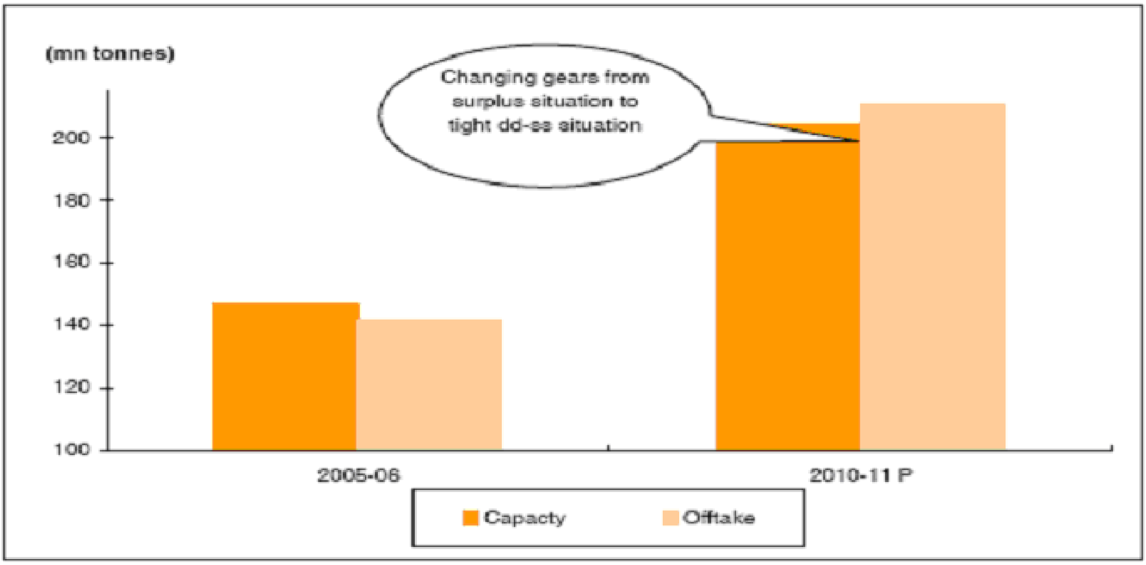
Demand-Supply Scenario in the Country

Demand Scenario

Cement demand depends on growth in various sectors of the economy, such as constructions, housing demand, infrastructure development or industrial investment. Cement demand is closely related to the growth in the construction sector. (A regression analysis of cement demand and investments in the construction sector shows a high correlation of 0.99 and moderate elasticity of 0.55.). Consequently, cement demand has posted a healthy growth rate of around 8 per cent since 1997-98, propelled by the increased focus on infrastructure development, and higher demand from the housing sector and industrial projects.

Growth in cement consumption, in the country, over the last decade has exhibited a strong correlation to the GDP growth with an elasticity of approximately 1.48 times, i.e., a growth of 1% in the GDP correlates to a growth of 1.48% in cement consumption. While GDP has over the last 10 years grown on an average of 6.2% every year, growth in the cement demand during the same period has averaged 8%. The per capita consumption of cement in India, however, is very low, as compared to the developed countries and the overall world average per capita cement consumption. The per capita consumption of cement in India is 110 kgs as compared to over 700 kgs in Japan, 540 kgs in China and over 370 kgs in US indicating wide scope for growth.

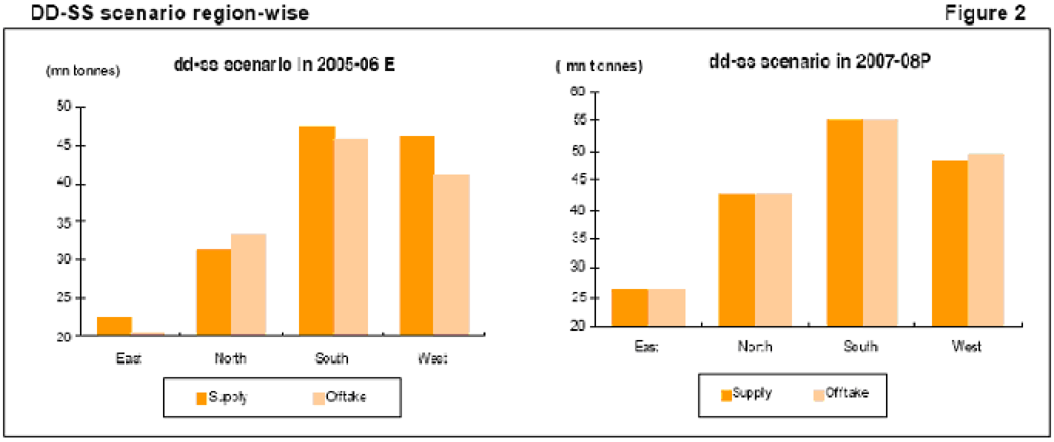
Offtake and supply scenario **Figure 1**



Cement industry in 2004-05

During 2004-05 the cement industry performance was characterized by normal volume growth, stable to better cement prices and favourable demand–supply balance in certain regions. The Industry cement production during the year 2004-05 was at 125.6 million tonnes and dispatches during the year 2004-05 was at 125.1 million tonnes registering a growth of 7.8%. During the year, the industry had to face various challenges such as the steep increase in price of inputs, lower coal and wagon availability etc. While the increase in price of key inputs like coal, diesel etc. adversely impacted the cost of production; the increase in rail and road freight increased the logistics cost. The poor availability of coal is forcing the industry to look for costlier alternate options and to exceed the prudent stocking norms both of which affect costs and profitability.

DD-SS scenario region-wise **Figure 2**



The cement demand over the last four years is given below:

	2001-02	2002-03	2003-04	2004-05	2005-06 (Apr-Aug)
Cement Demand (Mn Tons)					
East India	16.30	16.96	17.47	20.33	9.30
North India	31.48	34.06	36.26	38.37	16.40

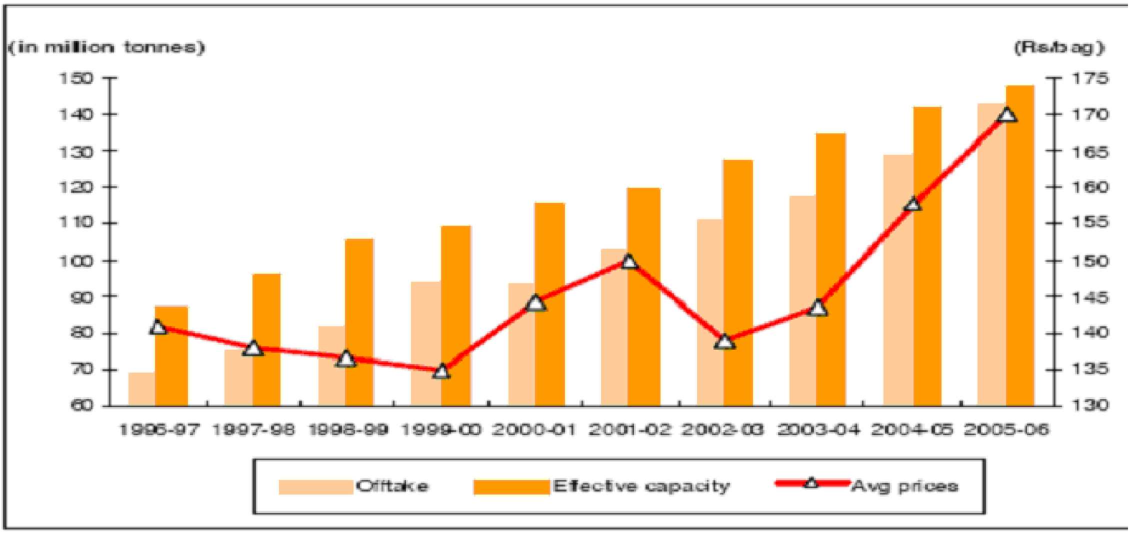
South India	26.08	29.66	31.47	30.75	15.50
West India	25.15	26.91	28.58	31.62	12.70
India	**99.0**	**107.6**	**113.8**	**121.1**	**53.90**

	2001-02	2002-03	2003-04	2004-05
Operating Rate (%)				
East India	76.5	74.8	72.5	79.9
North India	83.6	85.7	88.6	88.1
South India	71.5	74.9	77.9	78.5
West India	83.3	84.5	80.4	82.7
India	**78.5**	**80.1**	**80.2**	**82.2**

Demand drivers continue to be strong

The growth drivers in all the sectors affecting the demand of the cement in India are in place indicating better prospects for cement over the medium term. The continued thrust of the Central Government on housing and infrastructure with particular focus on rural infrastructure along with opening up of real estate sector for foreign direct investment is expected to sustain healthy growth of cement demand. The Government's emphasis on rural lending could improve the investments in new houses in the rural sector. This along with the continued focus on National Highway Development Project and the planned infrastructure projects of airports, ports and power generation should give adequate fillip to the cement demand.

Trend in offtake-supply and prices Figure 1



Note

Offtake includes domestic demand and export demand

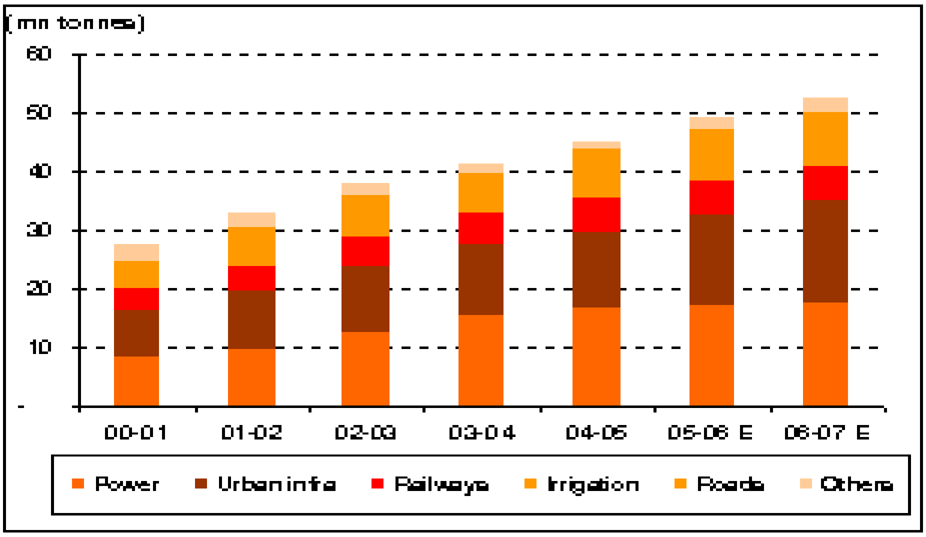
Against the above backdrop, cement demand in the year 2005-06 is expected to grow at around 8.2% to 131 million tons and continue to grow at the same rate of 8.2 % to 141.7 million tons by 2006-07. The strong demand growth in the medium term will be driven by continued:

- Strong housing demand;
- Higher level of commercial construction activity;
- Increased government focus on infrastructure spending; and
- Higher investment in industrial projects.

The factors, which are likely to affect the demand of cement positively, are given below;

#	Sectors	Remarks
1	Housing Sectors	Accounts for over 65% of the cement demand. 5 mn houses are expected to be added each year by 2008-09.
2.	Retailing Boom	74 mn Sq.ft. will be developed for setting up of retail stores involving a total of Rs 155 bn over the next 5 years.(2005-10)
3.	IT/ITES	Nearly 75 million Sq. Ft to be developed by the IT & ITES industry over the next three years.
4.	Infrastructure Projects	Nearly 40-45 mn tons of cement to be consumed in infrastructure projects.

Cement demand from infrastructure spends



Cement Export
Cement and Clinker export account for about 7.50% of the total cement demand. Any change in the export potential increases the domestic availability of cement. The trend of cement export is as follows:

Particulars	2001	2002	2003	2004	2005
Cement Exports (MTPA)	3.4	3.3	4.6	6.9	7.3

In the last 3 years, export growth was in double digits on account of a sharp pick-up in cement exports to the Middle East. This was mainly on account of shortage of cement in the Middle East to cater to infrastructure and construction activity taking place (on the back of strong rise in petrol prices). India producers, particularly, the port-based players, were at an advantage due to their proximity to the region and their cost competitiveness.

However, new capacities are being added in the Middle East to meet the rising demand and an additional 30 million tonnes per annum (MTPA) of capacity is expected to come up in the next 12-24 months, which may lower the cement off take from India. Moreover, the high per capita consumption of cement in the Middle East leaves little potential for a further rise in demand and prices of cement.

Supply
India is the world's second largest producer of cement. As of 31st March 2005, the total installed cement capacity in the country was 152.09 MTPA as compared to 115 MTPA in September 2000. With demand expected to grow at nearly 8%, it is expected that green-field/ brown-field capacity additions of around 35 MTPA will be required to maintain a healthy demand-supply balance over the next 5 years. Capacity utilization rate was 87.3% during the period from April to August

2005, the highest recorded in the corresponding period of the last 9 years. Historically, it has been observed that the industry has operated at around 85%. Given the promising industry outlook, capacity additions are expected to be set up once operating rates exceed 85%.

Financials of Key Players

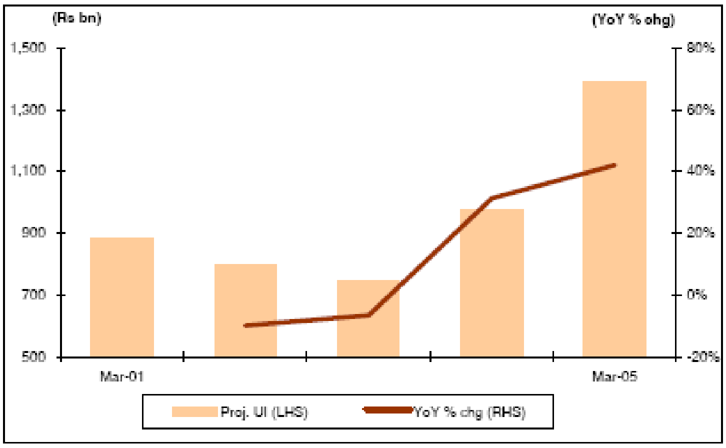
Particularités (Rs Crores)	ACC		Gujarat Ambuja		Ultratech Cement		India Cement	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
Sales	3901.61	4548.92	2306.7	3029.70	2697.78	3136.67	1234.46	1387.01
PBDIT	421.28	654.41	540.2	725.57	344.14	375.59	106.46	136.62
PAT	200.24	378.39	336.8	468.29	38.83	2.85	-95.93	4.58
PBDIT/Sales	11%	14%	23%	24%	13%	12%	9%	10%
PAT/Sales	5%	8%	15%	15%	1%	0%	-8%	0%
Capacity (Mn Tons)	16.8	18.2	12.5	14.6	17.0	17.0	8.8	8.8
Plant & Machinery	3133.65	3381.39	2864.83	2883.61	3442.96	3461.45	2342.62	2432.37
P & M cost per ton	1865.27	1857.91	2291.86	1975.08	2025.27	2036.15	2662.07	2764.06

The financials of the these four players reveal that during the last two years the operating profit (PBDIT) margin has been in the range of 10-12% (Except that of Gujarat Ambuja). The cost of plant and machinery is about Rs 2400 per ton of the capacity. The per ton cost of plant and machinery of ACC is less because of the fact that the units are very old.

Eastern Region Scenario

Most of the demand for cement has been primarily from the housing sector, apart from NHDP and other road projects of NHAI. The low base in the eastern region has also contributed to the robust growth. Infrastructure spending in Chhattisgarh and West Bengal and industrial investments in Orissa has played an important role in the strong growth in demand.

Project investment in the eastern region Figure 12



Notes

1) UI indicates under implementation

2) States taken to aggregate numbers for the Eastern region are Bihar, Chattisgarh, Jharkand, Meghalaya, Orissa, West Bengal

Source: Industry

The investment scenario is changing in the region and the East will experience healthy growth in demand as the state government and public sector units (PSUs) are implementing large infrastructure projects in oil and gas and power, as well as industrial projects in steel. Indian Oil Corporation is setting up a refinery project in Orissa, and NTPC and NHPC are implementing large power plants in Chhattisgarh, Bihar and Assam. Tata Steel is implementing a 2.4 mtpa steel capacity in Jharkhand at a total cost of Rs 780 billion.

The cement consumption in the Eastern India for 2005-2006 has been estimated as 16.19 million tones. The demand in different markets is given in table below over the past few years and the expected production and consumption trends in the near future in given in the table below.

Cement Market Scenario in the Eastern Region

MT: Million Tonnes

Year	Total Capacity (MT)	Total Production (MT)	Total Consumption (MT)	Consumption - Production
2000-01	8.86	6.38	11.54	5.16
2001-02	10.35	7.81	13.55	5.74
2002-03	11.72	9.33	14.05	4.72
2003-04	11.74	9.15	14.32	5.17
2005-06	11.92	10.29	16.19	5.90
2006-07P	12.38	10.92	17.08	6.15

* P= Projected

Though the state of Chhattisgarh has not been considered a part of the target region, it is the largest supplier of cement for Eastern India. West Bengal is the largest consumer of cement in the area. Traditionally the high consumption states have been West Bengal, Bihar and Orissa where as the high growth states have been Jharkhand and Chhattisgarh. Demand growth has been around 5.6 % CAGR over the last 5 years and Jharkhand has grown annually at around 18 % for the last 3 years.

East: Inbound and outbound cement movement Table 6

Receiving region	Region	2002-03	2003-04	2004-05
East India	East India	14.9	15.1	16.8
	South India	0.2	0.4	0.7
	West India	0.1	0.3	0.3
	Central India	1.7	1.7	2.5
East's total demand		17.0	17.5	20.3
Inbound[1]		2.0	2.4	3.5
Outbound[2]		1.8	1.6	1.9

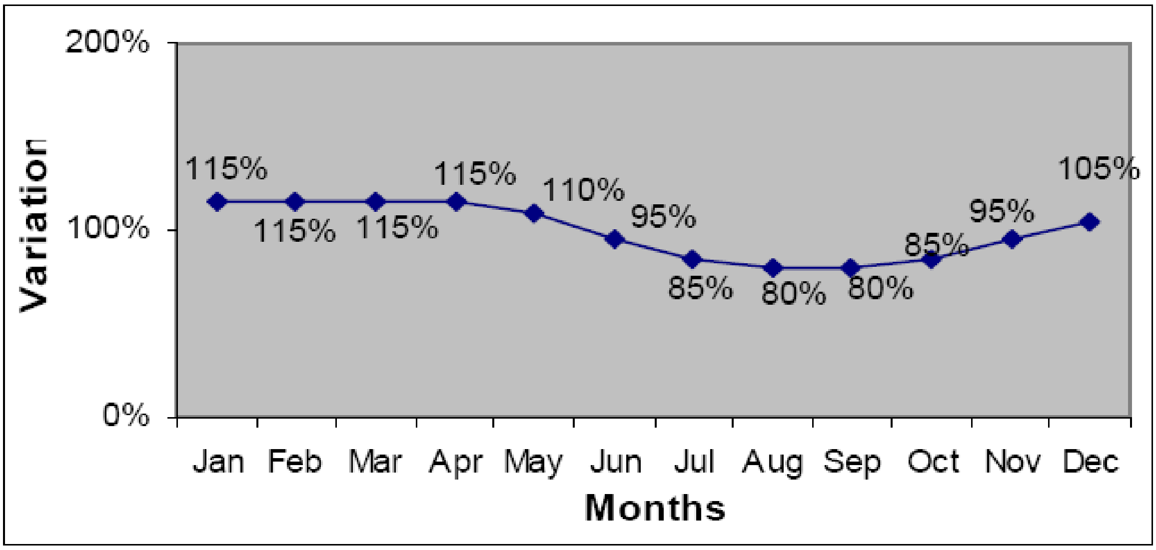
[1]- Dispatches to east.

[2]- Dispatches from east.

Demand Seasonality

The cement consumption peaks in winters and reduces in summer and monsoon. The target regions experience heavy rainfall, lowering their cement consumption.

Seasonality in cement demand is shown in Chart below. During the peak, the monthly demand goes up by around 15%, while at its lowest, it goes down by 20% from the average volume.



Seasonality

Cement Supply
Listed below are the existing and upcoming cement manufacturing facilities in the eastern region.

West Bengal

#	Name of Cement Company/Plant	Location	Annual Installed Capacity in Million tonnes
1.	Damodhar Cement (G)	Purulia	0.53
2.	Birla Corpn. Ltd.	Durgapur	0.60
3.	Ambuja Eastern	Sankrail	1.00
4.	L & T – WB	Durgapur	1.00

Bihar

#	Name of Cement Company/Plant	Location	Annual Installed Capacity (Million Tonnes)
1	Kalyanpur Cement	Banjari	`1.00

* Due to formation of a new separate state – Jharkhand , the most of the Bihar cement plants gone into the Jharkhand in 2000-01.

Jharkhand

#	Name of Cement Company/Plant	Location	Annual Installed Capacity (Million Tonnes)
1	ACC Ltd.	Chaibasa	0.61
2	ACC Ltd.	Sindri	0.60
3	Lafarge	Singhbhum	3.00
4	Lemos Cement	Khalari	0.11
5	Sone Valley	Japla	0.25

Orissa

Sl. No.	Name of Cement Company/Plant	Location	Annual Installed Capacity (Million Tonnes)
1	L & T Ltd. (G)	Jharsuguda	0.80
2	OCL India Ltd.	Rajganpur	1.28
3	Bagarh Cement Ltd.	Bargarh	0.96

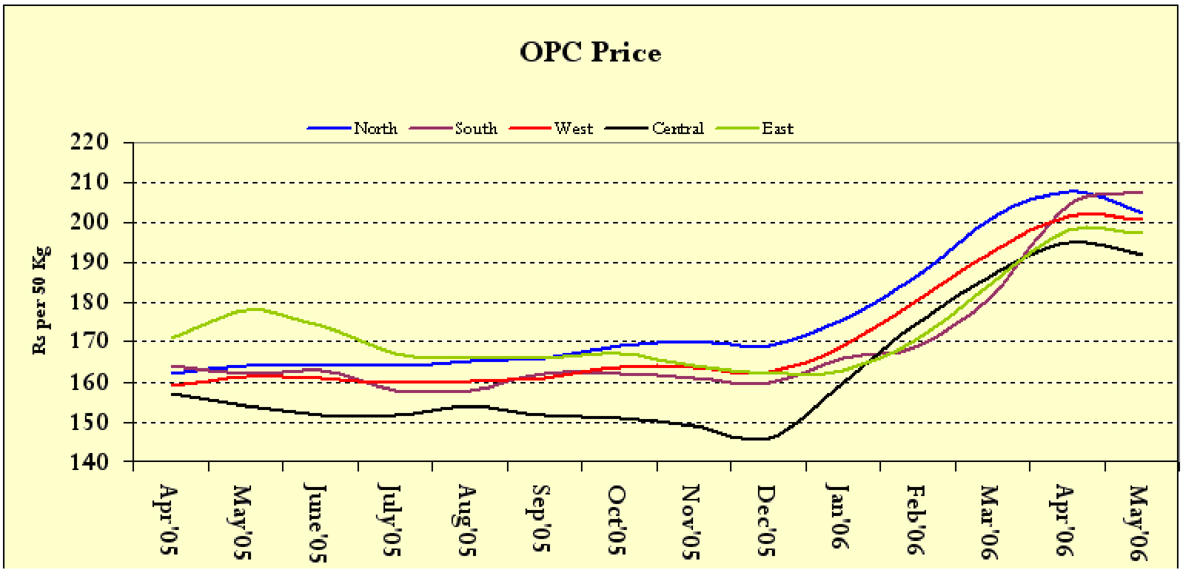
Cement Production and consumption in Jharkhand

Year	Capacity	Cement Production	Cement Consumption	Cement/Clinker Export
2004-05	4.57 *(2.97)*	3.78 *(2.96)*	2.31	0.06
2003-04	4.57 *(3.12)*	3.59 *(3.05)*	2.03	0.07
2002-03	4.57 *(3.27)*	3.64 *(3.27)*	1.77	0.1
2001-02	3.47 *(2.58)*	3.01 *(2.94)*	1.4	0.1
2000-01	3.47 *(2.86)*	2.51 *(2.68)*	0.71	0.13

Note: Figures in brackets are percentages to All India total

Prices

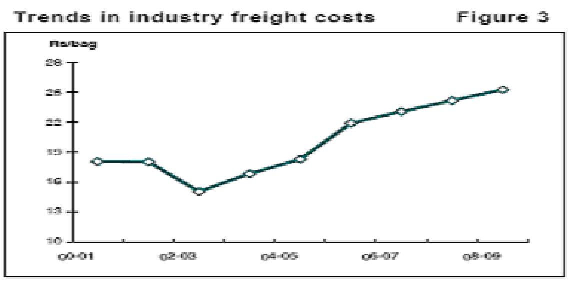
The cement prices in the target region are increasing gradually in line with the rise of cement prices across the country. Prices are primarily driven by the prices of mainland players, who incur high freight cost in supplying to the target region. The movement of cement prices since April 2005 and the region-wise seasonal price trends have been illustrated below.

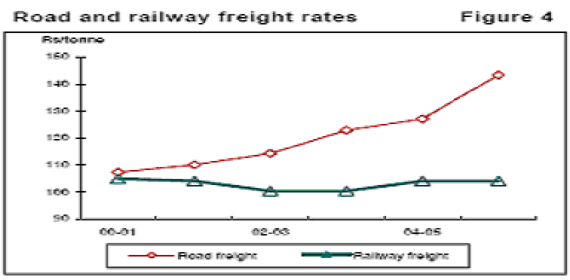


Packaging
The cement supply in the target region is only in HDPE bags.

Logistics
The transportation of cement is usually by both rail and road. Also, freight is the key component in cement distribution and pricing. Primary freight (freight from cement plant to cement depot/ warehouse in the desired market) for main land players has been estimated based on rail distances from each cement plant to each district in the target region. In the case of grinding units, clinker freight from clinkerization units to grinding units has also been considered. Freight from railway siding to the depot or dealer warehouse has also been added to compute primary freight. Primary freight varies from Rs 55 - 90 per bag for a main land player. However, the local players including mini plants are supplying by road and their freight varies from Rs 10 - 40 per bag. Secondary freight i.e. from dealer to retailer in the target region is around Rs 2 - 3 per bag.

Future Outlook





Cement Demand and Supply

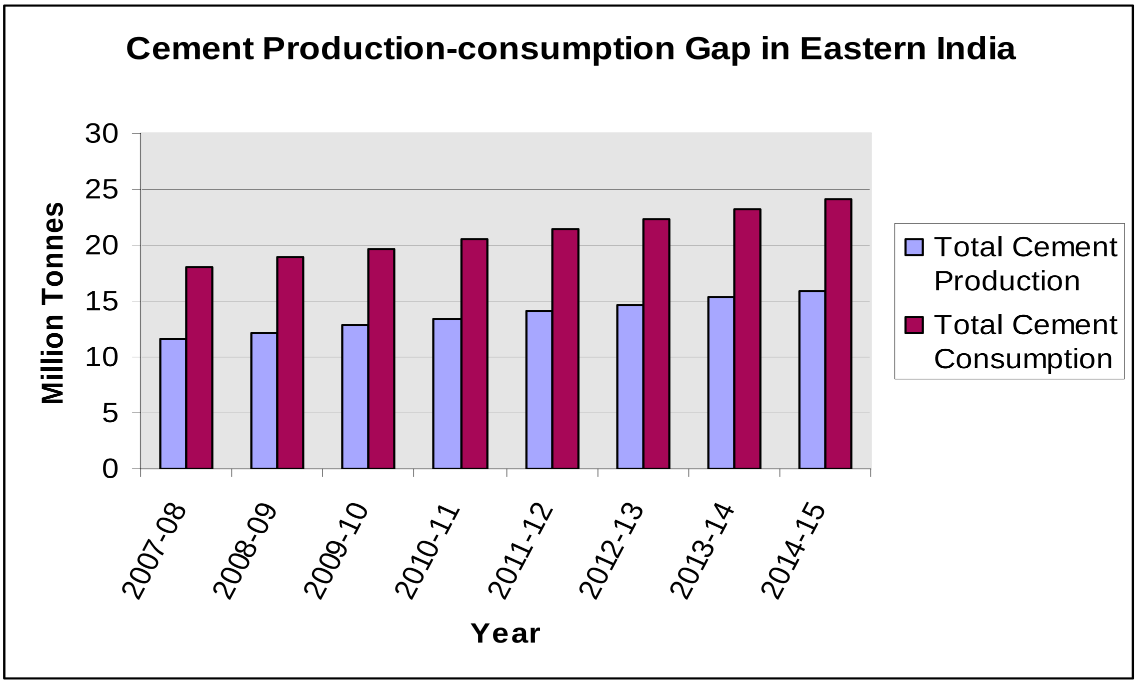
The table below shows the trend of cement demand and supply for the next 8 years.

Year	Total Capacity (MT)	Total Production (MT)	Total Consumption (MT)	Consumption - Production
2007-08 P	12.83	11.55	17.96	6.41
2008-09 P	13.28	12.18	18.84	6.66
2009-10 P	13.74	12.81	19.72	6.91
2010-11 P	14.19	13.44	20.60	7.16

2011-12 P	14.64	14.07	21.48	7.41
2012-13 P	15.10	14.70	22.36	7.66
2013-14 P	15.55	15.33	23.24	7.91
2014-15 P	16.00	15.96	24.13	8.16

Projected

The projected demand supply gap of cement for Eastern India justifies the expansion of units and justification of new entrants.



Detailed Cement Profile of West Bengal, Orissa and other states of Eastern India
West Bengal

State profile: West Bengal — Table 15

(million tonnes)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 H1
Capacity	1.1	1.1	2.3	3.1	3.1	3.1	1.8
Production	0.9	0.8	1.7	2.5	2.7	3.1	1.8
Consumption	4.7	4.7	5.9	5.6	5.8	6.2	3.7
Growth (per cent)	27.4	-1.4	27.2	-5.1	2.7	7.6	-
Gross surplus/(deficit)	(3.9)	(3.9)	(4.2)	(3.1)	(3.0)	(3.1)	(1.9)
Inflows							
From other states (excluding West Bengal)	**4.0**	**4.0**	**4.4**	**3.3**	**3.4**	**3.6**	**2.0**
- Jharkhand	0.0	0.0	1.1	1.2	1.2	1.1	0.6
- Chhattisgarh	0.0	0.0	2.7	1.5	1.6	1.7	0.8
- Madhya Pradesh	2.9	2.8	0.2	0.2	0.2	0.3	0.4
- Bihar	0.8	0.8	0.0	0.0	0.0	0.0	0.0
- Orissa	0.3	0.3	0.3	0.3	0.4	0.3	0.2
West Bengal	0.7	0.7	1.6	2.3	2.4	2.6	1.7
Outflows							
To other states (excluding West Bengal)	**0.1**	**0.1**	**0.1**	**0.2**	**0.4**	**0.5**	**0.1**
- Bihar	0.0	0.0	0.0	0.0	0.1	0.1	0.0
- Exports	0.1	0.0	0.0	0.0	0.0	0.0	0.0
West Bengal	0.7	0.7	1.6	2.3	2.4	2.6	1.7
Adjusted surplus/(deficit)	**0.1**	**0.0**	**0.1**	**(0.0)**	**(0.0)**	**0.1**	**0.0**
Market shares of key producers in the state (per cent)							
ACC	21.3	20.1	19.2	17.7	18.6	19.1	18.1
Lafarge	6.5	14.9	23.9	20.9	20.3	18.6	16.3
Gujarat Ambuja	10.1	8.0	13.1	14.8	14.8	15.5	16.6
Larsen and Toubro	9.2	10.6	10.4	12.5	13.1	12.9	14.4
Century Textiles	12.0	13.2	11.6	11.1	10.4	11.0	12.6
Birla Corp	7.3	7.7	8.0	8.8	9.4	9.6	9.2
Grasim	8.0	8.4	7.3	7.6	7.2	7.1	4.5
OCL India	3.9	3.5	2.8	2.8	3.2	3.2	4.2
Jaiprakash Inds	0.5	0.8	1.2	1.4	1.0	1.7	2.6
Prices in the key centre in the state (Rs/bag)							
Kolkata	133	148	138	150	158	174	176

Note

Prices are wholesale prices and are inclusive of excise, sales tax and octroi.

H1: April-October

Orissa

State profile: Orissa Table 10

(million tonnes)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 H1
Capacity	2.7	2.8	2.8	2.8	3.0	3.0	1.8
Production	2.1	2.4	2.4	2.6	2.5	2.9	1.7
Consumption	2.1	2.6	2.9	3.5	3.4	3.9	2.3
Growth (per cent)	9.3	27.6	11.6	17.8	-2.2	14.4	-
Gross surplus/(deficit)	0.0	(0.2)	(0.5)	(0.8)	(0.9)	(0.9)	(0.6)
Inflows							
From other states (excluding Orissa)	**0.6**	**0.9**	**1.1**	**1.4**	**1.5**	**1.8**	**1.1**
- Madhya Pradesh	0.4	0.6	0.0	-	-	-	0.0
- Bihar	0.1	0.1	-	-	-	-	-
- Andhra Pradesh	0.1	0.1	0.2	0.2	0.4	0.6	0.3
- Chhattisgarh	0.0	0.0	0.9	1.1	1.0	1.1	0.8
Orissa	1.4	1.8	1.8	2.0	1.8	2.1	1.1
Outflows							
To other states (excluding Orissa)	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.8**	**0.6**
- West Bengal	0.3	0.3	0.3	0.3	0.4	0.3	0.2
- Bihar	0.2	0.3	0.1	0.1	0.1	0.1	0.1
- Exports	0.1	0.0	0.0	0.0	-	-	-
Orissa	1.4	1.8	1.8	2.0	1.8	2.1	1.1
Adjusted surplus/(deficit)	**0.0**	**0.0**	**0.0**	**0.0**	**(0.0)**	**(0.0)**	**0.0**
Market shares of key producers in the state (per cent)							
OCL India	28.1	26.2	26.4	25.0	26.0	25.4	23.4
Larsen and Toubro	21.6	21.9	22.4	21.6	19.9	19.5	18.9
ACC	3.3	2.9	3.9	3.8	9.0	17.5	17.6
Lafarge	0.8	2.8	6.2	7.2	7.7	8.2	10.4
Century Textiles	5.5	5.8	6.2	6.3	6.2	6.2	8.8
Grasim	4.1	3.9	5.1	4.9	5.2	5.3	5.9
Zuari Inds	0.0	0.0	0.0	1.6	2.3	4.3	2.5
Andhra Cements	2.3	2.3	3.4	3.3	4.2	4.1	1.5
Gujarat Ambuja	4.7	4.6	5.1	4.5	3.9	3.6	3.1
Prices in the key centre in the state (Rs/bag)							
Bhubaneshwar	124	143	134	141	141	150	158

Note

Prices are retail prices and are inclusive of excise, sales tax and octroi.

H1: April-October

Business Overview

Burnpur Cement Limited (BCL) is one of the established cement manufacturers of Eastern India having its market presence in West Bengal, Jharkhand and Bihar. The Company started operations in the cement industry in October 1991 with a small cement plant of 30 TPD. The unit was set up in Asansol to produce Portland Slag Cement conforming to IS: 455. The production phase was ushered in with the commissioning of the Plant in October, 1991. A slow and steady commissioning of other units led to a gradual stepping up of production over the years. Expansion of facilities over the years has resulted in a capacity of 1000 TPD of cement making. The Company has earned brand recognition for consistent product quality, customer satisfaction, marketing network etc. For its consistent and continuous endeavors the company has received ISO-9001:2000 in 2004.

The Company was incorporated, on June 19, 1986 as Ashoka Concrete and Allied Industries Private Limited. The name of the company was changed to Burnpur Cement Private Limited on September 18, 2001 and was subsequently converted to a public limited company on November 12, 2001. The company is a professionally managed Company. The company has achieved a turnover of Rs. 25.85 crores for the financial year 2005-06.

The company proposes a backward integration by putting an 800 TPD Clinkerisation and Cement grinding unit at Jharkhand State, which is approximately 3.0 km away from Patratu Thermal Power Station and about 10-15 kms from vast limestone deposits.

BCL has commenced commercial production of Portland Slag Cement (PSC) from its unit at Asansol from October 1991 with an initial capacity of 30 TPD. The capacity thereafter has been increased gradually in a phased manner and currently the plant has a capacity of 1000 TPD.

The Company has been committed to Quality Control ever since its inception. In order to maintain a consistent quality of its product, the company has set up an In-house R&D laboratory with modern quality control equipment. The laboratory is manned by qualified & experiences personnel.

The Products of the company are approved and accredited with Quality Standards with BIS Certification. The quality standards ensure that the quality of cement manufactured by the Company is as per Industry norms.

The company has showed improved financial performance on a continuous basis. The turnover has increased from Rs. 14.13 crores in 2004-05 to Rs. 25.85 crores in 2005-06 thereby showing a growth of 82.94% over the previous year.

Plant & Machinery:

As at December 31, 2006, the Company ownes the following machinery and equipments, which are used in the Company's Exisitng Cement Plant:-

Sl. No	**Particulars**	**W.D.V as at 31.12.06 (Rs. In lakhs)**
1	Ball Mill, 2 mtr diameter x 7.0 mtr long with pulley/ belt/reduction gear, coupled with 350 HP Motor, 4 Nos Hopper with reciprocating feeder, conveyor, complete structure in working condition, having production. Capacity – 150 M/T pd. Whole system rigidly anchored complete	143.52
2	Conveyor System: 2 x 54 Mtr long with receprceting feeders complete with drive Motor	31.40
3	Silos Tank-3.5 Mtr dia x 7.5 Mtr ht with inject system outlet SOKG SACK filling device. One/2 Ballmill complete with motors/ structures mechanical system weighing complete	46.65
4	Pollusion Device/Dust excluder with motor duct complete to 7	99.82
5	Drive unit: Before putting the slag into the Ballmill it is run through drier coal field 1 mtr long 1.5 mtr conveyor etc. in running condition	49.33
6	All foundation conc with reinforcement	24.22
7	Ancillery equipment/ stand by	11.21

8	New Milling Unit-2 Main Shad:CGI Sheet roof on Angel truss/purlins/ISMB-Column 6.0 mtr height complete in all respect newly constructed	194.97
9	Ball Mill of 1.75 Mtr Dia-Length-6.25 Mtr with pulley Belt/ Motor-350 HP/R.Gear with all structure, reciprocating feeding Hopper with all foundations having capacity of such mill of 100 m/tpd of furnishing product of cement	125.58
10	Raw Material Conveyor 0.75 Mtr width Belt with all structure, roller motor R.P.Feeder comp up to hopper of each Ball Mill	35.88
11	SILO-3.5 Mtr dia x 7.5 Mtr high with injector, blower, all structure, with filling arrangements cum loading	44.85
12	Pollution Device/ Dust control unit complete with MS Duct, Motor, Structure complete	75.35
13	Drier unit coal fried rotary type-1.5 Mtr Die 6 Mtr long with complete structure motor conveyor with R.P.Hopper R.Gear heating arrangement blower complete	40.36
14	All FDN Conc with reinforcement	19.73
15	Ancillery Machinery	12.41
16	Main Godown of Unit-I: AC Sheet roof supported on MS Angle Truss Mounted on by pillars-20′ x 20″ walls-15″ complete with D/Windows/flooring finishing 7.6 Mtr/Area-2313.23 M	114.12
17	Compressor	3.70
18	Pumps	0.45
19	Boring	2.24
20	Lathe	0.72
21	Shapping	0.63
22	Pedartal Drill	0.45
23	Welding Transformer	0.45
24	Hand Drill	0.03
25	Weigh bridge	8.42
26	Tools/ Tackles Pulley	0.31
	Total	**1086.82**

Details of Plant & Machineries which is proposed to be purchased are as follows and the status of orders is as mentioned therein

Summarized list of plant & Machinery for which orders are yet to be placed:

Sr. No	Description	Tentative Supplier	Amount (Rs. in lacs)	Quotation no. Date of quotation relied upon
	Main Plant and Machinery	Thyssenkrupp Industries India	7212.53	Ref No.CN/MK/AB/Q 60074 dated 17.01.2007
	Other Plant and Machinery	As per estimates of Development Consultants Private Limited	415.00	Ref No. DCPL-K6C10/PC-7/7403 dated 28th March, 2007
	Electrical and Instrumentation & Control	As per estimates of Development Consultants Private Limited	752.00	Ref No. DCPL-K6C10/PC-7/7404 dated 28th March, 2007
	Total		**8379.53**	

Summary of Orders (excluding escalation, contingencies, transportation etc):

Sr. No.	Particulars	Value (Rs. In lacs	%age
A	**Total Cost of Plant & Machinery :**		
	Domestic	8379.53	100.00%
	Imported	-	-
B	**Value of Orders Placed :**		
	Domestic	-	-

	Imported	-	-
C	**Value of Orders yet to be placed :**		
	Domestic	8379.53	100.00%
	Imported	-	-

The Plant & Machineries proposed to be acquired can be put in operation after commissioning and installations. Further, the Company has not bought or does not propose to buy any second hand Plant & Machineries out of the Issue proceeds.

Details of Miscellaneous Fixed Assets

These include equipment for various utilities such as furniture, fire fighting equipment, Tools & Tackles and expenditure on computerization and vehicles and communication systems etc.

Prices for Miscellaneous Fixed Assets as described below as per the quotation received from Development Consultants Private Limited ref No. DCPL-K6C10/PC-7/7405 dated 28th March, 2007 is as under:

Estimated Cost :

(Rs. In lacs)

Description	Total Cost
Office Furniture, computer, photocopy, machines, fax machines etc	2.81
Water supply and distribution system	36.59
Compressed air supply system	11.26
Insulation materials for dedusting	11.26
Fire Fighting system & Equipment	8.44
A/C & Ventilation Equipment	2.81
Laboratory Equipment	11.26
Workshop Equipment	11.26
Road Weigh Bridge	14.07
Lubricants	2.81
Refractories	84.43
Total	**197.00**

Technology:

The Company is in manufacture of cement since 1991 and has sufficient expertise and technical know how to set up and operate a cement plant. There are no technology and collaboration agreements with any parties for technology.

Manufacturing Process:

Cement is a hydraulic binder and is defined as a finely ground inorganic material which, when mixed with water, forms a paste which sets and hardens by means of hydration reactions and processes which, after hardening retains it's strength and stability even under water.

Manufacturing cement involves the following processes:

1 **Crushing and Grinding raw Materials,**
Limestone, after it has been mined from the quarry, is crushed and reduced to a size suitable for storage and blending. All the raw materials are then ground in a grinder.

2 **Stock-piling**
Crushing is followed by stockpiling, using a stacker reclaimer. The primary aim of stockpiling is to reduce the variations in the chemical characteristics of limestone.

3 **Raw milling**
Stockpiling is followed by the raw milling stage. In the raw milling stage, the raw-mill is ground into a fine powder to be burnt in the kiln.

4 Burning Process

After the raw mill is blended, it is heated in a rotary kiln. In modern cement plants, before the heat treatment in the kiln, the raw mill is heated in a pre-heater or/and a precalcinator system, in order to ensure a higher degree of burning and enhance the product quality. There are four processes of heat treatment. These include dry process, wet process, semi-wet process, and semi-dry process.

The proposed detailed manufacturing process for the cement plant is given below.

Common Manufacturing Process

Limestone Crushing

Run of mines (ROM) limestone will be crushed in mines area. The ROM limestone will be unloaded by pay loader to the ground hopper located in the limestone crushed area and will be transported to the hammer crusher by an apron feeder and a grizzly feeder. A hammer crusher will be employed to crush the raw material to – 25 mm size. The crushed limestone will be stored in open yard mines area and will be transported to plant storage area by trucks. The required sweeteners also will be crushed in mines area. It will be stored in open yard mines and also transported to plant storage area by trucks.

Crushed Limestone Handling, Storage & Additive Handling

The Crushed limestone and sweetener will be transported to plant by truck from mines. It will be unloaded on the ground hopper and then will be taken to the longitudinal covered storage hall by belt conveyor and tripper conveyor. Limestone from the storage hall will be extracted by set of vibrating feeders located in a tunnel below storage hall and delivered to a set of belt conveyor for further feeding to the raw mill feed hoppers.

The Iron ore also will be transported to plant area by truck and same will be unloaded on the ground hopper and then will be taken to the longitudinal covered storage hall by belt conveyor and tripper conveyor and then mill feed hopper through belt conveyor and vibrating feeder

Raw Material Drying & Grinding

Based on the raw mix design three raw material hoppers have been provided in the raw mill department. Out of the three hoppers, the large hopper is storing for limestone, another hoppers are for sweetener and iron ores respectively. Hoppers are covered and vented through a dust filter.

Raw materials and Iron ore are withdrawn from the respective hoppers by electronic weigh feeders. The electronic weigh feeder controls the proportion of raw materials as per raw mix design. Discharge from the weigh feeders is conveyed by a belt conveyor and is fed to a ball mill for grinding it to required fineness. Hot gas from the pre-heater is drawn into the mill for drying of raw material. After grinding coarse fraction is separated and returned to the mill by the classifier followed by air slide and impact scale. Material thus separated is further ground inside the mill while the fines i. e. product is sucked by the Separator ID fan through a battery of cyclones where the product is separated from the gas stream.

Vent through the mill is passed through the grit separator and cyclone separator by Mill ID fan and finally fed to the kiln vent bag house ESP. Grits collected is fed to the re-circulation bucket elevator. Dust laden air at the outlet of the mill ID fan along with the balance exhaust gas from pre-heater is passed through a Bag House for separation of dust.

Dust collected in the Bag House is transported by screw conveyor and fed either to blending silo or kiln feed bin depending upon requirement.

A coal fired hot gas generator has also been considered for initial start up of the raw mill when hot gas from pre-heater is not available.

Raw Meal Homogenizing & Kiln Feed System

In raw mill department various raw meal components are proportioned, however, the composition of raw material varies over a period. The variation in the raw material composition should be controlled and be evened out such that it is acceptable to kiln for a stable operation.

A continuous homogenizing & storage silo of RCC is envisaged for homogenizing the raw meal. Blended materials from continuous flow silo is conveyed by air slide and discharged to a bucket elevator which, in turn, discharges it to a load cell hopper known as kiln feed bin. Controlled materials discharged from the kiln feed bin is fed to bucket elevator for feeding to pre-heater. Re-circulation system is provided at the discharge of bucket elevator which takes the material back to the blending silo when kiln is not operating for a short duration. Kiln feed bin and bucket elevator is vented by separate dust filter.

Pyro-Processing (Pre-heater, Kiln & Cooler) Section
A single stream five stage pre-heater of the latest proven high efficiency, low pressure drop design is proposed for preheating of raw meal. The heat exchange between the gas and raw meal takes place in the gas ducts and separation of the heated raw meal takes place in the cyclones.

Kiln is fired with pulverized coal and latest design swirl chamber burner has been proposed for generation of low NO_x and greater heat transfer.
The clinker formed in the kiln is cooled in a third generation reciprocating cooler with maximum heat recovery by addition of cooling air, from the red-hot clinker. Secondary air required for combustion in kiln is sucked by pre-heater fan from cooler. This reduces the overall energy consumption for the clinkerisation process. Adequate numbers of cooling air fans are provided to supply necessary cooling air. An Electrostatic Precepitator has been provided for dedusting of dust laden cooler gas to meet pollution norms and the gas is vented to the atmosphere. The spillage from the cooler is collected in the hoppers below the grates and discharged to the drag chain converyor.

The cooled clinker is discharged to a deep bucket conveyor. Spillage from the cooler as well as the dust collected in The ESP hopper is also discharged to the same seep bucket conveyor for further transport to clinker stockpile.

Clinker Storage, Transportation & Grinding with Gypsum, Slag/Fly ash
Clinker from the grate cooler will be stored in a tent type storage hall with central column for minimizing dust generation. Clinker will be extracted using set of vibrating feeders and delivered to a pair of belt conveyor followed by common belt for gypsum & clinker for taking to cement mill feed hoppers.

After crushing the gypsum will be conveyed to a gypsum hopper adjacent to the clinker hopper utilizing the same clinker belt.

For PSC slag will be conveyed to a hopper adjacent to the clinker hopper utilizing the same clinker belt. Slag will be feed to the ground hopper using front-end loader and vibratory feeder, which will be below the hopper.

The plant at Jharkhand shall be suitable for producing the following product mix.

1) PSC- mixture of Slag, Clinker and Gypsum
2) PPC- mixture of Fly Ash, Clinker and Gypsum
3) OPC- mixture of Clinker and Gypsum

The production of PSC grade cement shall be 50% of the total cement production, balance 50% cement production will be divided with 40% PPC and 10% OPC.

The system provided consists of one close circuit clinker grinding system with ball mill. Proportioned quantity of clinker and gypsum to be grinded is extracted from the hoppers by electronic weigh feeders. Mixture of clinker & gypsum thus extracted is transported to the ball mill by a belt conveyor.

Ball mill is divided into two grinding chambers. The proportional amount of in gradients, like clinker, gypsum, slag etc. as per quality of the finish cement will be feed into the inlet of closed circuit ball mill, having two grinding chamber.

The first grinding chamber is equipped with lifter liners and second with classifying liners. A partition wall equipped with adjustable lifters conveys the material to be grinded from the first grinding chamber to second. The proportional amount of in gradients, like clinker, gypsum, slag, ash as per quality of the finish cement will be feed into the inlet of closed circuit ball mill.

Grinded material from the mill is discharged via an air slide to a bucket elevator, which turn discharges it to a high efficiency separator. The material is fed into the center of the distribution plate and evenly dispersed throughout the separating chambers. The finished material is collected in externally mounted high efficiency cyclones. The coarse material from the separator is fed back to the mill via an air slide and a solid flow meter.

The fineness of the finished material can be regulated without interrupting the operation by altering the speed of the rotor and adjusting the circulating airflow. The separated finished material is fed to the cement transport system by air slides. A bag dust filter along with other auxiliary vents achieves Mill venting.

Slag for PSC will be transported to plant by truck and will be stored on the yard near cement grinding unit. It will be reclaimed by front-end loader. The loader will discharge the slag into a ground hopper. Normally slag from blast furnace contains high moisture and as such a slag dryer has been considered within the plant. The slag from ground hopper will be conveyed to a dryer feed hopper through a vibrating feeder, below the ground hopper and belt conveyor. After drying operation dry slag will be stored to the slag storage hopper through the common clinker/ gypsum conveyor.

Cement Storage & Packing
The cement produced will be stored in four nos. RCC flat bottom type silo. Two of it will be for PSC & PPC respectively. For feeding the cement to the packing section, air slide and bucket elevator will be used. Cement from the bucket elevator is discharged to the vibrating screen. Foreign materials, if any are separated in the vibrating screen and cement is dropped to the packer bin located below. Two Electronic rotary packing machines will be installed. Bagged cement will be delivered to the four nos. platform mounted type truck loaders for loading on trucks.

Coal storing and pulverizing
As fuel coal will be used in this plant. Coal will be brought from Bhurkunda area 12 km away from plant, at present. Coal shall be brought in the plant by trucks and unloaded & stored in covered shed.

Coal is reclaimed & fed to the same coal/gypsum crusher by pay loader and crushed coal is stored in RCC hoppers for feeding to the ball mill.

Fineness of ground coal is maintained by the speed of inbuilt classifier and fine coal powder is collected in the bag dust collector & fed to the respective fine bins by one reversible screw conveyor.Metering and dosing of fine coal are to be done by screw feeder followed by pneumatic pump. One pneumatic pump has been provided as stand by.

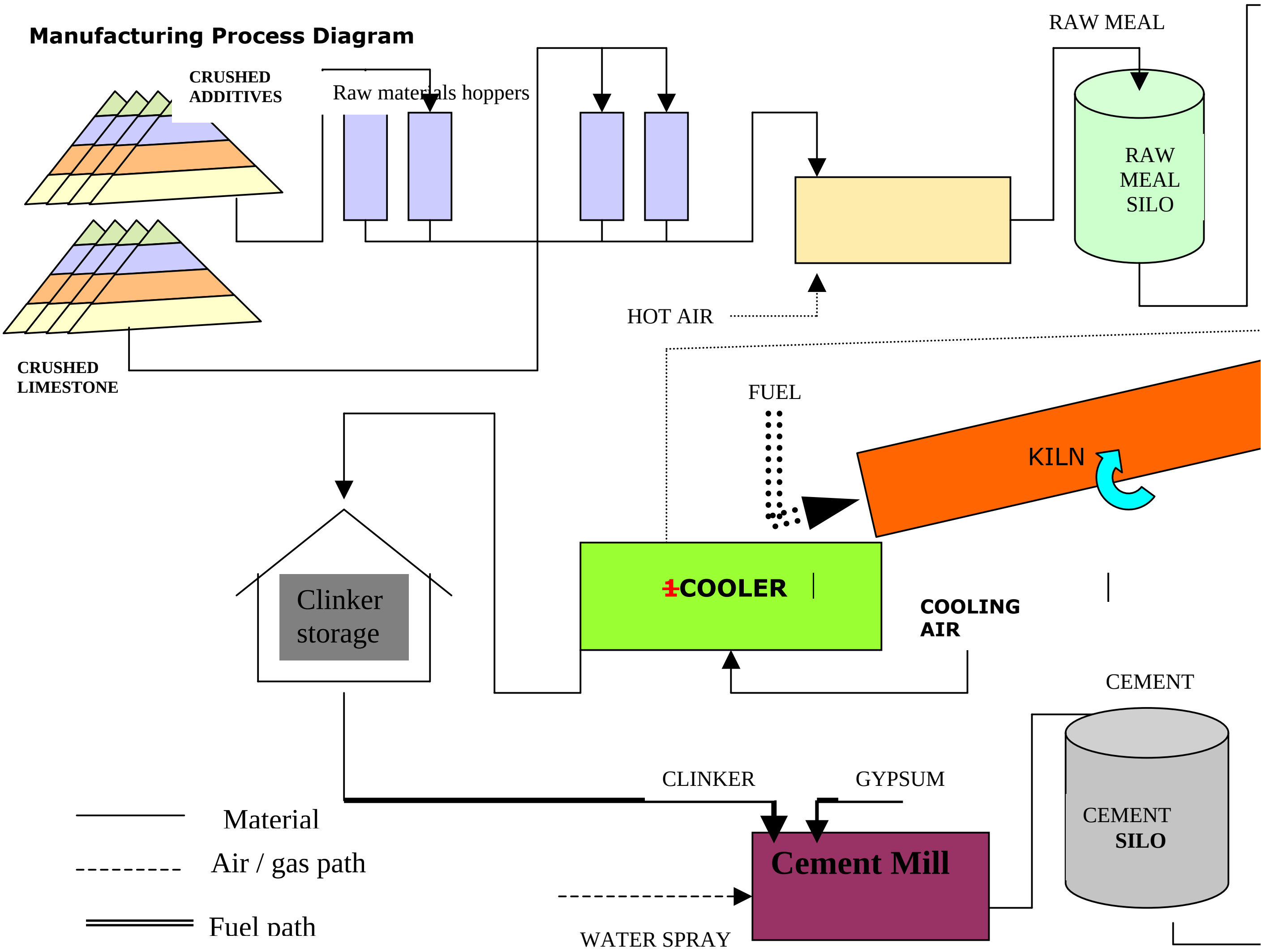
The fuel system has been designed in such a way that coal can be used in any proportions.

Fly Ash Handling, storing and Gypsum/Coal Handling
A common crusher has been proposed for crushing coal as well as gypsum. Fines material after screening will be directly transported to the conveyor through a chute. Source of gypsum is Rajasthan/Haldia. Gypsum will be received by ordinary trucks and unloaded in a covered area.

Uncrushed gypsum will be feed to the crusher using pay loader. Vibratory feeder will be used to feed the crusher. After crushing the gypsum will be conveyed to a gypsum hopper adjacent to the clinker hopper utilizing the same clinker belt.

Fly ash for PPC will be feed to the ground hopper using truck unloader. Fly ash will be stored in the RCC silo. For feeding fly ash to cement mill air slide and bucket elevator will be used. Finally Fly ash is stored in a hopper from the discharged bucket elevator before feeding.

Manufacturing Process Diagram



Infrastructure facilities:

Location

The Exisitng plant of the Company is situated at Vill. : Palasdiha, P.O. - Kanyapur, P.S. - Asansol(N), Dist.- Burdwan, West Bengal Pin Code - 713 341

The proposed plant is to be located at plot No. A-8P,9,10,11,B-38,39,40,C-7P,8,9,10,11 & XP, Block-D and Block-E Part in the Patratu Industrial Estate of Jharkhand State, which is approx. 3.00 km away from Patratu and 10-15 kms from the limestone deposit. The Ranchi-Patratu metal road is only 400 meters away from the proposed site. The Patratu Railway Station is approximately 7.00 km from the site.

The company has been allotted 60 acres of land on lease for a period of 30 years from the Government of Jharkhand for establishing the cement plant.

Locational Advantages :

- The site is located very close to the limestone mines, which are scattered at a distance of about 10-15 kms from the proposed project site.
- The proposed site is located at a distance of about 400 meters only from State High way connecting Ranchi-Patratu.
- The nearest railhead is at Patratu, which is about 7 km from the proposed site and Airport is at Ranchi, which is 45 km from the site.
- The power requirement for running the cement plant can be obtained from the existing 33 KV HT lines of DVC by tapping the same. Power is also available at the limestone deposit from existing 6 KV Power line.
- The total water requirement for the proposed project is estimated at 373 m3/day. The required number of bore wells shall be provided at the plant and mines, based on hydrological investigations, to meet the water requirement of the proposed project. However alternate arrangements can be made to get water from existing reservoir which is 1-1.5 km away from the proposed site.
- Transportation facilities to access various markets are readily available.
- Both skilled and unskilled labour is easily available in the area.

Raw Material
The main raw materials used to manufacture cement are limestone and additives such as Limestone, Gypsum, Flyash, Silica and Iron Ore etc,. Clinker, an intermediate product in the manufacture of cement, comprises of Limestone and clay.

Limestone
The proposed cement plant located in the Hazaribag district is near rich sources of Limestone. The limestone is available at a distance of about 10-15 kms from the proposed project. The present requirement of limestone is about 3.9 lakh tones/year which can be directly sent from the mines to the proposed location by suitable tipper truck. Limestone shall be mined on the basis of the JV agreement with Pandya Mines and the MOU with Government of Jharkhand. The Company has already made an application to the Government of Jharkhand, District Mining Office, Hazaribagh for grant to mining lease for about 425.70 hectares of land located in Village/Government Forest Taluq Talapur & Talatanr Hazaribag for mining limestone on the 27th of September, 2006 and is awaiting grant of the said mining rights from the Government of Jharkhand. The Company has entered into a Joint Venture Agreement dated 26th September, 2006 with Sri Bijay Kumar carrying on business as the proprietor and in the name and style of M/s Pandya Minerals of Bara Bazar, Hazaribag Jharkhand for sourcing of limestone.
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Other Additive Materials

Sweetener Grade Limestone

It is, estimated that in the proposed project high grade limestone (5%) would be used to achieve the desired quality of limestone for cement manufacture. The sweetener grade limestone required for the proposed project would either be available from the quarry by selective mining or from nearby sources. It is estimated that the annual requirement of sweetener grade limestone in the proposed project shall be approximately 20,600 tonnes/annum.

Iron Ore
2% iron ore is required for the preparation of Clinker. Iron Ore is available in the State of Jharkhand in sufficient quantity. It is estimated that that Annual requirement of iron ore for the proposed project would be approx 8200 ton.

Gypsum
Rock gypsum is available both in Rajasthan and Haldia Fertiliser plant, Haldia. It is estimated that in the proposed project the two types of gypsum shall be mixed in equal (50: 50) ratio. It is estimated that the requirement of gypsum shall be 11,100 tons/year and is available both from Rajasthan and Haldia Fertilizer plant, Haldia.

Utilities
Water
The water requirement of the proposed project would be met through bore wells.

Fuel
Coal shall be used as fuel for the proposed project. Coal is available abundantly in Jharkhand. The nearest place of coal from the proposed plant is Bhurkunda approx. 12 km. where the coal mines are in operation by subsidiaries of Coal India Limited.

Power
The power requirement for the propsed project would be obtained from the existing 33 KV HT lines of DVC by tapping the same application for the same would be made by the Company to the concerned authorities in due course. The total power requirement for the proposed 800 TPD plant shall be 8 MVA.

Manpower
In order to achieve sustained operational efficiency through proper functioning of various units, the Company has a team of dedicated and well-experienced personnel.

The manufacturing process of Cement Industry requires an appropriate mix of skilled, semi-skilled and unskilled labour, which is readily available. The Company recruits people from the Industry depending on its requirement. The Company also engages labour on contract basis for doing non-routine type of work as and when required. The Company has maintained good relationship with the employees. There is easy availability of labour around the town where the factory is located and the Company does not foresee any problem in hiring more manpower. Currently the people employed in the Company are as follows: The employee strength as on 31st March, 2007 is 86. The detailed break up is as follows:

Sr. No.	**Particulars**	**Total Manpower**
1	General Management	2
2	Production	15
3	Finance, Accounts & Secretarial	4
4	Sales & Marketing	3
5	Purchase	2
6	Administration and HR	2
7	Labour (skilled & unskilled)	56
8	Driver	2
	Total	**86**

The additional manpower requirements for the new project are as under:

Particulars	**Nos**
Quarry	46
Administration	34
Production	111
Maintenance	35

Others	24
Total	**250**

The Company shall be recruiting the additional manpower in due course for which the Company does not envisage any difficulty as the same is easily available in and around the proposed plant location.

Fire Fighting Facilities
In order to combat any occurrence of fire in the proposed plant premises the fire protection facilities have been envisaged for the various units of the proposed plant. All plant units, office buildings, stores, laboratories, etc will be provided with adequate number of portable fire extinguishers to be used as first aid fire appliances.

Quality Control Facilities
There would be an in-house plant laboratory in the proposed project to carryout various tests on cement raw materials e.g., limestone, Iron ore, Clay, clinker & gypsum essential for sustained production of quality product (cement) To maintain the quality standards, certain quality control facilities have been envisaged in the proposed plant. These facilities would facilitate

- Collection and preparation of samples
- Testing of incoming raw materials like iron ore, coal, dolomite, burnt lime, sponge iron, nickel, chrome ore, etc.
- Analysis of intermediate products and testing of finished products
- Feedback to the main production units to enable them to ensure corrective measures in a short time to eliminate process irregularities and rejection of costly intermediate/finished products
- Investigation of customer complaints for addressing them effectively

Pollution control Measures and Safety Precautions
Air Pollution
Control of dust emission into atmosphere shall be achieved by the following facilities in the proposed project :

- Designing the production system so as to generate minimum dust and arrest the dust at its source.
- Minimising the number of material transfer points and maintaining optimum height of fall of materials.
- Providing high efficiency pulsejet bag filters at material transfer points including mill feed hoppers.
- Covering the belt conveyors including walkways.
- Providing suitable dust collecting equipment either pulsejet bag filters/glass bag houses or ESP for process exhaust gases.
- Providing metal roads inside the plant.
- Efficient cleaning of plant internals using vacuum cleaners.

Safety Precautions
In compliance with international standards on safety, a unit will be created under the production division in the proposed project to see to the implementation of all safety measures in the factory. Electrical safety precautions will be provided in the proposed project e.g. circuit breakers etc. would be placed at vantage points to strip off and protect the personnel and installation from danger.

Environmental Aspects
The company is committed to provide a safe, clean and healthy environment. The Company adheres to all the requirements to be met in this regard and will continue complying with all local and national environmental laws and regulations, at all the times. In addition to above effort, the Company has also obtained the required government approvals regarding the manufacturing process for its existing production facilities. For the proposed projects application will be made to the concerned authorities at the appropriate time.

Products of the Company

The Company seeks to maximize its margins based on the sale of Portland Slag Cement which it sells in accordance with market demand.

The Company presently produces grey cement i.e. Portland Slag cement only. The following table specifies for the year/period mentioned, the Company's gross sales of Portland Slag Cement manufactured by the Company:

Year/ Period	**Portland Slag Cement**
	Amount (Rs. In lakhs)
2003-2004	940.17
2004-2005	1328.05
2005-2006	2107.95
9 mths ended 31.12.06	1211.80

All the products comply with the quality standards specified by the Bureau of Indian Standards The cement products are marketed under the brand names Burnpur Cement which the Company believes is well know

Types of Cement :

The Company presently produces grey cement i.e. Portland Slag Cement only. Grey cement produced/to be produced by the Company consists/will consist of Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). OPC has three principal grades that are differentiated by their compressive strengths, and consist of 53-grade, 43-grade and 33-grade OPC. The Company would also be producing clinker at the proposed project.

Ordinary Portland Cement

OPC is produced by inter-grinding cement clinker prepared in a rotary cement kiln with gypsum. Each metric ton of OPC requires approximately 0.95 metric tons of clinker and approximately 0.05 metric tons of gypsum. The range of applications, the physical and chemical requirements specified by BIS and strength of the three grades of OPC are discussed below:

53-grade OPC: 53-grade OPC is a high strength cement. According to the BIS requirements, 53-grade OPC must have a 28-day compressive strength of no less than 53 MPa. For certain specialized products, such as pre-stressed concrete and certain pre-cast concrete items requiring high strength, 53-grade OPC is considered useful as it can produce high-grade concrete at lower cement content levels. We produce 53-grade OPC by exposing the clinker to the grinding process for longer period of time, which results in a higher density and stronger cement. As the grinding process requires a significant amount of power, finer grinding for the 53-grade OPC requires more power and is therefore priced higher compared to lower grades of OPC.

53-grade OPC can be used for the following applications:

1. Pre-cast concrete items such as paving blocks, tiles and building blocks;
2. Pre-stressed concrete components; and
3. Runways, concrete roads and bridges.

43-grade OPC: According to the BIS requirements, 43-grade OPC must have a 28-day compressive strength of no less than 43 MPa. 43-grade OPC is commonly used in the following applications:

1. General civil engineering construction work;
2. Pre-cast items such as blocks, tiles and pipes;
3. Asbestos products such as sheets and pipes; and
4. Non-structural works such as plastering and flooring.

33-grade OPC: 33-grade OPC has been commonly used for general civil construction work under normal environmental conditions. According to the BIS requirements, 33-grade OPC must have a 28-day compressive strength of no less than 33 MPa. The increased availability of higher grades of OPC has decreased the use of 33-grade OPC in India and now 43-grade OPC is normally used for general construction work rather than 33-grade OPC. 33-grade OPC is now more commonly used for mass concreting and plain cement concreting and is produced on a made to order basis. It can also be used for plastering and single storey individual houses.

Portland Pozzolana Cement

PPC is also known as blended cement or silicate cement, and this blended cement has become increasingly popular in the market in recent years. Each ton of PPC requires approximately 0.75 tons of clinker, 0.05 tons of gypsum and 0.20 tons of fly ash, a pozzolanic material that is a by-product of thermal power plants. In the manufacture of PPC, a portion of the clinker is replaced with fly ash. This enables the cement manufacturer to produce a higher quantity of cement per ton of clinker. As a result, the cement manufacturer can increase its production capacity by making a limited investment in grinding capacity without a corresponding investment in earlier stage production equipment such as kilns. Further, the only cost incurred for fly ash is transportation cost from the thermal power plants that generate it to the cement manufacturing site, as fly ash is currently available free of cost. The use of fly ash therefore significantly reduces the overall cost of production of cement.

The advantage of PPC is its low heat of hydration and corresponding resistance to exposure to various environmental chemicals such as salt water. It is particularly suitable for marine and hydraulic construction and other mass concrete structures. This cement has durability that is equivalent to OPC and can be used most of the applications where OPC is used. As PPC is generally sold at a comparable price to OPC and the cost of production of PPC is comparatively lower, PPC's margins per ton are generally higher compared to OPC.

Portland Slag Cement (PSC):

This is a slag-based blended cement that imparts strength and durability to all structures. It is manufactured by blending and inter-grinding clinker and granulated slag in suitable proportions. PSC has many superior performance characteristics which give it certain extra advantages when compared to Ordinary Potland Cement. Portland slag cement contains up to 70 per cent of finely ground, granulated slag. Slag brings with it the advantage of the energy invested in the slag making.Using slag cement in a concrete mixture is a useful method to make concrete better and more consistent. Portland slag cement has a lighter colour, better concrete workability, easier finishability, higher compressive and flexural strength, lower permeability, improved resistance to aggressive chemicals and more consistent plastic and hardened consistency.

Portland Slag Cement offers optimum and well suited setting times matching with Indian conditions. It has a very low heat if hydration (due to low C3A content) and is hence ideal for mass converting.. It can be advantageously used in architectural applications like flooring and high quality plaster work.

The chemical properties of Portland Slag Cement, , make it an ideal choice in the construction of:
General RCC work in building construction and over all construction of multi-storied buildings. Structures in hostile soil environments where high salinity, moisture and harmful chemical agents combine to pose a risk to both foundation as well as the building. Chemical Plants, Dams and Bridges, Other sub- Soil structures, Tunnels and sub-ways, Water and Earth retaining structures, Foundations.

Pricing

The cement prices are increasing gradually in line with the rise of cement prices across the country. Prices are primarily driven by the prices of mainland players, who incur high freight cost.

Packing:

The cement is supplied only in HDPE bags. The cement manufactured by Burnpur is available in 50kg Bags. The PSC drawn from the silos is fed to automated rotary packers and then loaded into trucks and rail wagons for delivery. Bulk tankers may also be loaded directly from silos.

Marketing and Selling Arrangement of the Company

The logistical difficulties, the high costs of transporting cement and the need to locate cement plants close to available deposits of limestone, the cement manufacturing industry in India tends to be geographically segmented, with manufacturers in a particular region of India mainly supplying customers in that region.

The company is presently having its manufacturing unit Vill-Palasdiha Panchgachia Road, P.O. – Kanyapur, Dist. Burdwan, West Bengal. The existing capacity of the plant is 1000 TPD and the product is well accepted in the eastern region. Currently the Company produces only Portland Slag Cement (PSC) confirming to IS: 455.

The company has a good reputation in the market and has a large network of dealer /distributor and C&F agent. The company also supplies its product to Government Department and Corporate sectors directly. The Company presently operates in the States of West Bengal, Jharkhand and Bihar. With incremental capacity and optimum utilization of the existing capacity, the company would be in a better position to cater to new markets and cover a wider area.

The Company has a strong and wide distribution network for its products in Eastern India The Company's distribution network is made up of around 525 dealers/distributors/C&F agents serviced by the branch offices in Kolkata, Patna and Ranchi The Company believes that its dealer network and the relationships it enjoys with its dealers, enables the Company to market and distribute its cement widely and efficiently. Transport is by way of rail and road.

The sales and marketing function of the company are managed from Asansol with team of 4 professional based at four main center at Asansol, Kolkata, Ranchi & Patna. In addition to its staff, the marketing team is supported by market organizers who work on commission basis. The company has 21 market organizers of which 11 are located in west Bengal, 5 in Jharkhand and 5 in Bihar

Sales are made to dealers on a principal to principal basis. The sales team of the Company are in regular contact with the dealers/ distributors/C&F agents and helps the Company to monitor the sales and inventory requirements. Orders are obtained from dealers distributors/C&F agents on a daily basis and their requirements transmitted to the plants and depots. Each dealer has a maximum credit limit and orders will generally be approved if the value of the order plus the existing amount outstanding does not exceed this limit.

The existing network of the Company would provide immediate infrastructure for the initial marketing of the new products and incremental production

The Company proposes to market the product directly to the bulk customers of entire Eastern Region. It also proposes to tap the export market of Bangladesh and proposes to appoint more dealers in different districts and sub-divisional head quarters and all important towns of these areas from whom the customers will draw their requirements. The number of dealers to be appointed would depend on the market size of each place. The company proposes to strengthen its marketing efforts through deploying more sales force and proper advertising

Besides, the Company also proposes to have a separate department for Institutional sale covering government tenders, civil and contract supplies.

Some new competition has come up in this region and new capacities are also being added. The demand supply gap however remains favorable and the Company does not foresee any problem in marketing its production. Paramount importance is being attached to developing long term relationship with the consumers, masons, dealers and customers in the construction sector, both Government and private. The Company interacts with its dealers/distributors/C&F agents on regular basis. As a result of these measures, the Company does not foresee any difficulty in marketing its entire production.

Export obligations

The company presently does not have any export obligations.

SWOT ANALYSIS (as estimated by the management)

Strengths

- The promoters of the company have experience of more than one decade in the cement industry and have built a good network in the region. Also the promoters have gathered

- experience of expansion of current cement plant at Asansol from 30 TPD to 1000 TPD in a phased manner since 1991.
- The company is a ISO 9001:2000 certified quality management company.
- Since there is integration of all factors of production, it would be able to absorb any temporary price fluctuations in the market.
- The company shall be manufacturing all the three products of cement i.e. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) thereby adding variety in the product portfolio and providing adequate comfort in terms of varying production as per demand for a particular grade.
- The backward integration of clinkerisation with captive limestone mines shall provide financial benefits for the existing unit thereby assisting it in utilizing full capacity ad thereby increasing the turnover and profits.
- In order to encourage industrial growth in the state, various financial incentives have been declared by both the Government of Jharkhand like Investment subsidy, interest subsidy, sales tax exemption, which shall further strengthen the viability of the project.
- The proposed project of the Company has been vetted by Mecon Ltd.
- The Company has achieved Financial Closure for the propsed project.

Weaknesses

- At present the company does not have its own clinker and is depend on outside vendors for supply of clinker. The price of clinker is being exposed to demand and supply of market forces.
- The company doesn't own a captive power plant nor does it have standing supply of power through DG Set.
- The company does not have lime stone mines which comprises the major raw material

Opportunities

- The industry in general is facing problems because of short supply of cement and the eastern region, which is a cement deficient zone i..e, produce 19.54 million tones against consumption of 22.66 million tones, is likely to face a shortage even after considering the expected additional production from new units. The shortfall could be tapped to increase the sales of the company.
- Availability of cement grade limestone in the area is abundant leading to enough opportunity for the plant to increase the capacity.
- Eastern India is infrastructure deficient and has tremendous potential both in infrastructure as well as industrial investments. Cement consumption is expected to increase with the growth of these sectors.
- Cement industry, after being in the downturn, is beginning to look up. The positive trend is expected to continue due to the increased housing demand and implementation of the major road projects in the coming years.

Threats

- Cement is intrinsically linked to the overall growth of the economy and more importantly, growth of the infrastructure sector, which largely depends on the political stability and will. Any slowdown of the economic growth or infrastructure growth would have a direct impact on the demand of cement.
- The industry is expected to see heightened activity in consolidation in terms of several major players either entering into strategic tie-ups or acquisitions, further distorting the industry structure by increasing the bargaining power of the industry majors.
- The costs of raw materials are witnessing upward trend in the recent times. Any downward movement in the sale price of finished goods without proportionate reduction in the raw material prices will have a bearing on the viability of the unit.

Business Strategy

The Company operates in a competitive market and aims to be a major cement manufacturing company. The Company believes that there is a tremendous growth opportunity in the cement sector particularly in eastern India and the domain expertise that the Company has obtained in the past will enable the company to compete effectively in this sector and deliver value proposition to the customers and stakeholders. The Company aims to achieve this by implementing the following strategies:

- **Consolidation of Company's position through capacity expansion**

To achieve the Company's objective of increasing its presence in the Eastern Indian markets and associated demand for the products, the Company has increased its cement capacity at its existing plant over the years from 30 TPD to 1000 TPD. The cement production facility to be set up at Patratu would be scaled up taking the total production capacity to 1800 TPD.

- **Focusing on sales on a region wise basis**

The cement industry in India is region-focused due to the high transportation costs. The Company's strategy is to focus on maximizing net sales realization by focusing on sales of its product on a regional basis. The Company's strategy is to focus on saturating the markets which are close to its plant where it enjoys a relative freight advantage. However the growth in the Indian cement markets of Central India has presented a growth opportunity for the Company.

- **Increase in distribution and sales network**

The Company's products are currently marketed through a widespread distribution network comprising of around 525 dealers/distributors/C & F agents who in turn sell the product to end users such as contractors, retailers, etc.. It will continue to focus on building a dedicated and motivated dealer network spread across the states of Eastern India by seeking to add additional dealers to the network and strengthen its relationship with the existing dealers.

The Company also sells its products directly to Government and high end users and would be focusing strongly in this sector.

- **Increased promotion of Company's brand**

To promote the Company's products and the brand with dealers who are the customers of the Company, the Company organizes meetings with its dealers/customers. The Company also intends to undertake advertising and promotional campaigns in select markets to increase the brand awareness and enhance the understanding of the Company's products. Direct promotional efforts to reach out to contractors and builders would also be done.

- **The Company adopts a multipronged strategy for continuous growth of its business through the following measures :**
    - Enhance the quality, design and get up, in accordance with the International Standards.
    - Horizontal integration by way of adding new products to the existing products.
    - Long term customer relationship and customer satisfaction.
    - Need based production.

Capacity and Capacity Utilisation:

BCL proposes to produce Ordinary Portland Cement (OPC), Portland Pozzolona Cement (PPC) and Portland Slag Cement (PSC). The excess of clinker shall be transferred to the existing plant at Asansol or shall be directly sold in the market.

The installed capacity of the proposed cement plant shall be as follows:

Particulars	Clinker	OPC	PSC	PPC
Installed Capacity (TPD)	800	80.00	400.00	320.00
No of working day in year	330	330	330	330
Installed Capacity (TPA)	264000	26400	132000	105600

INSTALLED CAPACITY AND CAPACITY UTILISATION:

The Company has filed the required Industrial Entrepreneurs' Memorandum (IEM) to the Government of India, Ministry of Commerce & Industry, Secretariat for Industrial Assistance for the expansion of manufacturing facilities for existing products and setting up of manufacturing facilities for new products.

Capacity Utilization of the Company for the existing grinding unit :

Year	Licensed Capacity	Installed Capacity	Capacity Utilization
2001-02	400 TPD	400 TPD	19.11%
2002-03	700 TPD	700 TPD	13.33%
2003-04	700 TPD	700 TPD	16.45%
2004-05	1000 TPD	1000 TPD	15.41%
2005-06	1000 TPD	1000 TPD	24.61%

The capacity of the grinding unit has not been optimally utilized due to non-availability of clinker and bottlenecks in the production process.

PROPOSED CAPACITY FOR THE PROPOSED UNIT FOR THE NEXT THREE YEARS FROM THE COMMENCEMENT OF COMMERCIAL PRODUCTION:

------		--------I Year-----------------		II Year ------		----III Year --------	
ITEMS	Unit	Installed Capacity	Utilized Capacity	Installed Capacity	Utilized Capacity	Installed Capacity	Utilized Capacity
	TPA	264000		264000		264000	
Capacity Utilisation	%		70%		80%		90%

PROPOSED CAPACITY FOR THE COMPANY AS A WHOLE FOR NEXT FIVE YEARS FROM THE COMMENCEMENT OF COMMERCIAL PRODUCTION:

	I Year	II Year	III Year	IV Year	V Year
Proposed Plant Capacity	264000	264000	264000	264000	264000
Utilization	-	80%	90%	90%	90%
Existing Plant Capacity	330000	330000	330000	330000	330000
Utilisation	50%	50%	70%	80%	90%
Total Capacity	594000	594000	594000	594000	594000
Total Utilization	349800	376200	468600	501600	534600
Capacity Utilization	59%	63%	79%	84%	90%

Major Customers

Mentioned below are some of the top customers for the last quarter (October 2006 to December 2006).

SL No.	Name of Customers
1	West Bengal Essential Commodities Supply Corporation Limited
2	Nicco Corporation Limited
3	Skanska Cementation India Limited
4	Bengal Silver Spring Projects Limited
5	Bengal Peerless Housing Development Limited
6	Arambagh Municipal Corporation, Government of West Bengal
7	Bengal Shristi Infrastructure Development Limited
8	Bengal Shrachi Housing Development Limited
9	KEC International Limited
10	Paharpur Cooling Towers

11	Dankuni Steel Limited
12	District Rural Development Authority, Govt. of Jharkhand, Jharkhand
13	Water resources Department, Govt. of Jharkhand, Ranchi

Strengths and Competitive Advantages

The Company believes that the following are the principal competitive strengths which differentiate the Company from other Cement manufacturing Companies.

- ***The Company has experienced promoters***

  The promoters of the Company have past experience and are well versed in the cement industry. They are in this business since 1991.

- ***The Company has presence & brand image in Eastern India cement market*:**

  The cement industry in India is region-focused due to the high transportation costs and proximity to limestone mines. With an ongoing developmental phase in the areas of infrastructure driven by demand for cement from construction, increased spending on infrastructure by the state and central governments and development of special economic zones and real estate demand, there would be a more demand in Eastern India for cement from the construction sector. The Company believes that it is well positioned to take advantage of this demand being the one of the key manufacturers in Eastern India and also due to the Company's proposed new project at Patratu which will address the expected demand growth.

  Further, the Company believes that its brand name and reputation provide the Company with a competitive advantage in ensuring that cement dealers carry the products.

- ***The Company will have access to quality raw material and fuel for its proposed unit:***

  Two critical materials for the cement production are Limestone as raw material and coal as fuel. Limestone deposits of good quality having CaO (calcium Oxide) of around 46.74% are spread over a large area just 10-15 kms away from the proposed project site of the Company.

  Coal having Calorific value of 4500 Kcal /Kg. and ash content as low as 30.06% is available in plenty in Jharkhand The nearest place of coal from the proposed plant is Bhurkunda which is approx. 12 km from the proposed project site. Access to quality limestone and coal used in production of cement at near by locations, would help the Company to produce cement at competitive prices.The Company has access to reserves of limestone which the Company believes are sufficient to sustain the operations both existing and future. Further, the manufacturing plants being in close proximity to the limestone reserves, results in lower transportation costs. The Company has entered into a Joint Venture agreement with Pandya Mines for supply of limestone. The Company has also made an application to the Government of Jharkhand for grant to mining lease for mining limestone on the 27th of September, 2006 and is awaiting grant of the said mining rights from the Government of Jharkhand.

- ***The Company follows an Established raw materials policy*:**

  The Company procures its raw materials directly from reputed manufactures and suppliers which helps the company to establish an efficient supply chain at competitive prices and ensures delivery on-time. The management of the Company places significant emphasis on the sourcing and logistics for raw material. The Company is able to source key raw materials close to the factory resulting in reduction of transportation costs.

- ***The Company's marketing and distribution network is in place*:**

  The Company has a wide distribution network in Eastern India. The Company has around 525 dealers/distributors/C&F agents all across the states of West Bengal, Bihar and

Jharkhand. The Company believes that this network and the cordial relationships that it enjoys with the dealers/distributors/C&F agents enables the Company to market and distribute its cement widely and efficiently in every district of the region.

- ***Experience and technical know-how:***

The Company has over 15 years of experience in the Indian cement industry, which it believes provides the Company with the experience and skills to maximize production efficiency, expand production capacity and reduce costs. Over the years, the Company has developed long-term customer relationships and a reputation for quality. Further, the Company has a stable and experienced management team with significant experience in the industry.

- ***Government Incentives***

The Company's proposed project at Patratu would be eligible to avail the various incentives from the Government of Jharkhand as follows:

- Capital Investment Subsidy of Rs. 7.00 crores to be paid within 3 months from the commencement of commercial production.
- Refund of Commercial Tax (VAT): 75% of the VAT paid to be refunded in the subsequent year for a period of 8 years.
- Interest subsidy: 50% of interest paid or 2% of the turnover (whichever is minimum) for a period of 5 years subject to maximum of Rs. 1.00 crore per annum.
- Pollution Control equipment subsidy.
- Exemption for registration fees.

Insurance

The Company has insurance policies that cover its assets and operations, including third party liabilities. The assets covered by these policies are insured against losses from general liability such as burglary, fire and special perils policy, earthquakes, terrorism and other risks to the plant

The details of the said policies are as under:

Name of the Insurance Company	Description of property	Total sum insured (Rs.)	Policy Number	Date of Commencement	Date of expiry
Reliance General Insurance Company Limited	HM 2021 Pay loader	22,50,000/-	1501023140044056	29.10.06	28.10.07
Royal Sundaram Alliance Insurance Company Limited	Plant & Machinery	5,00,00,000/- towards Standard Fire and Special Perils Policy	FM00040433000100	22.12.06	21.12.07
The Oriental Insurance Company Ltd.	Cement manufacturing & Stock	6,90,19,000/- towards Standard Fire and Special Perils Policy	2007/37	27.06.06	26.06.07

The Company has also taken vehicle insurance for the vehicles, which are owned by the company. Moreover our Insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage.

Property

Immovable Property of the Company are as follows:

a. Owned Immovable Properties

1. The company is in possession of land measuring about 1.88 acres which was acquired from Mr. Pawan Gutgutia and Mr. Ashok Gutgutia vide deed of conveyance dt March 30, 1992. The said land is located at Main Asansol Municipal Corporation, Ward – 31, JL – 17, P.S. – Asansol (N), on R.S.Plot Nos.: 84, 94, 95, 96, 98, 99, 102, 103, 104, 105, 108 & 109 and R.S.Khaitan – 386, 366, 198, 288 and 128

b. Leased and Rented Immovable Properties

The Company has taken immovable property on lease or rent as stipulated below :

1. The company has taken 60 Acres land bearing Plot no. A-8P,9,10,11,B-38,39,40,C-7P,8,9,10,11 and XP, Block D and Block E Part at Patratu Industrial Estate, Jharkahnd. Land has been taken on lease for a period of 30 years from Ranchi Industrial Area Development Authority in the Patratu Industrial Area Jharkhand for a Land Premium Amount of Rs 211.13 lakhs and have to pay a annual rent of Rs.1,80,000.

2. Cement House, Ashok Nagar, Saradapally, Asansol, West Bengal – 713 304, being the Registered Office of the Company, is owned by Mr. Ashok Gutgutia who is among the promoter of the Company. By virtue of a Memorandum of Understanding 01.04.2005 executed by and between the said owners and the Company, the Company has been permitted by the said owners to occupy the entire building of the said premises @ 15000/- p.m. towards rent. The agreement is for a period of 36 months (w.e.f. 01.04.2005) which is however subject to renewal at the discretion of the owners.

3. Land at Vill: Palasdiha, Panchgachia Road, P.O. – Kanyapur, Dist. Burdwan, West Bengal - 713341 being the part of factory premises of the Company, is owned by Mr. Ashok Gutgutia who is among the promoter of the Company. By virtue of a Memorandum of Understanding 01.04.2005 executed by and between the said owners and the Company, the Company has been permitted by the said owners to occupy the entire building of the said premises @ 30000/- p.m. towards rent. The agreement is for a period of 36 months (w.e.f. 01.04.2005) which is however subject to renewal at the discretion of the owners.

4. 4, Fairlie Place, 1st Floor, Block No – 106, Kolkata – 700 001, being branch office at Kolkata of the Company, is owned by Smt Puspa Devi Bardia. By virtue of a Memorandum of Understanding dt 11.12.2006 executed by and between the said owner and the Company, the Company has been permitted by the said owners to occupy the office block no 106 and toilet no 06 of the said premises admeasuring an area of 233 sq.ft. @ 900/- p.m. towards licence fees. The agreement is for a period of 11 months (w.e.f. 01.01.2007) which is however subject to renewal at the discretion of the owners.

5. Saket Dham, Shanti Niketan Colony, North of Bihar College of Pharmacy, West Bailey Road, Patna-801 503 Bihar, being branch office at Patna of the Company, is owned by Amar Nath Ojha. By virtue of a Memorandum of Understanding dt 15.11.2006 executed by and between the said owners and the Company, the Company has been permitted by the said owners to occupy the office space on the ground floor of the said premises admeasuring an area of 192 sq.ft. @ 2500/- p.m. towards rent. The agreement is for a period of 11 months (w.e.f. 15.11.2006) which is however subject to renewal at the discretion of the owners.

6. 2C, Krishna Tower, 2nd Floor, Cart Sarai Road, Garikhana (Near Ram Mandir) P.S. Kotwali, District Ranchi – 834 001, Jharkhand being branch office at Ranchi of the Company, is owned by Khawaja Nasirudin. By virtue of a Memorandum of Understanding dated 1st April, 2007 executed by and between the said owners and the Company, the Company has been permitted by the said owners to occupy the Flat in IInd floor Krishna Tower of the said premises @ 4780/- p.m. towards rent and Rs.2120/- p.m. rent towards godown located in the ground floor of Krishna Tower. The

agreement is for a period of 11 months (w.e.f. 1st April, 2007) which is however subject to renewal at the discretion of the owners.

7. Apartment No 6-K and 6-L admeasuring 1926 sq.ft and 1288 sq.ft respectively totaling 3214 sq.ft super built up area on the 6th floor of front block of the premises no 8, Ekdalia, Kolkata – 700 019, being guest office of the Company, is owned by M/s La Elegante Trexim Private Limited. By virtue of a Memorandum of Understanding dt 23rd day of March 2006 executed by and between the said owners and the Company, the Company has been permitted by the said owners to occupy the said premises @ 20000/- p.m. towards rent. The agreement is for a period of 36 months (w.e.f. 1st April 2006) which is however subject to renewal at the discretion of the owners.

Purchase of Property

No property is proposed to be purchased out of the proceeds of this Issue except as mentioned in the Objects of the Issue beginning from page 25 of this Draft Prospectus

Intellectual Property

The Company uses trademarks and service marks in order to brand its products as well as protect them. The Company has already initiated attempts to create intellectual properties.

The Company has filed the following application to register the Trademarks and Service marks in India with The Registrar of Trademarks, Kolkata:

Trade Marks /Service Marks	Filed on	Applicant	Class	Status
Burnpur Logo	13.05.2005	Burnpur Cement Limited	19	Advertisement before acceptance for registration appeared in Trade Marks journal # 1339 dated 01.02.06
Burnpur Trade Mark	04.06.1999	Burnpur Cement Limited	19	Pending

REGULATIONS AND POLICIES

Ministry of Commerce and Industry

The Ministry of Commerce and Industry, GoI, oversees the activities of the cement industry through the Department of Industrial Development.

Licensing Policy

Under the New Industrial Policy dated July 24, 1991, all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI, and no further approvals are required.

Cement has been exempted from industrial licensing pursuant to Notification Number 477(E) dated July 25, 1991 issued under the Industries (Development and regulation) Act, 1951. Consequently, the Company does not require an industrial License.

FDI in Cement Sector

Foreign investment in Indian securities is regulated through the industrial policy of GoI and FEMA. While the industrial policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the industrial policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

At present, investments in companies manufacturing cement fall under the automatic approval route for FDI/NRI investment upto 100%.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain a certificate from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and RBI's general permission under A.P. (DIR Series) Circular No.16 dated October 4, 2004, together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of the company. However, the limit of 24% can be raised up to the permitted sectoral cap for that company after approval of the board of directors and shareholders of the company. The offer of equity shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the issued capital of that company.

Laws and Regulations relating to the Cement Industry

The applicable cement laws and regulations include the following:

• Cement Control (Amendment) Order, 1989

Pursuant to Notification No.1-5/89-Cem, dated March 1, 1989 (S.O. No. 168(E)), the Cement Control Order, 1967 (the "1967 Order") was amended, resulting in removal of the Government's control over price and distribution of cement. The amended 1967 Order, also known as the Cement Control (Amendment) Order, 1989, provides for maintenance of books relating to production, removal, sale and transfer of cement (excluding white cement) by the producer and furnishing of returns or such other information as may be specified by the Central Government. The Cement Control (Amendment) Order, 1989 also provides for the maintenance of a Cement Regulation Account by the Development Commissioner for the cement industry. The amount credited in this account is to be used, *inter alia*, for reimbursing the producer towards equalizing freight or concession in the matter of export price.

• Cement Cess Rules, 1993

The Cement Cess Rules, 1993, impose a cess on the manufacture of cement. The Cement Cess Rules provide for monthly returns to be filed by the producer with the appropriate authority and the amount due every month to be deposited by the 15th of the subsequent month. The proceeds of the cess are to be utilized for research and development in cement manufacturing and persons engaged in cement industry.

• Cement (Quality Control) Order, 2003
The Cement (Quality Control) Order, 2003, has been framed under the Bureau of Indian Standards Act, 1986, as amended, and prohibits sale, manufacture and distribution of cement which does not meet the quality requirements specified by the Bureau of Indian Standards or does not bear the standard mark, and requires a manufacturer of cement to make an application to the Bureau of Indian Standards for obtaining a license for use of the standard mark.

Mining Laws and Regulations

The Central Government has the power to regulate mines and mineral development under Entry 54 of List-I of the Seventh Schedule to the Constitution of India to the extent to which such regulation and development is declared by the Parliament by law to be expedient in the public interest. The State Governments have been given powers under Entry-23 of List-II to regulate mines and mineral development subject to the Union's power under Entry 54 of List-I.

The mining laws and regulations that may be applicable to the Company include the following:

- Mines and Minerals (Development and Regulation) Act, 1957 (the "MMDR Act") and the Mineral Concession Rules, 1960 (the "Mineral Rules");
- Jharkhand Minor Minerals Concession Rules, 1986;
- Mineral Conservation and Development Rules, 1988;
- Mining Lease (Modification of Terms) Rules, 1956;
- Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
- Limestone and Dolomite Mines Labour Welfare Fund Rules, 1973;
- The Mines Act, 1952 and Mines Rules, 1955;
- The Payment of Wages (Mines) Rules, 1956; and
- Metalliferous Mine Regulations, 1961.

Description of the Principal Mining Regulations

- The grant and renewal of a mining lease is governed by the provisions of the MMDR Act and the Mineral Rules.
- The MMDR Act prohibits any person from undertaking any mining operations without obtaining a mining lease. The Mineral Rules require that mining leases in respect of limestone should be obtained from the State Government. The State Government also has jurisdiction to renew a mining lease.
- Mining rights are subject to compliance with certain terms and conditions specified under the Mineral Rules. The Central Government and the State Governments have the power to take actions with respect to mining rights, including the imposition of fines or restrictions, the revocation of the mining rights or implementation of a change in the amount of royalty payable.

Grant of Lease

- Under the **MMDR Act**, a mining lease is granted for a minimum period of twenty years and a maximum period of thirty years.
- On receipt of an application for grant of a mining lease, the State Government takes a decision to grant the precise area for the mining lease and communicates the same to the applicant. The maximum area which may be granted under a lease is ten square kilometers in one or more mining leases. The Central Government may, however, relax this restriction in the interest of development of the mineral.
- The Mineral Rules mandate that within six months of the said communication from the State Government, or such other extended period as may be permitted by the State Government, a five year mining plan has to be submitted for approval by the Central Government. The mining plan lays down the detailed procedure for conducting the mining operations. The mining plan approved by the Central Government is submitted to the State Government for grant of the mining lease over the specified area. In case of cement grade limestone, the mining plan is approved by the Indian Bureau of Mines, Ministry of Mines, GoI.
- Under the Mineral Rules, during the term of the mining lease, the lessee is required to pay royalty or dead rent, whichever is higher, to the State Government. Under the Second Schedule of the MMDR Act, the current rate of royalty applicable to a limestone lease is Rs.45 per tonne. Under the Third Schedule, the current rate of dead rent is Rs.100 per hectare per annum for the first two years and Rs.400 per hectare per annum for each subsequent year.

Renewal of Lease

- Under the Mineral Rules:

a. an application for renewal of mining lease has to be made to the State Government. Before the grant of approval for second or subsequent renewal of a mining lease, the State Government seeks a report from the Controller General of Indian Bureau of Mines in respect of whether the grant of renewal will be in the interest of the development of the mineral. If a report is not received from the Controller General of Indian Bureau of Mines within three months of receipt of communication from the State Government, it would be deemed that the Indian Bureau of Mines does not have an adverse report regarding the grant of renewal of the mining lease.

b. a person is required to apply for renewal of the mining lease at least twelve months prior to the date of expiry of the subsisting mining lease. Any delay in filing an application for renewal can be condoned by the State Government on merits provided that the application is made prior to the date of expiry of the subsisting mining lease.

c. an application for renewal of the mining lease in time authorizes a person to continue mining operations beyond the date of expiry of the subsisting mining lease until the State Government decides on the application for renewal. If an application for renewal is made in time, the period of that lease is deemed to have been extended by a further period until the State Government passes orders thereon.

d. a person seeking renewal of the mining lease for a mineral which is used in such person's own industry is entitled for renewal of the lease for a period not exceeding twenty years.

- Pursuant to the Supreme Court judgment in *M.C. Mehta v. Union of India* (*AIR 2004 SC 4016)*, environmental clearance from the MoEF, GoI is also required at the time of renewal of a mining lease if the area under the lease is in excess of 5 hectares and the mining lease is in respect of a major mineral.

Determination of Lease

- A notice of 12 months must be given to the State Government before determination of the lease by the lessee.
- In case of closure of the mine by the lessee, a final mine closure plan must be approved by the Regional Controller of Mines and a certificate that the conditions of the mine closure plan have been complied with must be obtained from the Regional Controller of Mines.
- A partial surrender of rights for mining certain minerals is permitted in certain conditions and a notice of six months must be given prior to surrender of the rights.

Transfer of Lease

- Under the Mineral Rules, the prior consent of the State Government in writing is required for transfer of a mining lease. Further, the transferee must accept all the conditions and liabilities to which the transferor was subject in respect of such lease.

Environmental and Labour Laws and Regulations

The environmental and labour laws and regulations that may be applicable to the Company include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Industries (Development and Regulation) Act, 1951;
- Factories Act, 1948;
- The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950;
- Explosives Act, 1884;
- Gas Cylinder Rules, 1981;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Payment of Bonus Act, 1965;
- Payment of Wages Act, 1936;
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;
- Shops and Commercial Establishments Act;
- Environment Protection Act, 1986, and Rules, 1986;

- Water (Prevention and Control of Pollution) Act, 1974, and Rules, 1975;
- Water (Prevention and Control of Pollution) Cess Act ,1977, and Rules, 1978;
- Air (Prevention and Control of Pollution) Act, 1981, and Rules, 1982;
- Trade Union Act, 1926;
- Hazardous Waste (Management and Handling) Rules, 1989; and
- Workmen's Compensation Act, 1922.

Other Laws and Regulations

Certain other laws and regulations that may be applicable to the Company include the following:

- Fiscal Laws and Regulations including the I.T. Act, Central Excise Act, 1944, the Customs Tariff Act, 1975, and the Central Sales Tax Act, 1956;
- Petroleum Act, 1934;
- Jharkhand Petroleum Products (Licensing and Control) Order, 1990;
- Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000;
- Standards of Weights and Measures Act, 1956; and
- Electricity (Supply) Act, 1948.

BRIEF HISTORY OF THE COMPANY AND OTHER CORPORATE MATTERS

Incorporation and Initial Progress

Burnpur Cement Limited was incorporated on June 19, 1986 as Ashoka Concrete and Allied Industries Private Limited. The company started their operation in cement industry in October 1991 with a small plant of 30 TPD at Asansol to produce Portland Slag Cement (PSC). The name of the company was changed to Burnpur Cement Private Limited on September 18, 2001. The company was subsequently converted into a public limited company and the name was changed to Burnpur Cement Limited in November 12, 2001. Presently the plant is producing 1000 TPD cement and is a major producer in the eastern region.

The Company is one of the few cement manufacturers of Eastern India having its market presence in West Bengal, Jharkhand and Bihar. The company intends to expand its network in Orissa, Madhya Pradesh, Uttaranchal, Haryana and Delhi in the near future.

The Company was initially engaged in trading activities. The Company started operations in the cement industry in October 1991 with a small cement plant of 30 TPD in Asansol to produce Portland Slag Cement conforming to IS 455:1989. The production phase was ushered in with the commissioning of the Plant in October, 1991. A slow and steady commissioning of other units led to a gradual stepping up of production over the years. Expansion of facilities over the years has resulted in a capacity of 1000 TPD of cement making. The Company has earned brand recognition for consistent product quality, customer satisfaction, marketing network etc. For its consistent and continuous endeavors the company has received ISO-9001:2000 in 2004.

The capacity of the grinding unit has not been optimally utilized due to non-availability of clinker. Considering the constraints in availability of raw material (clinker) and also for planned expansion in the cement sector the company has decided to set up an 800 TPD expendable to 1600 TPD Clinkerisation and Cement grinding unit at Patratu Hazaribagh, Jharkhand which is approximately 3.0 km away from Patratu Thermal Power Station and about 10-15 kms from vast limestone deposits. The company has entered into a Memorandum of Understanding with the Government of Jharkhand on March 23, 2006 whereby the government has undertaken to extend assistance for promotion and establishment of the above project in the Industrial area of Jharkhand. Land measuring 60 Acres has already been allotted to the company by Ranchi Industrial Area Development Authority, Government of Jharkhand at Patratu Industrial area. The company has already applied for limestone mining rights to Jharkhand Mineral Development Corporation (JMDC) on the 27th of September, 2006 and the approval for the same is expected in due course.

The Registered Office of the Company was ishifted from Radha Nagar Road, Burnpur to 28, New Road, Alipur, Kolkata – 700 027 with effect from 1st August, 1991. The registered office was further shifted to Radhanagar Road, P.O. : Burnpur (Asansol), Dist. : Burdwan with effect from 15th June, 1995. The Registered office was further shifted to its present address at Cement House, Saradapally, Ashok Nagar, P.O. Asansol, District: Burdwan, West Bengal – 713304 with effect from 1st December, 1995.

Major Events in the History of the Company

YEAR	EVENTS
1986	Incorporated as Ashoka Concrete and Allied Industries Pvt. Ltd. on June 19, 1986 with one of the main objective of manufacturing of cement.
1991	Started operations in the Cement Industry in October 1991, with a cement plant of 30 TDP.
1996	Increased it Production Capacity from 30 TPD to 120 TPD
2000	Increased it Production Capacity from 120 TPD to 400 TPD
2001	On September 18, 2001 the name of the Company was changed to Burnpur Cement Private Limited. On November 12, 2001 it was converted to a Public Limited Company and the name was changed to Burnpur Cement Limited.
2002	Certification of ISO : 9002

2002	Increased it Production Capacity from 400 TPD to 700 TPD
2004	Certification of ISO:9001:2000
2004	Increased it Production Capacity from 700TPD to 1000 TPD
2004	Declared interim dividend @ 5%
2006	A Memorandum of Understanding with the Government of Jharkhand to set up a 800 TPD Clinker and Cement grinding unit at Hazaribagh, Jharkhand with captive limestone mines.
2006	Land measuring 60 Acres allotted by Ranchi Industrial Area Development Authority, Government of Jharkhand at Patratu Industrial area.

Main Objects of the Company

The main objects of the company as set forth in the Memorandum of Association of the Company are as follows:

1. To establish and carry on in India or elsewhere the business to produce, manufacture, treat, process, refine, prepare, import, export, purchase, sell, manipulate, finish, pack, repack, mix, grade, operate and to act as brokers, agents, consultants, merchants, stockists, distributors, suppliers, providers, collaborators, consignors, C& F agents, indenting agents, del-credre agents, job workers, wholesalers, retailers, traders, concessionaires or otherwise to deal in all varities, specifications, descriptions, applications & uses of cements whether ordinary, white, coloured, pozzolana, alumina, blast, silicalime, plaster, of paris etc. including grey cement, Portland cement, Portland pozzolana cement, Portland slag cement, Portland rapid hardening cement, Portland high aluumia cement, Portland oil well cement, special cement, repitix cement, water proof cement, masonary cement, lime pozzolona, sagole cement and other allied products.

2. To quarry, mine, excavate, explore, extract, lift, handle, sort, blast, grade, dump, distribute, collect, buy, sell, import, export, treat, refine, prepare, manipulate, finish, pack, repack, transport, mix store and to act as agent, broker, agents, stockists, consultants, engineer, collaborators, consignors, franchiser, C& F agent, warehouser or otherwise to deal in lime, clay, granite, sand, concrete, motar, minerals, whiting, coked fule, gunny bags, hessain cloth, paper bags, HDPE bags, klinker, gypsum, limestone, sagole, consumables, substances and raw materials required for the manufacturing of cement and to own, explore and take land on lease or acquire, establish, operate, works and maintain quarries, mines, workshops and other works and to do all incidental acts and things necessary for the attainment of above objects.

The Object Clauses of the Memorandum of Association enables the Company to undertake activities for which the funds are being raised in this issue and also the activities, which the Company has been carrying on till date

Changes in Memorandum of Association of Burnpur Cements Limited

Since incorporation, the following changes have taken place in the Company's Memorandum of Association:

Date of Amendment	Amendment
15.11.90	Change in Authorised Capital, i.e., increase of Equity Share Capital from Rs. 5 lacs to Rs. 24 lacs.
25.05.92	Change in Authorised Capital, i.e., increase of Equity Share Capital from Rs. 24 lacs to Rs.35 lacs
25.01.93	Change in Authorised Capital i.e., increase of Equity Share Capital from Rs. 35 lacs to Rs.70 lacs
06.04.93	Change in Authorised Capital i.e., increase of Equity Share Capital from Rs. 70 lacs to Rs. 100 lacs
02.07.01	Altered the main object clause IIIA (i) & (ii) of the Memorandum of Association of the company by substituting the following clause: - To establish and carry on in India or elsewhere the business to produce,

	manufacture, treat, process, refine, prepare, import, export, purchase, sell, manipulate, finish, pack, repack, mix, grade, operate and to act as brokers, agents, consultants, merchants, stockists, distributors, suppliers, providers, collaborators, consignors, C& F agents, indenting agents, del-credre agents, job workers, wholesalers, retailers, traders, concessionaires or otherwise to deal in all varities, specifications, descriptions, applications & uses of cements whether ordinary, white, coloured, pozzolana, alumina, blast, silicalime, plaster, of paris etc. including grey cement, Portland cement, Portland pozzolana cement, Portland slag cement, Portland rapid hardening cement, Portland high aluumia cement, Portland oil well cement, special cement, repitix cement, water proof cement, masonary cement, lime pozzolona, sagole cement and other allied products. To quarry, mine, excavate, explore, extract, lift, handle, sort, blast, grade, dump, distribute, collect, buy, sell, import, export, treat, refine, prepare, manipulate, finish, pack, repack, transport, mix store and to act as agent, broker, agents, stockists, consultants, engineer, collaborators, consignors, franchiser, C& F agent, warehouser or otherwiseto deal in lime, clay, granite, sand, concrete, motar, minerals, whiting, coked fule, gunny bags, hessain cloth, paper bags, HDPE bags, klinker, gypsum, limestone, sagole, consumables, substances and raw materials required for the manufacturing of cement and to own, explore and take land on lease or acquire, establish, operate, works and maintain quarries, mines, workshops and other works and to do all incidental acts and things necessary for the attainment of above objects.
18.09.01	Name of the Company changed from Ashoka Concrete & Allied Industries Private Limited to Burnpur Cement Private Limited.
12.11.01	Converted into Public Limited Company from Private Limited Company and the name of the Company changed to Burnpur Cement Limited.
02.09.04	Change in Authorised Capital i.e., increase of Equity Share Capital from Rs. 100 lacs to Rs. 200 lacs
15.03.05	Change in Face value of Equity Shares from Rs. 100/- to Rs.10/-
15.03.05	Change in Authorised Capital i.e., increase of Equity Share Capital from Rs. 200 lacs to Rs.500 lacs
30.03.05	Change in Authorised Capital i.e., increase of Equity Share Capital from Rs. 500 lacs to Rs.1000 lacs
12.12.06	Change in Authorised Capital i.e., increase of Equity Share Capital from Rs. 1000 lacs to Rs.2000 lacs
15.03.07	Change in Authorised Capital i.e., increase of Equity Share Capital from Rs. 2000 lacs to Rs.4600 lacs

The details of the capital raised are given in the section Capital Structure on page ___ of the Draft Prospectus.

Subsidiaries of the Company
The Company has no subsidiary as on date.

Shareholders' Agreement
At present there are no shareholding agreements between the company and any other person

Other Agreements

The Company has not entered into agreement(s) except as mentioned below :

a. Memorandum of Understanding (MoU) dated 23rd March, 2006 between Government of Jharkhand (GoJ) and the Company. The salient features of the MOU are as follows :

i. The Company will set up a 1 Million TPY Greenfield Cement Plant consisting of 800-1600 TPD Clinker Plant, 800-3800 TPD Cement Grinding Unit, 50 MW Power Plant and a few ready mix plants.
ii. The products of the Company would be as follows :
    a. Clinker – High Grade Clinker
    b. Cement – PSC, PPC and OPC Cement
    c. Power – Captive Power Plant with generation capacity of 50 MW
iii. The Government of Jharkhand will assist in obtaining land required for setting up manufacturing units and other related activities to complete the project
iv. The State Government shall assist in selecting blocks within the state for coal and agrees to recommend to the Government of India for allotment of suitable coal blocks for captive coal mining.
v. The state Govt. shall assist in selecting the area for the Company for lime stone and other minerals as per requirement of the Company
vi. The state Government will permit the Company to draw the required quantity of water from nearby river,dam and/or reservoir.

b. Joint Venture Agreement dated 26th September, 2006 between the Company and Sri Bijay Kumar carrying on business as the proprietor and in the name and style of M/s Pandya Minerals of Bara Bazar, Hazaribag Jharkhand. The salient features are as follows :

i. Pandya Mines has been granted right to mine limestone for 20 years from field by the Governor of Jharkand from 17th March, 2001.
ii. Pandya Mines has been given mining rights for all the tracts of land situated at Village: Kadru, P.S. Ramgarh, P.S. No.116 in the Registration District - Hazaribagh containing an area of 8.53 acres.
iii. Pandya Mines on the strength of the said lease deed, was interalia allowed to conduct mining activities from the mine field/fields for an initial period of 20 years
iv. Mining activities shall be conducted at the schedule mine fields under the leasehold authority of Sri Bijay Kumar carrying on business as the proprietor, under the banner and in the name of style of M/s Pandya Minerals.
v. Mining activities in the schedule mine fields shall however exclusively rest with Pandya mines who shall be at liberty in terms of its own requirements to regulate the volume of mining.
vi. The Company upon mining the raw materials would either use the same in its own cement manufacturing plants or sell the same in open market as it may seem fit and proper under the given circumstances.
vii. The Company shall at all material times make payment at the rate of Rs.60/- per metric tonne only against mined cement grade limestone as and by way of Premium.

Material Contracts

The Company has not entered into any material contracts.

Strategic Partners

As on date, the Company has no strategic partners.

Financial Partners

As on date, the Company has no financial partners.

Management and Organisation

As per the Articles of Association, the Company shall not have less than three (3) and not more than twelve (12) Directors unless otherwise determined by the Company in a General Meeting. As of 31st March, 2007, the Company has nine (9) Directors out of which one (1) is a Whole-Time Directors and five (5) are Independent Directors. The Company has a Chairman, who is a Non-Executive Director.

Board of Directors

The following table sets forth the details regarding the Board of Directors.

Name, Designation, Address	**Date of Birth (DOB) & Age & DIN**	**Qualification & Occupation**	**Date of Appointment & Term**	**Other Directorships**
Mr. Arvind Pande *Non Executive Chairman* S/o Bhairav Dutt Pande E-148,First Floor, East of Kailash New Delhi 110065	DOB – 07.09.1942 64 years DIN - 00007067	B.A. (Hons.) M.A. (Eco), B.Sc Retired	05.10.2006 To Retire by Rotation	HDFC Bank Limited Visa Steel Limited ERA Constructions (India) Limited Sandhar Technologies Limited
Mr Ashok Gutgutia Vice Chairman & Managing Director S/o Late Ramawatar Gutgutia Radha Nagar Road Burnpur Asansol – 713 325	DOB – 28.01.1961 46 years DIN - 00684043	MBA, B.Com Business	Appointed as Director on 19.06.1986 Appointed as Managing Director w.e.f 01.04.2007 upto 31.03.12	Goyal Auto Distributors Private Limited Bharat Cement Private Limited Insight Consultants Private Limited **Partnership Firm** R.A.Gutgutia & Co.
Mrs Shashi Gutgutia Director W/o Mr Ashok Gutgutia Radha Nagar Road Burnpur Asansol – 713 325	DOB – 02.09.1969 37 Years DIN - 00683782	Graduate Business	07.02.1997 To Retire by Rotation	Goyal Auto Distributors Private Limited Bharat Cement Private Limited **Partnership Firm** R.A.Gutgutia & Co.
Mr Kailash Prasad Agarwal Director S/o Late Matadin Agarwal 167, Netaji Subhas Road P.O. Asansol, Burnpur – 713 301	DOB 17.07.1957 49years DIN - 00683816	Business	29.12.2004 To Retire by Rotation	Insight Consultants Private Limited **Partnership Firm** ESS ESS KAY Enterprises.
Mr Subroto Mookherjee Director S/o Mr Ashoke	DOB 14-06-1946	M.A.	15.05.06	-

Name, Designation, Address	Date of Birth (DOB) & Age & DIN	Qualification & Occupation	Date of Appointment & Term	Other Directorships
Mookherjee 15/1A, Gariahat Road Kolkata – 700 019	60 Years DIN – 01220872 (provisional)	Social Service	To Retire by Rotation	
Mr. Girdhar Lal Harlalka Director S/o Mr. Nawal Kishor Harlaka 45/1 Chetla Road Kolkata 700027	DOB – 05.02.1979 28 years	A. C.A. Practising Chartered Accountant	16.12.2006 To Retire by Rotation	-
Mr. Keshab Chandra Das Director S/o Late Birinchi Bhushan Das 41,Jodhpur Park Kolkata 700068	DOB – 01.02.1929 78 years DIN – 01071643 (provisional)	B.Sc Service	16.12.2006 To Retire by Rotation	Development Consultants Pvt. Ltd.
Mr. Prabha Shanker Mishra Director S/o Vasudeo Narain Mishra E-245,First Floor Greater Kailash II New Delhi 110048	DOB – 06.08.1936 70 years DIN - 00180954	M.Sc Bachelor of Law Advocate	05.10.2006 To Retire by Rotation	Sahara India Commercial Corporation Limited Sahara Life Insurance Company Limited
Mr. Abdul Kalam Director S/o Late Abdul Salam Khan 10/5, First Floor Sarvapriya Vihar, New Delhi 1100 16	DOB – 09.01.1945 62 years	Bachelor of Science in Mining Engineering	16.02.2007 To Retire by Rotation	-

BRIEF PROFILE OF DIRECTORS OF THE COMPANY

Mr. Arvind Pande, Non Executive *Chairman and Independent Director*

Mr. Arvind Pande, IAS, aged 64, Chairman of the Company, is a Bachelor of Science from Allahabad University and a Bachelor of Arts and Master in Arts (Economics) from Cambridge University, U.K. He joined the Indian Administrative Service (IAS) in 1965 and has held several important positions in his tenure in the Indian Administrative Service both in India and abroad. He was advisor to Executive Director for India, Bangladesh and Sri Lanka at the World Bank, Washington D.C. USA and in World Bank assisted projects in the Department of Economic Affairs, Ministry of Finance. He was also the Joint Secretary to the Prime Minister of India from 1981 to 1986. Mr. Pande moved on to the Corporate Public Sector in 1986 after he joined the Steel Authority of India Ltd. as a full time functional director dealing with several areas like Corporate Planning, Personnel and Human resources and moved on to become the Chairman and Chief Executive Officer of SAIL from January 1997 to September 2002. He was instrumental in implementing a major restructuring schedule at SAIL. He is also on the board of several companies like HDFC Bank Limited, Visa Steel Limited, Era Construction (India) Limited, Sandhar Technologies Limited etc. Mr. Arvind Pande has been appointed as an Additional Director of the Company w.e.f 05.10.2006. He is also a member of the audit committee of the Company.

Mr Ashok Gutgutia, *Vice Chairman & Managing Director*

Mr. Ashok Gutgutia, aged 46 years is a Graduate of Commerce from University of Ranchi and is an MBA from Indian Institute of Business Management, Patna. He was appointed as a Director of the company with effect from 19th June 1986 and Managing Director with effect from April 1, 2002 upto March 31st, 2007. He was further re appointed as Managing Director of the Company for a period of five years with effect from 1st April, 2007. He was Chairman of the Company till February 16, 2007 and has been re designated as Vice Chairman with effect from February 16, 2007. He along with his father, Late Ramawatar Gutgutia, had founded Ashoka Concrete & Allied Industries Private Limited on June 19, 1986 which later on became Burnpur Cement Limited. Mr. Gutgutia has 15 years of experience in the Cement Industry. His long-term strategy-planning along with knowledge of the cement industry contributes to the Company's continued growth and expansion. He is also a member of the IPO committee of the Board.

Mrs Shashi Gutgutia, Non Executive *& Non Independent Director*

Mrs Shashi Gutgutia aged 37 years is a Non-Executive and Non Independent Director of the Company. She is a Bachelor of Arts from University of Ranchi. She is one of the Promoters of the Company. She is associated with the Company as Director for more than 10 years. She gives valuable contribution during the Board Meetings on a regular basis. She was appointed as Additional Director on February 7, 1997 and she was appointed as a Director liable to retire by rotation at the AGM held on 29th September, 1997.

Mr. Keshab Chandra Das, *Non Executive & Non Independent Director*

Mr. Keshab Chandra Das, aged 78 years is a Non-Executive and Non Independent Director of the Company. He is a Bachelor of Science from the University of Calcutta. He has vast experience in process engineering, operation & maintenance and commissioning of Cement plants. He has monitored and commissioned several engineering projects in India and abroad. He is on the board of Development Consultants Private Limited since 1973.. Mr. Keshab Cahndra Das has been appointed as an Additional Director of the Company on 16.12.2006. He is the Chairman of the IPO Committee and member of the Investor Grievance Committee of the Company.

Mr Kailash Prasad Agarwal, Non *Executive & Non Independent Director*

Mr. Agarwal aged 49 years is a Non-Executive and Non Independent Director of the Company. He has vast experience in trading and manufacturing. He was appointed as Additional Director on December 29, 2004 and he was appointed as a Director liable to retire by rotation at the AGM held on 30th September, 2005. He is a member of the Investor Grievance Committee of the Company.

Mr Subroto Mookherjee, *Non Executive & Independent Director*

Mr Subroto Mookherjee aged 60 years is an Independent Director of the Company.He is a Masters of Art from the University of Calcutta. He was the Ex-Mayor of Kolkata Municipal Corporation and a former member of the Legislative Assembly of West Bengal. Mr. Subroto Mukherjee has been appointed as an Additional Director of the Company on 15.05.2006 and he was appointed as a Director liable to retire by rotation at the AGM held on 29.09.2006. He is a member of the Remuneration Committee and IPO Committee of the Company.

Mr. Prabha Shanker Mishra *Non Executive & Independent Director*

Mr. Prabha Shanker Mishra, aged 70 years is an Independent Director of the Company. He , is a Master in Science from Patna University and a Bachelor of Law from Patna University.. He was a Judge with Patna High Court and Madras High Court and the Chief Justice of Andhra Pradesh High Court and Calcutta High Court. He is currently a senior advocate with the Supreme Court of India. Mr. Prabha Shankar Mishra has been appointed as an Additional Director of the Company on 05.10.2006. He is the Chairman of the Investor Grievance Committee and a member of the Audit Committee and Remuneration Committee of the Company.

Mr. Girdhar Lal Harlalka, ***Non Executive & Independent Director***

Mr. Girdharlal Harlalka aged 28 yearsis is an Independent Director of the Company. He is a practising Chartered Accountant by profession. He possesses around 3 years of experience in the field of audit, income tax, company law, consultancy, etc. Mr. Girdhar Lal Harlalka has been appointed as an Additional Director of the Company on 16.12.2006. He is the Chairman of the Audit Committee and Remuneration Committee of the Company.

Mr. Abdul Kalam, ***Non Executive & Independent Director***

Mr. Abdul Kalam, aged 62 years is an Independent Director of the Company. He is a Bachelor of Science in Mining Engineering from Benaras Hindu University. He was the Chairman cum Managing Director of Eastern Coalfields Limited and has worked in senior position in various reputed organizations. He has published various articles and technical papers. He has been conferred the National Award by the President of India. Mr. Abdul Kalam has been appointed as an Additional Director of the Company on 16.02.2007.

Details Of Borrowing Powers

As per the relevant clause of the Articles of Association of the Company, the Board may, from time to time, at its discretion, subject to the provisions of section 293(1)(d) of the Companies Act, 1956, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company provided that the Board shall not without the sanction of the Company in General Meeting, borrow any sum of money which together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

Pursuant to a resolution passed in the Extra Ordinary General Meeting of the Company held on 09.05.2006 in accordance with the provisions of section 293(1)(d) of the Companies Act, 1956 Board of Directors have been authorized to borrow from time to time for the purposes of the Company upon such terms and conditions and with/without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together together with the money already borrowed by the company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed at any time a sum of 120 Crores.

<u>TERMS OF APPOINTMENT & COMPENSATION OF EXECUTIVE DIRECTORS</u>

Mr Ashok Gutgutia, ***Vice Chairman & Managing Director***

The shareholders in the Annual General Meeting held on 30th September, 2002 approved the appointment and remuneration of Mr Ashok Gutgutia as Managing Director for a period of five years with effect from 01.04.2002 till 31.03.2007 pursuant to the provisions of sections 198, 269, 309, and 310 of the Companies Act, 1956, read with schedule XIII to the Act on a salary of Rs. 50,000/- per month and with further liberty to the Directors, from time to time, to alter the said terms as may be deemed fit.

Mr. Ashok Gutgutia was reappointed as the Managing Director of the Company for a period of five years with effect from April 1, 2007 till March 31, 2012 at the meeting of the Board of Directors of the Company at their Meeting held on February 20, 2007 pursuant to the provisions of sections 198, 269, 309, of the Companies Act, 1956, read with schedule XIII to the Act

Mr. Ashok Gutgutia is to be paid the following remuneration w.e.f April 1, 2007:

Salary

Rs.1,00,000/- (Rupees One Lakh only) per month such revisions as may be approved by the Board from time to time.

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.

Medical Facilities

Medical Expenses for Mr. Ashok Gutgutia and his family will be borne by the Company as per actuals.

Perquisites :

Company Car

Provision of one car with driver, fuel, maintenance eyc for use on company's business as also for personal use.

Housing

Free furnished Company accommodation with residential office maintained with utilities like gas, water, electricity, caretaker, staff etc.

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 :

Hospitalisation as per actuals for self and family

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 pf profession institutes/bodies at Company's cost.

Others as per Company's rules.

Corporate Governance

Corporate Governance & Sub- Committees

The directions issued by the SEBI vide SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004 under Clause 49 of the Listing Agreement in respect of Corporate Governance are applicable to the Company immediately upon seeking in-principle approval from the Stock Exchange(s) for listing of the Equity Shares on the various stock exchanges.

To comply with the guidelines in relation to corporate governance, the Issuer Company has already appointed 5 independent directors Mr. Arvind Pande, Mr Prabha Shanker Mishra, Mr. Girdharlal Harlalka, Mr Subroto Mukherjee and Mr. Abdul Kalam on the Board of Directors of the Company. As the Chairman of the Company is non-executive, one-third of the Board of Directors comprises of independent directors.

The Board of Directors comprises a total of nine (9) Directors which includes one (1) Non-Executive and Independent Chairman, one (1) Managing Director, three (3) Non-Executive Non Independent Director and four (4) Independent Directors.

Audit Committee

The Audit committee was constituted on January 4, 2007 and has the following terms of reference and composition:

a) Terms of Reference

i Overseeing the company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
ii Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees;
iii Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
iv Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report; changes, if any, in accounting policies and practices and reasons for the same; major accounting entries involving estimates based on the exercise of judgement by management; significant adjustments made in the financial statements arising out of audit findings; compliance with listing and other legal requirements relating to financial statements; disclosure of any related party transactions; and qualifications in the draft Audit Report;
v Reviewing with management, the quarterly financial statements before submission to the Board for approval;
vi Reviewing with management, performance of statutory and internal auditors, and adequacy of internal systems;
vii Reviewing adequacy of internal audit functions, if any, including the structure of the internal audit department staffing and seniority of the officials heading the department, reporting structure, coverage and frequency of internal audit;
viii Discussions with internal auditors, any significant findings and follow-up thereon;
ix Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
x Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
xi To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; and
xii To review the functioning of the Whistle Blower mechanism, in case the same exists.

b) Composition

Name of Members	**Designation**	
Mr. Girdhar Lal Harlalka	Chairman	Independent Director
Mr. Arvind Pande	Member	Independent Director
Mr. Prabha Shanker Mishra	Member	Independent Director

The Statutory Auditors and Company Secretary of the Company are permanent invitees**.** Mr. Manoj Kumar Agarwal, Company Secretary, is the Secretary of the Committee.

Remuneration Committee

The Remuneration Committee was constituted on January 4, 2007, and has the following terms of reference and composition:

a) Terms of Reference:

To review, assess and recommend the appointment of executive and non-executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revision to the Board, to recommend compensation to the non-executive directors in accordance with the Companies Act, to consider and recommend Employee Stock Option Schemes (if any) from time to time and to administer and superintend the same.

b) Composition:

Name of Members	Designation	
Mr. Girdhar Lal Harlalka	Chairman	Independent Director
Mr. Subroto Mookherjee	Member	Independent Director
Mr. Prabha Shanker Mishra	Member	Independent Director

Mr Manoj Agarwal, Company Secretary is the Secretary of the Committee.

c) Remuneration Policy:

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications, and experience of the employee, responsibilities handled by him, individual performance etc.

d) Non-Executive Directors: No remuneration was paid to Non-Executive Directors during the financial year 2005-06.

Investors' Grievance Committee

The Investors Grievance Committee was constituted on January 4, 2007. This committee has been constituted to specifically look into redressing the shareholders and investors' complaint, to oversee share transfers and monitors investors' grievances such as complaints on transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. and redressal thereof. It has the following terms of reference and composition:

a) Terms of Reference:

i. To accept the share application along with the share application money and reject the application as may be deem fit and proper;
ii. To do all work relating to transfer, transmission, consolidation, split and issue of duplicate shares of the company;
iii. To do all the necessary things as may be required from time to time under the Companies Act, 1956 and other related enactment; and
iv. To look into the shareholder complaints, if any, and to redress the same expeditiously.

b) Composition:

Name of Members	Designation	
Mr. Prabha Shanker Mishra	Chairman	Independent Director
Mr. Kailash Prasad Agarwal	Member	Non Executive Director
Mr. Keshab Das	Member	Non Executive Director

Mr. Manoj Kumar Agarwal, Company Secretary, is the Compliance Officer.

There were no unresolved complaints/transfer pending.

IPO Committee:

The IPO Committee was formed on January 4, 2007 and has the following terms of reference and composition:

a) Terms of Reference:

i. To take decisions relating to any matter arising pre or post in respect of Initial Public Offer to the public and to deal with SEBI, Stock exchange, all intermediaries and to do all such acts and things as deemed necessary for the purpose; and
ii. To monitor deployment of issue proceeds.

b) Composition:

Name of Members	Designation	
Mr. Keshab Das	Chairman	Non Executive Director
Mr. Ashok Gutgutia	Member	Executive Director
Mr. Subroto Mookherjee	Member	Independent Director

Shareholding of Directors

The shareholding of the Directors on the date of the issue of the Draft Prospectus is as follows:

Sl. No.	Name of the Director	No. of Shares	%age of the Pre Issue Share Capital
1.	Shri. Ashok Gutgutia	15,38,950	13.78%
2.	Smt. Shashi Gutgutia	6,95,000	6.22%

For details regarding Equity Shares held by the Promoters/Directors and their families and entities controlled by them. Please refer "Capital Structure of the Company" at page 14 of this Draft Prospectus.

Interest of the Directors

All the Non-Executive Directors of Burnpur Cement Limited may be deemed to be interested to the extent of Sitting fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws, and the Articles of Association.

The Directors may also be regarded as interested in the equity shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and/or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by Burnpur Cement Limited with any Company in which they hold Directorships or any partnership firm in which they are partners as may be declared in their respective declarations.

The Vice Chairman & Managing Director of Burnpur Cement Limited is interested to the extent of remuneration paid to him for services rendered as officer or employee of the Company (For more details, please refer "Related Party Disclosures" as mentioned under of the Auditors' Report given in this Draft Prospectus at page no. 112). Further, the Directors are also interested to the extent of equity shares, if any, already held by them or their relatives in the Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Mr. Keshab Chandra Das is also a Director of Development Consultants Pvt. Ltd. which has been appointed as engineering consultants for the proposed.

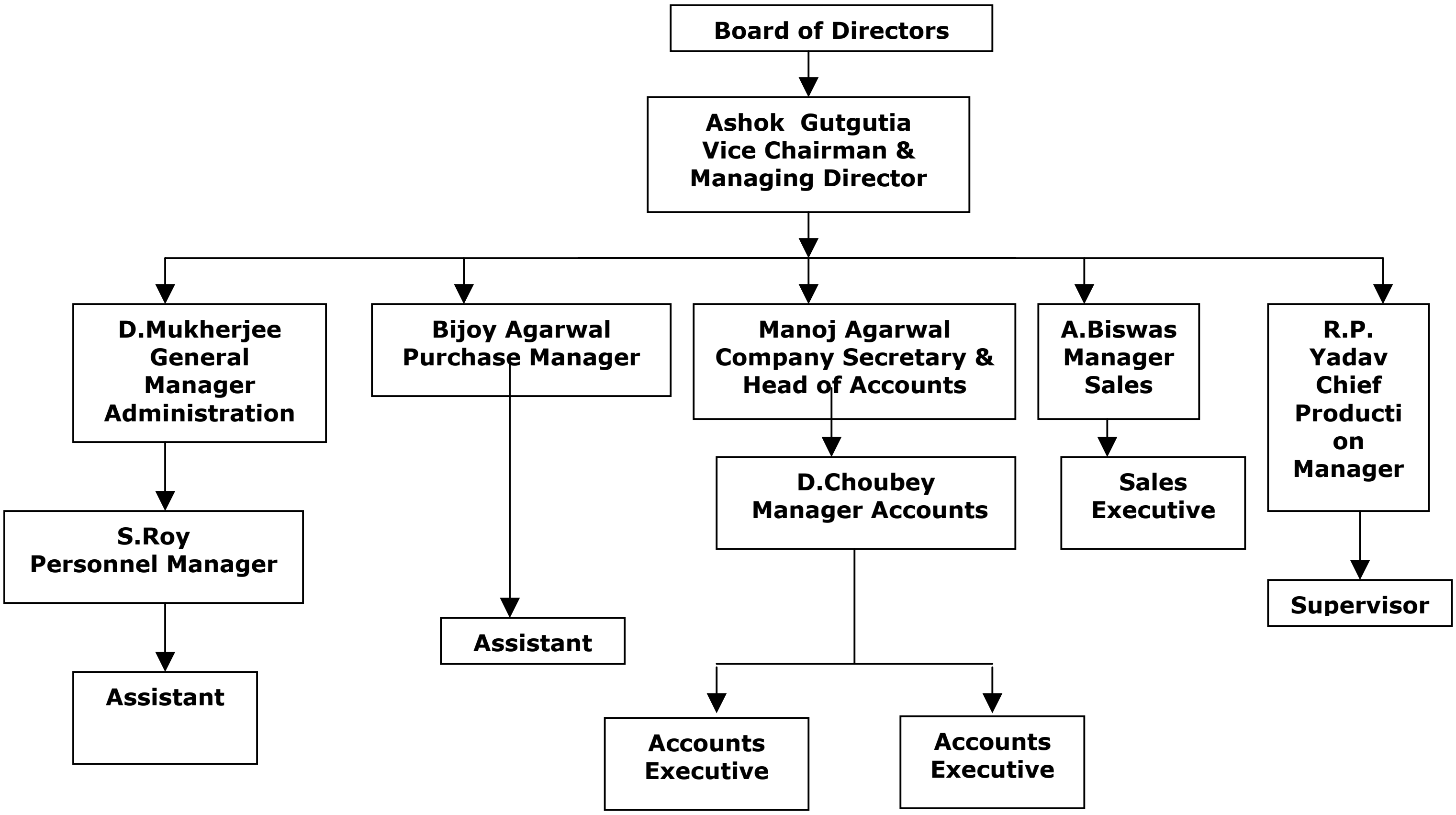
Mr. Ashok Gutgutia, Vice Chairman cum Managing Director of the Company has entered into an agreement with the company for letting out his share of factory land and office premises at monthly rent of Rs 15000/- and 30000/- respectively.

Except as stated otherwise in this Draft Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Changes in Directors during the last three years

Sl. No.	**Name**	**Date of appointment**	**Date of cessation**	**Reason**
1	Mr Shyam Sunder Bajaj	28.01.2001	29.12.2004	Resigned
2	Mr Kailash Prasad Agarwal	29.12.2004	-	Appointed as Additional Director
3	Mr Subroto Mookherjee	15.05.2006	-	Appointed as Additional Director
4	Mr. Arvind Pande	05.10.2006	-	Appointed as Additional Director
5	Mr. Prabha Shanker Mishra	05.10.2006	-	Appointed as Additional Director
6	Mr. Girdhar Lal Harlalka	16.12.2006	-	Appointed as Additional Director
7	Mr. Keshab Chandra Das	16.12.2006	-	Appointed as Additional Director
8	Mr. Abdul Kalam	16.02.2007	-	Appointed as Additional Director

Organisation Structure



Key Management Personnel

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production, finance, , marketing and corporate laws. The details of the key managerial personnel other than the Managing Director who assist the Management are as follows:

Sl. No.	Name	Designation	Age	Qualification	Past Experience	Date of Joining	Previous Employment
1	Mr. Manoj Agarwal	Company Secretary & Head of Accounts	32	ACS, B.Com (Hons)	7 years of relevant experience in the tax, law and accounts.	01.04.2005	Practicing Company Secretary
2	Mr. Debobroto Choubey	Manager Accounts	41	ICWA, BSC (Maths Hons.)	10 years of experience in the field of accounts.	02.02.2002	Meritonga Construction Co., Itanagar, Anurachal Pradesh
3	Mr. Debashish Mukherjee	General Manager Administration	56	B. Com (Hons.), LLB	34 Years of administration experience in Manufacturing industry.	02.02.2002	M/s Refractories Specialities (India) Limited
4	Mr. Bijay Agarwal	Purchase Manager	52	B.A.	25 Years in manufacturing concerns.	01.01.2006	
5	Mr. Sukumar Roy	Personnel Manager	53	B.A.	17 Years in construction Company at IISCO.	01.01.1999	IISCO
6	Mr. Rama Kant Prasad Yadav	Chief Production Manager	48	B.Sc.	25 Years in cement industry.	01.01.1999	Krishna Cement
7.	Mr. Amal Kumar Biswas	Manager Sales	53	B.A.	16 years experience in Sales	27.12.1998	Kumar Sales Agency.

All the above Key Managerial Personnel are permanent employees of the Company.

Mr Manoj Kumar Agarwal, *Company Secretary and Head of Accounts*

Mr. Manoj Kumar Agarwal is 32 years of age and a commerce graduate. He is also a qualified Company Secretary with 7 years of experience in finance, secretarial and tax matters. He is working as a Company Secretary of the Company besides heading Finance and Accounts departments.

Mr Debobroto Choubey, *Manager Accounts*

Mr Debobroto Choubey aged about 41 years, has been working as a Finance Manager and looks after the accounts and taxation matters. He is having around 10 years of experience in the field of accounts and taxation. He is a Science graduate and also a qualified Cost Accountant.

Mr D. Mukherjee, *General Manager Administration*

Mr D.Mukherjee aged 56 years looks after the administration department of the entire organization. He is a Commerce Graduate (B.Com) and is also having a LLB degree. He worked in different manufacturing industries and having a rich experience of 34 years in the related field.

Mr Bijay Agarwal, *Purchase Manager*

Mr Bijay Agarwal is commerce graduate and is working as a Purchase Manager in the organisation. He possesses 25 years of experience in the manufacturing industry.

Mr Sukumar Roy, *Personnel Manager*

Mr Sukumar Roy aged 53 years is a graduate in arts. He has 17 years of vast experience in various steel and cement industries. He is working as a Personal Manager.

Mr Ramakant Prasad Yadav, Chief Production *Manager*

Mr Yadav is having 25 years of experience in cement industry. He takes care of the production department and is designated as Chief Manager-Production.

Mr Amal Kumar Biswas, *Manager Sales*

Mr Biswas is having 16 years of experience in cement industry. He takes care of the sales department and is designated as Manager Sales.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel other than the ones listed below hold any shares of the Company as on the date of this Draft Prospectus.

Name	No. of Equity Shares
Debebroto Choubey	8850
Sukumar Roy	8900

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit Sharing Plan for the Key Managerial Personnel. The Company makes bonus payments to the employees based on their performance, which is as per their terms of appointment.

Changes in Key Managerial Employees:

Name	Designation	Date of Change	Reason
Mr. Debasish Ghatak	Marketing Manager	01.09.2006	Resignation
Mr. Bijay Agarwal	Purchase Manager	01.01.2006	Appointed

Apart from the abovementioned change, there has been no change in the KMPs within the one year period prior to the filing of this Draft Prospectus with SEBI.

Family relation with Key Managerial Personnel (KMP)

There exists no family relation between the promoters/directors and the key managerial personnels.

Employees Stock Option Scheme / Employees Stock Purchase Scheme

The Company has not issued any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

Payment or Benefit to Officers of the Company

In the last two years the Company has not paid or given any amount or benefit to any of its officers except the normal remuneration for services rendered as Directors, officers or employees.

Promoters of the Company

Mr Ashok Gutgutia, Mrs Shashi Gutgutia, Insight Consultants Private Limited, Goyal Auto Distributors Private Limited and Bharat Cement Private Ltd. are the promoters of the Company.

PROMOTERS AND THEIR BACKGROUND

Mr Ashok Gutgutia, Vice *Chairman & Managing Director*

Mr. Ashok Gutgutia, aged 46 years is a Graduate of Commerce from University of Ranchi and is an MBA from Indian Institute of Business Management, Patna. He was appointed as a Director of the company with effect from 19th June 1986 and Managing Director with effect from April 1, 2002 upto March 31st, 2007. He was further re appointed as Managing Director of the Company for a period of five years with effect from 1st April, 2007. He was Chairman of the Company till February 16, 2007 and re designated as Vice Chairman with effect from February 16. 2007. He along with his father, Late Ramawatar Gutgutia, had founded Ashoka Concrete & Allied Industries Private Limited on June 19, 1986 which later on became Burnpur Cement Limited. Mr. Gutgutia has 15 years of experience in the Cement Industry. His long-term strategy-planning along with knowledge of the cement industry contributes to the Company's continued growth and expansion. He is also a member of the IPO committee of the Board.

Mrs Shashi Gutgutia, Non Executive *Director*

Mrs Shashi Gutgutia aged 37 years is a Non-Executive and Non Independent Director of the Company. She is a Graduate. She is one of the Promoters of the Company. She is associated with the Company as Director for more than 10 years. She gives valuable contribution during the Board Meetings on a regular basis. She was appointed as Additional Director on February 7, 1997 and she was appointed as a Director liable to retire by rotation at the AGM held on 29th September, 1997.

Name of the Promoter	Mr Ashok Gutgutia	Mrs Shashi Gutgutia
Photo of the promoters		
Driving Licence Number	WB-38-013616	N.A.
Passport Number	G0325359	A8507637
PAN Number	ADNPG4435B	ADNPG4439P
Voter Id Number	WB/38/259/096345	N.A.
Name of Bank and Branch	State Bank of India, Asansol Main Branch	State Bank of India, Asansol Main Branch
Bank Account Number	01190038868	01150066342

The Company confirm that the Permanent Account Number, Bank Account number, and Passport number, of the Promoters, would be submitted to the BSE and NSE at the time of filing of the Draft Prospectus with them.

INSIGHT CONSULTANTS PRIVATE LIMITED, Promoter being a company:

Name of the Promoter	Insight Consultant (P) Ltd.
Registered Office	4, Fairlie Place Room No-106 Kolkata – 700 001
Company Registration Number	21-71158
Registrars of Companies	Registrar of Companies West Bengal Kolkata
PAN No.	AAACI7356L
Name of Bank and Branch	UTI Bank Apurba Complex Apcar garden, Sen Raleigh Road, Asansol
Current Bank Account No.	150010200008167

History of the company

The Company was incorporated on April 21, 1995 under the name of Insight Consultants Private Limited. The Registered Office of the Company at the time of incorporation was 2B, Grant Lane, 4th Floor, Kolkata – 700 012. The Registered Office of the company was changed from 2B, Grant Lane, 4th Floor, Kolkata – 700 012 to 133/1, S.N.Banerjee Road, 2nd Floor, Kolkata – 700 013 with effect from 02.07.1996 and again with effect from 15.01.2001 the registered office of the company have shifted to 2B, Grant Lane, 4th Floor, Kolkata – 700 012. With effect from February 1, 2006 the Registered Office of the Company shifted to 4, Fairlie Place Room No-106, Kolkata – 700 001

Insight Consultants Private Limited (ICPL) is registered with Reserve Bank of India as a Non Banking Finance Company (NBFC) and is engaged in financial consultancy and financing activities.

Change in management

Insight Consultants Private Limited was originally promoted by Mr Arunav Dey and Vivek Kumar in the year 1995. Subsequently, the controlling shareholding /directorship was taken over by the Promoters/Promoters Group of Burnpur. Mr. Ashok Gutgutia, Mrs. Shashi Gutgutia, M/s. Bharat Cement Private Limited and A.K. Gutugutia & sons together hold 76.27% shares in the company and have controlling interest of the company.

Board of Directors

Name of Director	Designation
Mr. Ashok Gutgutia	Director
Mr. Kailash Prasad Agarwal	Director

Shareholding as on date

Sl. No.	Name of Shareholder	No. of Shares Held	% of Shareholding
1.	Mr. Ashok Gutgutia	121000	12.48
2.	Mrs. Shashi Gutgutia	368700	38.01
3.	M/s. Bharat Cement Private Limited	50000	5.16
4.	A.K.Gutgutia & Sons	200000	20.62
5.	Iswaryam Mercantile Private Limited	25000	2.58
6	Mideast Vyapaar Private Limited	25000	2.58
7	Backbone Sales Private Limited	25000	2.58
8	Priya Nivesh Private Limited	20000	2.06
9	Waltz Mercantiles Private Limited	25000	2.58
10	Enoch Mercantiles Private Limited	25000	2.58

11	Dowell Fiscal Private Limited	10000	1.03
12	Naatta Marketing Private Limited	10000	1.03
13	Danmall Vyapaar Private Limited	25000	2.58
14	Sunflag Viniyog Private Limited	15000	1.55
15	Vishaljoy Vinimay Private Limited	25000	2.58
	TOTAL	**969700**	**100.00**

BHARAT CEMENT PRIVATE LIMITED, Promoter being a company

Name of the Promoter	Bharat Cement Private Ltd.
Registered Office	4, Fairlie Place, Room No – 106, 1st Floor, Kolkata – 700 012
Company Registration Number	21-72637
Registrars of Companies	Registrar of Companies, West Bengal Kolkata.
PAN No.	AACCB1064C
Name of Bank and Branch	UTI Bank – Apurba Complex Apcar garden, Sen Raleigh Road, Asansol
Current Bank Account No.	150010200005739

History of the company

The Company was incorporated on July 6, 1995 under the name Bharat Cement Ltd. and got the Certificate for Commencement of business on July 18, 1995. The Company was converted into a private limited Company and the name of the Company was changed to Bharat Cement Private Limited and the Fresh Certificate of Incorporation was issued by the Registrar of Companies, West Bengal Kolkata on the 20th of September, 2001.The Registered Office of the Company at the time of Incorporation was 46, B.B.Ganguly Street, Calcutta – 700 012 which was shifted to 4, Fairlie Place, Room No – 106, 1st Floor, Kolkata – 700 001 with effect from 21.06.2006.

Bharat Cement Private Ltd is engaged in the business of investment in shares and securities.

Change in management

There has been no change in the management of the company during the past 3 years. The company has been promoted by Mr Ashok Gutgutia and Mrs. Shashi Gutgutia. Mr. Ashok Gutgutia together with Insight Consultants Private Limited hold 96.87% shares in the company and have controlling interest of the company.

Board of Directors

Name of Director	**Designation**
Mr Ashok Gutgutia	Director
Mrs Shashi Gutgutia	Director

Shareholding as on date

Sl. No.	**Name of Shareholder**	**No. of Shares Held**	**% of Shareholding**
1.	Ashok Gutgutia	50,100	32.33
2.	Goutam Sen	100	0.07
3.	Rati Kanta Sarkar	100	0.07
4.	Anand Poddar	100	0.07

5.	Banwari Lal Poddar	4300	2.78
6	Rajendra Nath Singh	100	0.07
7	Sukumar Roy	100	0.07
8	Insight Consultants Private Limited	100000	64.54
	TOTAL	**154900**	**100.00**

GOYAL AUTO DISTRIBUTORS PRIVATE LIMITED, Promoter being a company:

Name of the Promoter	Goyal Auto Distributors Private Limited
Registered Office	Saradapally, Ashok Nagar, Asansol – 713 304
Company Registration Number	21-57386
Registrars of Companies	Registrar of Companies, West Bengal, Kolkata
PAN No.	AAGFG0214L
Name of Bank and Branch	State Bank of India, B.B.Ganguly Street Branch
Current Bank Account No.	0105065220

History of the company

The Company was incorporated on Januray 6, 1993 under the name of Goyal Auto Distributors (P) Ltd. The Registered Office of the Company at the time of incorporation was 28, New Road, Alipur, Kolkata – 700 027, which was shifted to Saradapally, Ashok Nagar, Asansol – 713 304 with effect from 06.08.1999.

Goyal Auto Distributors (P) Ltd is engaged in the business of investment in shares and securities.

Change in management

There has been no change in the management of the company during the past 3 years. The company has been promoted by Mr Ashok Gutgutia and Mrs. Shashi Gutgutia. Mr. Ashok Gutgutia who together with Insight Consultants Private Limited hold 52.07% shares in the company and have controlling interest of the company.

Board of Directors

Name of Director	Designation
Mr Ashok Gutgutia	Director
Mrs Shashi Gutgutia	Director

Shareholding as on date

Sl. No.	Name of Shareholder	No. of Shares Held	% of Shareholding
1.	Ashok Gutgutia	12100	10.15
2.	Pawan Gutgutia	100	0.08
3.	Ram Awatar Gutgutia	100	0.08
4.	Leong Packers Private Limited	12500	10.48
5.	Sunil Kumar Rajgharia	5500	4.61
6	Pratush Consult Private Limited	15000	12.57
7	Rama Prasad Kumud	5000	4.19

8	Ashok Kumar Saraogi	5000	4.19
9	Pawan Kumar Saraogi	9000	7.54
10	Rajesh Chandra Jha	5000	4.19
11	Insight Consultants Private Limited	50000	41.92
	TOTAL	**119300**	**100.00**

Declaration by the Promoters

The Company confirm that the Permanent Account Number, Bank Account number, Company Registration number, and the address of the Registrar of Companies where the company is registered will be submitted to the BSE and NSE at the time of filing of this document with them.

Common Pursuits

As on date, there are no common pursuits which may lead to conflict of interest in the business of the Company and other companies promoted by the Promoter. However Bharat Cement Private Limited has been promoted by the promoters of Burnpur Cement Limited, and also Mr Ashok Gutgutia and Mrs Shashi Gutgutia are the Director of the said company can by its Memorandum of Association engage in similar (cement) business but the Company is presently engaged in investment in shares and securities.

Interest of the Promoters

The Promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives, and benefits arriving from their holding directorship in the company. The Promoters are not interested in any property, if acquired by the company within two years from the date of the Draft Prospectus. The Promoters are not interested in any loan or advance given by the Company, neither are they beneficiary of any such loans or advances.

Payment Or Benefit To Promoters Of The Company

Mr Ashok Gutgutia, Vice Chairman & Managing Director of the company, draws Managerial remuneration as mentioned earlier in this Draft Prospectus on page number 97.

Mr. Ashok Gutugutia, Vice Chairman & Managing Director of the company, also gets rent of Rs.45,000/- p.m. as mentioned earlier in this Draft Prospectus on page number 110.

Except as stated hereinabove and otherwise stated in this Draft Prospectus, the Company has not paid any amount to the promoters.

Related Party Transactions

For details of related party transactions please refer to page 110 of the Draft Prospectus.

Relationship between the Promoters, Directors and Key Managerial Personnel

Mr Ashok Gutgutia **:** He is the husband of Ms. Shashi Gutgutia, Director
***Promoter & Managing Director*r**

Mrs Shashi Gutgutia : She is the wife of Ashok Gutgutia, Managing Director
Promoter & Director

Currency Of Presentation

In this Draft Prospectus, all references to "Rupees" and "Rs." and "Indian Rupees" are to the legal currency of the Republic of India.

Dividend Policy

Dividends, other than interim dividends, will be declared at the Annual General Meetings of the shareholders of the Company based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the shareholders. Generally, the factors that may be considered by the Board of Directors before making any recommendations for the dividend include, but not limited to, the future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividends to the shareholders. However, the dividend payments in the past are not necessarily indicative of the dividend amounts, if any, or the dividend policy, in the future.

SECTION V: FINANCIAL INFORMATION

AUDITORS' REPORT

The Board of Directors
Burnpur Cement Limited
Cement House
Saradapally, Ashoknagar
Asansol - 713304

We have examined the financial information of Burnpur Cement Limited, contained in the statements annexed to this Report for the immediately preceding five financial years ended 31st March 2002, 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 and for the nine months period ended 31st December 2006, which is proposed to be included in the Offer Document being issued by the Company in connection with its Public Issue of Equity Shares (hereinafter referred to as "the Issue") which is in accordance to the requirements of:

(a) Paragraph B(1) of Para II of Schedule II to the Companies Act, 1956 ("the Act");

(b) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("the SEBI guidelines") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments; and

(c) The terms of reference received from the Company, requesting us to carry out work, proposed to be included in the Offer Document in connection with its proposed Public Issue of Equity Shares.

Financial information as per audited financial statements:

1. We have examined the attached Restated Summary of Assets & Liabilities of the Company as at 31st March 2002, 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 and for the nine months period ended 31st December 2006 (Annexure – I) and the attached Restated Summary of Profit and Loss Account for the years/period ended on those dates (Annexure – II) together, referred to as 'Summary Statements' as prepared by the Company and approved by the Board of Directors. These profits have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure – XXII-B to this report. Based on our examination of these summary statements, we state that:

   i. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and re-grouping as in our opinion are appropriate in the year/period to which they are related;

   ii. The summary statements of the Company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at November 30, 2006 as stated vide Annexure - XXII-A to this report. The summary statements have to be read in conjunction with the notes give in the Annexure - XXII-B;

   iii. There are no qualifications in the auditor's report that require any adjustments to the summary statements;

   iv. The extra-ordinary items that need to be disclosed separately in the summary statements have been appropriately disclosed. There were no exceptional and non-recurring items, which are material.

2. The summary of significant accounting policies adopted by the Company pertaining to the audited financial statements as at December 31, 2006 are enclosed as Annexure - XXII-A to this report.

Other Financial Information:

3. We have examined the following financial information relating to the Company for the years ended 31st March 2002, 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 and for the nine months period ended 31st December 2006,

proposed to be included in the Offer Document /Draft Red Herring Prospectus as approved by the Board of Directors and annexed to this report:

Sl. No	Particulars	Annexure No.
1	Statement of Assets & Liabilities	Annexure - I
2	Statement of Profit & Loss Account	Annexure - II
3	Details of Investments	Annexure - III
4	Details of Stock in Trade	Annexure – IV-A & IV-B
5	Details of Sundry Debtors	Annexure - V
6	Details of Loans & Advances	Annexure – VI-A & VI-B
7	Details of Secured Loans	Annexure – VII-A & VII-B
8	Details of Unsecured Loans	Annexure - VIII
9	Details of Current Liabilities & Provisions	Annexure - IX
10	Details of Reserves & Surplus	Annexure - X
11	Details of Other Income	Annexure - XI
12	Statement of Auditors Remuneration	Annexure - XII
13	Details of Staff Cost	Annexure - XIII
14	Details of Directors Remuneration	Annexure - XIV
15	Details of Contingent Liabilities	Annexure - XV
16	Disclosure regarding Related Party Transactions	Annexure - XVI-A, XVI-B, XVI-C
17	Statement of Accounting Ratio	Annexure - XVII
18	Capitalization Statement	Annexure - XVIII
19	Statement of Dividend Paid	Annexure - XIX
20	Statement of Tax Shelter	Annexure - XX
21	Cash Flow Statement	Annexure - XXI
22	Significant Accounting Policies	Annexure - XXII-A
23	Notes to Accounts	Annexure - XXII-B

4. In our view, the ‘financial information as per the audited financial statements’ and other financial information’ mentioned above has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

5. The sufficiency of the procedure performed, as set for the in the above paragraph of this report, is the sole responsibility of the Company. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purpose.

6. This report should not be in any way constructed as a re-issuance or redrafting of any of the previous audit report issued by us or other auditors nor should this report be constructed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed issue of the Company as and is not to be used, referred to or distributed for any purpose without our prior written consent.

For N K AGARWAL & CO.
Chartered Accountants

N K Agarwal

Proprietor
Membership No. 14267

Date: 19-February-2007
Place: Asansol

ANNEXURE - I

STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

(Rs. in Lakhs)

Particulars	**As At**					
	31-Dec-06	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Fixed Assets						
Gross Block	1,991.08	1,957.77	1,842.83	729.12	773.01	619.26
Less: Accumulated Depreciation	427.60	339.16	244.21	200.46	160.98	111.76
Net Block	1,563.48	1,618.61	1,598.62	528.65	612.03	507.49
Less: Revaluation Reserve	790.55	818.13	854.90	-	-	-
Net Block after Adjustment of Revaluation Reserve	772.93	800.48	743.73	528.65	612.03	507.49
Capital work in Progress	56.53	22.46	-	147.13	-	-
Total (a)	**829.46**	**822.94**	**743.73**	**675.79**	**612.03**	**507.49**
Investments (b)	1.00	1.00	1.00	1.00	1.00	1.65
Current Assets, Loans & Advances						
Inventories	599.35	379.54	519.90	451.97	324.93	205.66
Sundry Debtors	386.80	532.62	96.33	65.54	54.56	89.02
Cash & bank balances	445.84	187.74	69.98	48.06	57.96	40.65
Loans & advances	499.41	363.11	104.42	56.49	61.65	82.78
Total (c)	**1,931.40**	**1,463.01**	**790.64**	**622.06**	**499.10**	**418.11**
Total Assets (d) = (a + b + c)	**2,761.86**	**2,286.95**	**1,535.36**	**1,298.85**	**1,112.14**	**927.26**
Liabilities & Provisions						
Secured Loans	1,053.71	919.22	506.48	402.92	390.25	307.07
Unsecured Loans	21.00	-	-	244.09	238.87	222.55
Deferred Tax Liability	74.69	75.24	67.33	53.38	40.08	-
Current Liabilities & Provisions	188.87	210.88	335.35	379.16	230.00	162.63
Total (e)	**1,338.27**	**1,205.34**	**909.17**	**1,079.55**	**899.21**	**692.24**
Net worth (f) = (d - e)	**1,423.59**	**1,081.61**	**626.20**	**219.29**	**212.92**	**235.02**
Represented By						
Equity Share Capital	859.39	859.39	466.19	97.69	97.69	97.69
Share Application Money	309.00	-	-	-	-	-
Reserves & Surplus						
Reserves & Surplus	1,045.75	1,040.35	1,014.90	121.60	115.23	137.33
Less: Revaluation reserve	790.55	818.13	854.90	-	-	-
	255.20	222.22	160.01	121.60	115.23	137.33
Less: Miscellaneous Expenditure	-	-	-	-	-	-
Net Worth	**1,423.59**	**1,081.61**	**626.20**	**219.29**	**212.92**	**235.02**

ANNEXURE - II

STATEMENT PROFIT & LOSS ACCOUNT, AS RESTATED

(Rs. in lakhs)

Particulars	For the Year/Period Ended					
	31-Dec-06	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Income						
Sales from:						
- Manufactured Goods	1,211.80	2,107.95	1,328.05	940.17	696.21	543.63
- Traded Goods	63.11	476.96	84.99	-	-	-
Gross Sales	**1,274.90**	**2,584.91**	**1,413.04**	**940.17**	**696.21**	**543.63**
Less : Excise Duty	151.76	301.92	200.22	143.08	108.93	73.87
Net Sales	**1,123.14**	**2,282.99**	**1,212.82**	**797.08**	**587.28**	**469.76**
Other Income	27.00	31.76	0.01	83.83	56.35	32.02
Increase/(Decrease) in Stock	(0.34)	0.23	(5.50)	2.28	2.89	(2.83)
Total	**1,149.80**	**2,314.97**	**1,207.33**	**883.20**	**646.52**	**498.96**
Expenditure						
Manufacturing Expenses	241.61	469.21	259.71	242.76	140.57	103.47
Raw Materials Consumed	515.30	951.00	536.85	394.76	284.01	228.14
Trading Purchase	57.00	423.96	74.67	-	-	-
Staff Costs (incl. Directors' Remuneration)	26.00	30.57	25.76	19.06	15.35	9.47
Administrative, Selling & Distribution Exp.	136.10	212.66	169.22	96.90	90.13	84.52
Interest & Financial Charges (Net)	69.40	63.58	34.58	59.41	49.92	23.40
Depreciation	60.86	58.18	43.75	39.48	49.22	26.16
Total	**1,106.27**	**2,209.17**	**1,144.55**	**852.38**	**629.19**	**475.15**
Profit Before Tax (PBT)	**43.54**	**105.80**	**62.78**	**30.82**	**17.33**	**23.80**
Current Tax	10.85	8.90	4.92	2.37	0.29	-
Deferred Tax/(Credit)	(0.56)	7.91	13.95	13.30	40.08	-
Fringe Benefit Tax	0.63	0.20	-	-	-	-
Profit After Tax (PAT), as restated	**32.61**	**88.79**	**43.91**	**15.15**	**(23.05)**	**23.80**
Profit & Loss Account b/f	202.14	139.92	106.52	105.14	127.24	103.44
Adjustments - Prior Period Items	0.36	-	-	(3.26)	0.95	-
Appropriations	-	-	-	-	-	-
Transferred to General Reserve	-	-	5.00	5.00	-	-
Dividend	-	23.31	4.88	4.88	-	-
Dividend Tax	-	3.27	0.62	0.64	-	-
Net Profit carried to Balance Sheet	**235.11**	**202.14**	**139.92**	**106.52**	**105.14**	**127.24**

ANNEXURE - III							
INVESTMENTS							
(Rs in lakhs)							
Particulars	**Qty.**	**31-Dec-06**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Quoted Shares							
Equity Shares of ICICI	13	-	-	-	-	-	0.30
Equity Shares of Jay Prakash Industries	700	-	-	-	-	-	0.35
Sub Total (A)		-	-	-	-	-	**0.65**
Unquoted Shares							
Equity Shares of Kanishka Laboratories	200	1.00	1.00	1.00	1.00	1.00	1.00
Sub Total (B)		**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Total (A+B)		**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.65**

ANNEXURE – IV-A						
STOCK IN TRADE						
(Rs in lakhs)						
Particulars	**31-Dec-06**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Raw Material	583.60	374.56	510.03	436.50	313.99	191.10
Packing Material	15.75	4.64	9.75	9.86	7.61	14.11
Finished Goods	-	0.34	0.12	5.61	3.33	0.45
Total	**599.35**	**379.54**	**519.90**	**451.97**	**324.93**	**205.66**

ANNEXURE – IV-B

RAW MATERIALS, FINISHED GOODS & PACKING MATERIAL

Particulars	31-Dec-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03	31-Mar-02
I. Raw Materials						
Clinker (MT)						
Opening Stock	15,040.79	26,613.72	23,792.33	15,454.72	4,678.15	2,738.67
Purchase	21,714.53	27,680.72	25,948.90	26,036.26	24,614.73	13,901.31
Consumption	(18,714.88)	(39,253.65)	(23,127.50)	(17,698.65)	(13,838.16)	(11,961.83)
Closing Stock	18,040.44	15,040.79	26,613.72	23,792.33	15,454.72	4,678.15
G Slag (MT)						
Opening Stock	9,361.64	7,023.66	8,472.45	15,171.69	23,772.78	31,794.51
Purchase	29,204.13	42,270.51	25,216.69	13,768.32	7,834.03	4,753.86
Consumption	(26,766.29)	(39,32.54)	(26,665.48)	(20,467.56)	(16,435.12)	(12,775.60)
Closing Stock	11,799.48	9,361.64	7,023.66	8,472.45	15,171.69	23,772.77
Gypsum (MT)						
Opening Stock	541.13	1,077.40	1,176.39	1,617.44	1,194.38	355.26
Purchase	531.69	1,454.31	913.35	469.35	897.63	1,263.25
Consumption	(819.98)	(1,990.58)	(1,012.34)	(910.40)	(474.57)	(424.13)
Closing Stock	252.84	541.13	1,077.40	1,176.39	1,617.44	1,194.38
II. Finished Goods						
Cement (Bags)						
Opening Stock (Nos.)	340	115	4,820	3,742	640	3,456
Production (Nos.)	746,441	1,476,305	924,616	691,001	559,724	458,658
Sale - Indigenous (Nos.)	743,941	(1,476,080)	(929,321)	(689,923)	(556,622)	(461,474)
Closing Stock (Nos.)	2,840	340	115	4,820	3,742	640
III. Packing Materials						
HDPE (Bags)						
Opening Stock	92,279	209,084	227,700	73,239	74,225	259,288
Purchase	953,500	1,359,500	906,000	808,000	497,615	274,075
Consumption	(746,441)	(1,476,305)	(924,616)	(653,539)	(498,601)	(458,658)
Wastage	-	-	-	-	-	(480)
Closing Stock	299,338	92,279	209,084	227,700	73,239	74,225
Paper (Bags)						
Opening Stock	3,030	3,030	3,030	39,935	101,058	101,058
Purchase	-	-	-	-	-	-
Consumption	-	-	-	36,905)	(61,123)	-
Closing Stock	3,030	3,030	3,030	3,030	39,935	101,058

ANNEXURE - V						
SUNDRY DEBTORS						
						(Rs. in Lakhs)
Particulars	**31-Dec-0(**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Debts outstanding for a period exceeding six months	32.43	36.65	18.34	4.02	4.02	4.92
Other Debts	354.37	495.98	77.99	61.52	50.54	84.10
TOTAL	**386.80**	**532.62**	**96.33**	**65.54**	**54.56**	**89.02**

There are no beneficiaries of the sundry debtors of the Company who are in any way related to the promoters/directors of the Company as on December 31, 2006.

ANNEXURE – VI-A						
LOANS & ADVANCES						
						(Rs. in Lakhs)
Particulars	**31-Dec-06**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Advances to be received in cash or kind or for the value to be received	445.85	311.66	64.06	36.65	30.05	52.68
Advance Tax & TDS	22.45	18.35	10.02	5.56	6.39	5.82
Sundry Deposits	31.11	33.10	30.35	14.28	25.21	24.29
Total	**499.41**	**363.11**	**104.42**	**56.49**	**61.65**	**82.78**

ANNEXURE – VI-B						
DETAILS OF LOANS AND ADVANCES WITH RELATED PARTIES						
						(Rs. in Lakhs)
Related Parties	**31-Dec-06**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Insight Consultants Private Limited	12.50	12.50	-	-	-	-
Total	**12.50**	**12.50**	**-**	**-**		**-**

ANNEXURE – VII-A

DETAILS OF SECURED LOANS

(Rs. in Lakhs)

Particulars	31-Dec-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03	31-Mar-02
Term Loan from SBI, Asansol	-	-	-	-	-	1.12
Motor Car Loan from Ashok Leyland Finance, Asansol	4.08	7.37	-	-	-	-
Motor car Loan from Austin Distributor	1.14	2.66	-	-	-	-
Loan from Citi Corp Finance, Kolkata	23.57	11.65	29.13	1.33	17.24	-
Term Loan from West Bengal Financial Corporation, Kolkata	388.95	228.60	157.90	239.00	277.00	219.60
Cash Credit Account from State Bank of India, Asansol	635.97	668.94	319.45	162.59	96.02	86.35
Total	**1,053.71**	**919.22**	**506.48**	**402.92**	**390.25**	**307.07**

ANNEXURE – VII-B

DETAILS OF SECURED LOANS OUTSTANDING AS ON 31-DEC-2006

(Rs. in lacs)

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amount Sanctioned (Rs. in Lacs.)	Amount Outstanding (Rs. in Lacs)	Rate of Interest p.a. (Monthly Compound)	Repayment Terms (No of monthly Installments)	Securities Offered
(i) Fund Based							
Vehicle/ Equipment Loans	Ashoka Leyland Finance Ltd.	Hire Purchase	7.20	4.08	3.50%	22 EMIs of Rs.33,500.00	Charge on asset i.e. respective vehicles
	Apeejay Finance Ltd.	Hire Purchase	3.42	1.14	3.50%	24 EMIs of Rs.15,618.00	Charge on asset i.e. respective vehicles
	Citicorp Finance Ltd.	Hire Purchase	15.12	13.69	2.75%	23 EMIs of Rs.72,932.00	Charge on asset i.e. pay-loader
	Citicorp Finance Ltd.	Hire Purchase	10.91	9.88	2.75%	23 EMIs of Rs.52,625.00	Charge on asset i.e. pay-loader
			36.65	**28.79**			
Term Loans	West Bengal Financial Corporation	Term Loan	150.00	126.45	9.75%	19 quarterly instalments commencing from 21.06.06	1. All these Term Loans from West Bengal Financial Corporation is secured by way of first charge over the immovable and movable assets of the Company located at Palashdihagram,

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amount Sanctioned (Rs. in Lacs.)	Amount Outstanding (Rs. in Lacs)	Rate of Interest p.a. (Monthly Compound)	Repayment Terms (No of monthly Installments)	Securities Offered
			138.00	37.50	11.00%	19 quarterly instalments commencing from 02.07.03	Kanyapur, Asansol. This loan is also secured by the personal guarantees of the Promoter Directors of the Company. 2. The WBFC also have lien of NSC,LIC & Fixed deposits in the name of Company & its Directors. 3. The WBFC also have a floating charge on the remainder assets of the Company, the floating charge is, however subject to the prior charge of the Company's Bankers against borrowing for Working Capital.
			225.00	225.00	9.50%	19 quarterly instalments commencing from 20.03.07	
			513.00	**388.95**			
Working Capital Loans	State Bank of India	Cash Credit	720.00	635.98	SBAR plus 1.25%, i.e. 12.25% p.a.		1) Cash Credit is secured by Hypothecation of present and future stocks of Raw Materials, Stores, Stock in Process, Chemicals & Consumables, Fuels, Packing Material, Finished Goods etc. and Book Debts of the Company. 2) The Loan is further secured by way of Second Charge on the Fixed Assets of the Company, and personal guarantees of the Promoter Directors of the Company. The aforesaid loan is also secured by NSC, LIC, Fixed Deposits in Company's and/or Directors name and also mortgage of land & building (Cement House, Saradapally, Asansol-4 & Palashdiha Gram, Kanyapur Asansol) in the name of Directors.
		Ad hoc Limit	80.00				
			800.00	**635.98**			
Total			**1349.65**	**1053.72**			

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amount Sanctioned (Rs. in Lacs.)	Amount Outstanding (Rs. in Lacs)	Rate of Interest p.a. (Monthly Compound)	Repayment Terms (No of monthly Installments)	Securities Offered
(ii) Non-Fund Based							
Working Capital Loans (Non-Fund Based)	State Bank of India	Bank Guarantee	48.00	18.46	N.A.		Fixed Deposits in the name of the Company and its promoters to the extent of 11.95 lacs.
Total			**48.00**	**18.46**			

Note: There has been no re-schedulement of Secured Loans taken by the Company.

						ANNEXURE - VIII
UNSECURED LOANS						
						(Rs. in Lakhs)
Particulars	**31-Dec-06**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Loan from Directors, Relatives & Associates	21.00	-	-	105.12	103.41	187.74
Short Term Loan from Directors	-	-	-	23.49	21.37	-
Other Loans	-	-	-	115.48	114.10	34.80
Total	**21.00**	**-**	**-**	**244.09**	**238.87**	**222.55**

						ANNEXURE - IX
DETAILS OF CURRENT LIABILITIES AND PROVISION						
						(Rs. in Lakhs)
Particulars	**31-Dec-06**	**31-Mar-06**	**1-Mar-05**	**31-Mar-04**	**1-Mar-03**	**1-Mar-02**
CURRENT LIABILITIES						
Sundry Creditors	88.56	118.42	191.23	255.93	224.89	158.51
Other Liabilities	59.02	59.98	125.83	108.67	-	-
Directors' Remuneration Payable	-	0.50	2.25	-	-	-
Rent Payable to Director	2.57	4.57	-	-	-	-
Total Current Liabilities (1)	**150.15**	**183.48**	**319.31**	**364.60**	**224.89**	**158.51**
PROVISIONS						
Proposed Dividend	-	-	-	4.88	-	-
Dividend Tax on Proposed Dividend	-	-	-	0.64	-	-
Provision for Gratuity	11.05	11.05	8.75	6.67	5.11	4.12
Provision for Tax		16.35	7.29	2.37	-	-

	27.67					
Total Provisions (2)	**38.72**	**27.40**	**16.05**	**14.56**	**5.11**	**4.12**
Total (1 + 2)	**188.87**	**210.88**	**335.35**	**379.16**	**230.00**	**162.63**

						ANNEXURE - X
RESERVES & SURPLUS						
						(Rs in lakhs)
Particulars	**31-Dec-06**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Capital Reserve	10.09	10.09	10.09	10.09	10.09	10.09
Revaluation Reserve	790.55	818.13	854.90	-	-	-
General Reserve	10.00	10.00	10.00	5.00	-	-
Profit & Loss	235.11	202.14	139.92	106.52	105.14	127.24
Total	**1,045.75**	**1,040.35**	**1,014.90**	**121.60**	**115.23**	**137.33**

ANNEXURE - XI							
STATEMENT SHOWING THE DETAILS OF OTHER INCOME							
							(Rs. In Lacs)
Particulars	**Nature**	**1-Dec-06**	**1-Mar-06**	**1-Mar-05**	**1-Mar-04**	**1-Mar-03**	**1-Mar-02**
Discount Received	Recurring	-	-	0.01	2.28	0.40	0.13
Hire Charges of Pay Loader	Recurring	26.73	30.30	-	62.14	50.02	21.32
Other Receipts	Non Recurring	0.27	1.46	0.00	19.42	5.92	10.53
Dividend Received	Non Recurring	-	-	0.00	0.00	0.01	0.04
Total		**27.00**	**31.76**	**0.01**	**83.83**	**56.35**	**32.02**

ANNEXURE - XII						
AUDITORS' REMUNERATION						
						(Rs in lakhs)
Particulars	**1-Dec-06**	**1-Mar-06**	**31-Mar-05**	**31-Mar-04**	**1-Mar-03**	**31-Mar-02**
As Auditor	-	0.75	0.50	0.37	0.37	0.26
For Tax Audit	-	0.24	0.17	0.12	0.12	0.11
Total	**-**	**0.98**	**0.66**	**0.49**	**0.49**	**0.37**

ANNEXURE - XIII						
STAFF COST (INCL. DIRECTORS' REMUNERATION)						
						(Rs. in Lakhs)
Particulars	**31-Dec-06**	**31-Mar-06**	**31-Mar-0**	**31-Mar-0**	**31-Mar-03**	**31-Mar-02**
Payment to Employees	16.98	16.23	15.45	12.66	10.14	5.21
Provision for Gratuity	-	2.30	2.09	1.66	1.06	0.96
P F Contribution (Employers)	2.80	3.51	3.16	2.95	2.56	2.54
ESIC	1.57	1.31	1.21	1.19	0.99	0.75
Staff Welfare	0.14	1.23	0.25	-	-	-
Directors Remuneration	4.50	6.00	3.60	0.60	0.60	-
Total	**26.00**	**30.57**	**25.76**	**19.06**	**15.35**	**9.47**

							ANNEXURE - XIV
STATEMENT OF DIRECTORS REMUNERATION							
							Rs. in Lacs
Name of Director Designation	**Break-up of Remuneration**	**For the Year/Period Ended**					
		31-Dec-06	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Mr Ashok Gutgutia Vice Chairman & Managing Director	Salary	4.50	6.00	3.60	0.60	0.60	-
Total		**4.50**	**6.00**	**3.60**	**0.60**	**0.60**	**-**

						ANNEXURE - XV
DETAIL OF CONTINGENT LIABILITIES						
						(Rs. in Lakhs)
Particulars	**31-Dec-06**	**31-Mar-06**	**31-Mar-0!**	**31-Mar-04**	**31-Mar-0:**	**31-Mar-02**
Income Tax Demand	-	-	-	2.45	-	-
Sales Tax Demand	45.08	45.08	-	-	51.73	36.50
WBSEB	99.00	-	-	-	-	-
Outstanding Bank Guarantees *	18.46	-	-	-	-	-
Total	**162.54**	**45.08**	-	**2.45**	**51.73**	**36.50**

* The outstanding bank guarantees of Rs. 18.46 lacs as mentioned above are covered to the extent of Rs. 11.95 lacs by fixed deposits in the name of the Company and its promoters.

			ANNEXURE – XVI-A
DETAILS OF RELATED PARTIES - AS PER AS 18			
Nature of relationship	**Name of related party**	**Remarks**	
Enterprises over which the Key Management Persons have substantial influence or Control	Insight Consultants Private Limited		
	Bharat Cement Private Limited		
	Goyal Auto Distributors Pvt Limited		
	BCL Developers	Proprietor – Burnpur Cement Limited	
Enterprises in which the Key Management Persons have total control	R A Gutgutia & Co.	Partnership Firm	
	A K Gutgutia & Sons (HUF)	Karta – Mr Ashok Kumar Gutgutia	
Key Management Personnel	Mr Ashok Kumar Gutgutia	Vice Chairman & Managing Director	
	Mrs Shashi Gutgutia	Director	
Relatives of Key Management Personnel:	**Name of Key Management Person**	**Name of Relative**	**Relationship**
	Mr Ashok Kumar Gutgutia	Mrs Shashi Gutgutia	Wife
	Mrs Shashi Gutgutia	Mr Ashok Kumar Gutgutia	Husband

ANNEXURE – XVI-B

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

(Rs. in lacs)

Sl No	Category	Nature Of Services	Amount For The Year/Period Ended			
			31.12.06	**31.03.06**	**31.03.05**	**31.03.04**
1	**Key Management Personnel**	Remuneration to Director	4.50	6.00	3.60	0.60
		Rent paid/ credited to Director	4.05	5.40		
		Unsecured Loans Received	-	-	-	10.38
		Unsecured Loans Repaid	-	-	128.61	8.91
		Interest Paid/Credited	-	-	-	2.36
2	**Enterprises Belonging to Key Managerial Personnel**	Loans Received	-	-	-	0.50
		Loans Repaid	-	-	63.47	0.56
		Interest Paid/Credited	-	-	-	1.49
2	**Enterprises Over Which Key Management Personnel Has Control**	Loans/Payment Received	21.00			
		Share Application Monies Paid	-	12.50	-	-
		Share Application Monies Received	288.00	373.00	40.00	-

ANNEXURE – XVI-C

BALANCES OUTSTANDING WITH RELATED PARTIES

(Rs. in lacs)

Nature Of Outstanding	Category	Name Of The Party	Amount Outstanding As On (Rs.)			
			31.12.06	**31.03.06**	**31.03.05**	**31.03.04**
Unsecured Loans	Key Management Personnel – Promoters	Mr Ashok Kumar Gutgutia	-	-	-	68.30
		Mrs Shashi Gutgutia	-	-	-	60.31
	Enterprises Which Key Management Person Control Or Has Significant Influence	BCL Developers	21.00	-	-	-
	Enterprises Belonging to Key Managerial Personnel	A K Gutgutia & Sons	-	-	-	63.47
Due To Directors	Key Management Personnel - Promoters	Mr Ashok Kumar Gutgutia	2.57	5.08	-	-
Loans And Advances	Enterprises Which Key Management Person Control Or Has Significant Influence	Insight Consultants Private Limited	12.50	12.50	-	-

ANNEXURE - XVII

SUMMARY OF ACCOUNTING RATIOS

(Rs. in Lakhs)

Particulars	31-Dec-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03	31-Mar-02
Profit After Tax, as restated (Rs. in Lakhs) **(a)**	32.61	88.79	43.91	15.15	(23.05)	23.80
Net Worth (Rs. in Lakhs) **(b)**	1,423.59	1,081.61	626.20	219.29	212.92	235.02
No. of Equity Shares Outstanding at the end of the Year / Period **(c)**	8,593,900	8,593,900	4,661,900	97,690	97,690	97,690
Weighted Average No. of Equity Shares **(d)**	8,593,900	4,672,673	986,996	97,690	97,690	97,690
Basic & Diluted EPS (Rs.) **(e) = (a) / (d)**	0.38	1.90	4.45	15.51	(23.59)	24.36
Return on Net Worth (%) **(f) = ((a) / (b)) X 100**	2.29	8.21	7.01	6.91	(10.83)	10.13
Net Asset Value Per Share (Rs.) **(g) = (b) / (c)**	16.57	12.59	13.43	224.48	217.96	240.58
Face Value Per Share (Rs.) **(h)**	10.00	10.00	10.00	100.00	100.00	100.00

Notes / Formulae to Accounting Ratio:

1) Earning per share represents earning per share calculated on the basis of restated profit divided by the weighted average number of equity shares (Basic/Diluted) as at the end of the year, i.e.,

Earning Per Share (Rs.) = Net Profit after Tax / Weighted Avg No. of Equity Shares

2) Return on Net Worth as a percentage represent restated profit after tax divided by Net Worth at the end of each financial year, i.e.,

Return on Net Worth (%) = Net Profit after Tax / Net Worth at the end of the year

3) Net Asset value has been computed on the basis of Net Equity Method (Net Worth at the end of each financial year divided by the weighted average number of Equity Shares at the end of each financial year, i.e.,

Net Assets Value (Rs.) = Net Worth / No. of Equity Shares outstanding at the end of the year

4) Profit & Loss as restated has been considered for the purpose of computing the above ratios.

5) Net Worth = Share Capital + Reserves & Surplus - Revaluation reserve - Misc. expenses to the extent not written off + Deferred Tax Liability

As on 31-Dec-2006, the annualised EPS and Return on Net worth stood at:

Earning Per Share	**0.51**
Return on Net Worth	**3.05**

		ANNEXURE - XVIII
CAPITALISATION STATEMENT		
		(Rs. in Lakhs)
Particulars	**Pre-Issue as at 31-Dec-2006**	**Post-Issue** (Refer note no. 2)
Borrowings:		
Long Term Debts (a)	388.95	
Short Term Debts (b)	664.76	
Total Debts (c) = (a + b)	**1,053.71**	
Share Holders Funds:		
Share Capital – Equity (e)	859.39	
Share Application Money (f)	309.00	
Reserve & Surplus (g)	1,045.75	
Less: Revaluation Reserve (h)	790.55	
Less: Miscellaneous Expenditure (i)	-	
Total Share Holder Funds (j) = (e + f + g – h - i)	**1,423.59**	
Total Capitalisation (k) = (c + j)	**2,477.30**	
Long-Term Debt / Equity (l) = (a / j)	**0.27**	
Note:		
1. The above has been computed on the basis of restated statement of accounts.		
2. The statement for the Post-issue period will be made on conclusion of the fixed price issue.		

							ANNEXURE - XIX
STATEMENT OF DIVIDEND							
Particulars		**31-Dec-06**	**31-Mar-06**	**31-Mar-05**	**31-Mar-04**	**31-Mar-03**	**31-Mar-02**
Number of Equity Shares Rs. 100/- outstanding at the end of the year/period		-	-	-	97,690	97,690	97,690
Number of Equity Shares Rs. 10/- outstanding at the end of the year/period		8,593,900	8,593,900	4,661,900	-	-	-
No. of Equity Shares on which Dividend was paid		-	4,661,900	976,900	97,690	-	-
Rate of Dividend	(%)	-	5.00	5.00	5.00	-	-
	(Rs.)	-	0.50	0.50	5.00	-	-
Dividend Amount (Rs. in Lakhs)		-	23.31	4.88	4.88	-	-
Corporate Dividend Tax (Rs. in Lakhs)		-	3.27	0.62	0.64	-	-

ANNEXURE - XX

TAX SHELTER STATEMENT

(Rs. in Lakhs)

Particulars	31-Dec-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03	31-Mar-02
Tax Rate	33.66%	33.66%	36.59%	35.88%	36.75%	35.70%
Net Profit Before Tax & Extra-Ordinary Items	43.54	105.80	62.78	30.82	17.33	23.80
Tax at Notional Rates	14.65	35.61	22.97	11.06	6.37	8.50
Adjustments						
Difference between Tax Depreciation & Book Depreciation	1.65	(23.50)	(51.59)	(42.20)	(80.54)	(29.33)
Other Adjustments	0.22	4.33	10.75	6.25	1.98	2.16
Net Adjustments	1.87	(19.17)	(40.84)	(35.95)	(78.57)	(27.17)
Tax saving on these difference	(0.63)	6.45	14.94	12.90	28.87	9.70
Brought Forward Loss adjusted	13.18	86.63	21.94	-	-	-
Tax Saving on above B/F Loss	4.44	29.16	8.03	-	-	-
Total Taxation (Current Tax) (Normal) (A)	10.85	-	-	(1.84)	(22.51)	(1.20)
Taxable Income as per MAT	43.53	105.81	62.78	30.82	17.33	24.76
Tax as per MAT (B)	4.88	8.90	4.92	2.37	1.36	1.89
Taxation higher of (A) or (B)	10.85	8.90	4.92	2.37	1.36	1.89
Exceptional Items	-	-	-	-	-	-
Taxation on Exceptional Items	-	-	-	-	-	-
Tax on Profit after Exceptional Items	10.85	8.90	4.92	2.37	1.36	1.89

ANNEXURE - XXI

SUMMARY STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

	31-Dec-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03	31-Mar-02
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit Before Tax and Extra-Ordinary Items	**43.54**	**105.80**	**62.78**	**30.82**	**17.33**	**23.80**
ADJUSTMENTS FOR:						
Depreciation	60.86	58.18	43.75	39.48	49.22	26.16
Non Cash Expenses W/Off (Net)	-	-	-	-	-	0.01
Loss on sale of Fixes Assets	-	-	-	-	-	1.67
Loss on sale of Investment	-	-	-	-	0.40	1.18
Non Cash Income	-	-	-	-	-	-
Interest	69.40	63.58	34.58	59.41	49.92	23.40
Sub Total	**130.26**	**121.76**	**78.33**	**98.89**	**99.54**	**52.41**
Cash Generated from Operations Before Adjustments for Working Capital Changes	**173.79**	**227.56**	**141.11**	**129.71**	**116.87**	**76.22**
ADJUSTMENTS FOR:						
Trade & Other Receivables	10.00	(695.41)	(88.98)	(12.71)	52.30	(40.72)
Inventories	(219.81)	140.35	(67.93)	(127.04)	(119.27)	(38.50)
Trade Payables	275.51	(133.57)	(43.21)	138.01	67.08	19.10
Bank Limits	(32.97)	349.49	156.86	66.58	9.67	6.44
Sub Total	**32.74**	**(339.13)**	**(43.26)**	**64.83**	**9.78**	**(53.67)**
Cash Generated from Operations After Adjustments for Working Capital Changes	**206.53**	**(111.57)**	**97.86**	**194.55**	**126.64**	**22.54**
Direct Taxes Paid	(4.26)	(8.33)	(4.37)	(2.43)	(0.62)	(3.90)
Cash Flow after Adjustment for Working Capital Changes But Before Extra-Ordinary Items	**202.27**	**(119.90)**	**93.48**	**192.12**	**126.02**	**18.65**
Extra-Ordinary Items (Net)	0.52	-	-	-	0.95	-
Net Cash from Operating Activities	**202.79**	**(119.90)**	**93.48**	**192.12**	**126.97**	**18.65**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	(67.37)	(137.40)	(111.69)	(103.24)	(153.76)	(199.94)
Sale of Fixed Assets	-	-	-	-	-	0.50
Purchase of Investments	-	-	-	-	-	-
Sale of Investments	-	-	-	-	0.25	1.12
Dividend Received	-	-	-	-	-	-
Net Cash from Investing Activities	**(67.37)**	**(137.40)**	**(111.69)**	**(103.24)**	**(153.51)**	**(198.32)**

	31-Dec-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03	31-Mar-02
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital	-	393.20	368.50	-	-	46.00
Proceeds from Long-Term Borrowings (Net)	188.46	63.24	(297.38)	(48.70)	89.85	166.63
Interest Paid	(69.40)	(63.58)	(34.58)	(59.41)	(49.92)	(23.40)
Dividends Paid	-	(26.58)	(11.03)	-	-	-
Net Cash from Financing Activities	**119.06**	**366.28**	**25.51**	**(108.11)**	**39.93**	**189.23**
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	**254.49**	**108.99**	**7.30**	**(19.23)**	**13.39**	**9.56**
Cash & Cash Equivalents (Opening Balance)	**121.64**	**12.64**	**5.34**	**24.57**	**11.17**	**1.61**
Cash & Cash Equivalents (Closing Balance)	**376.13**	**121.63**	**12.64**	**5.34**	**24.56**	**11.17**

ANNEXURE XXII-A

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

The restated financial statements have been prepared under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

B. Fixed Assets and Depreciation

a) Fixed Assets are stated at cost of acquisition / construction / revaluation less accumulated depreciation
b) Depreciation on Fixed Assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
c) Depreciation on fixed assets to the extent of revalued amount has been debited to Revaluation Reserve account.
d) On assets acquired during the year, the depreciation has been provided pro rata for the period used and in case of assets sold, no depreciation is provided.
e) The company has all the ownership rights and the depreciation thereon has been debited at the rates prescribed in Schedule XIV to the Companies Act, 1956.

C. Investments

Investments are stated at cost.

D. Inventories

i. Raw material, packing materials, Stores, Spares and Stock-in-transit valued at cost.
ii. Finished goods are valued at cost or market value whichever is lower. The cost includes cost of production and expenses incurred in putting the inventories in their present location and condition.
iii. Waste and scrap are not separately valued being insignificant in value

E. Revenue Recognition

Sales are inclusive of Excise Duty and are booked on the basis of dispatch from factory gates.

F. Employee Benefits

a) Bonus is accounted on accrual basis.
b) Gratuity is provided every year on the basis of actuarial valuation.

G. Foreign Currency Transactions

There are no foreign currency transactions.

H. Income Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred Tax Assets and Liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for Income Tax and profit as per financial statements.

Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

ANNEXURE XXII-B

NOTES TO RESTATED ACCOUNTS

1. Prior Period Items

In the Restated summary Statements, prior period items represent adjustments in respect of transaction items being material changes or credit which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior period and /or material adjustments necessitated by circumstances which though related to previous period are determined in the particular (Current) period.

2. Regrouping

Figures in the Restated summary Statements have been appropriately regrouped to confirm with the reclassification made in the subsequent years.

3. Contingent Liabilities not provided for

The contingent liabilities not provided for in the books of accounts as on December 31, 2006 are as follows:

(Rs. in Lakhs)

Particulars	31-Dec-06
Income Tax Demand	-
Sales Tax Demand	45.08
WBSEB	99.00
Outstanding Bank Guarantees *	18.46
Total	**162.54**

5. Segment Reporting

The Accounting Standard AS 17 on Segment Reporting is not applicable to the Company for and up to the year/period ended December 31, 2006.

6. Related Party Transactions

The Accounting Standard 18 (AS-18) on 'Related Party Transactions' was not applicable to the Company for and up to the year ended 31st March 2006. Hence, in these restated accounts the details in respect of Related Party Transactions have been given only in respect of period April 1, 2003 to December 31, 2006.

7. Deferred Taxes

The Company adopted Accounting Standard 22 (AS-22)- Accounting for Taxes on income issued by the Institute of Chartered Accountants of India for the first time in preparing the financial statements, AS-22 has not been applied for the year ended March 31, 2002 and March 31, 2003. While preparing the financial statements for the year ended 31st Match, 2004 the deferred tax impact for the year ended 31st March 2003 was adjusted against the profit and loss account as on April 1, 2003. While preparing the restated statements, we have given the effect of such adjustment as on March 31, 2003.

For N K AGARWAL & CO.
Chartered Accountants

N K Agarwal

Proprietor
Membership No. 14267

Date: 19-February-2007
Place: Asansol

EXISTING BORROWING FACILITIES

Details of Secured Loans outstanding as on December 31, 2006

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amount Sanctioned (Rs. in Lacs.)	Amount Outstanding (Rs. in Lacs)	Rate of Interest p.a. (Monthly Compound)	Repayment Terms (No of monthly Installments)	Securities Offered
(i) Fund Based							
Vehicle/ Equipment Loans	Ashoka Leyland Finance Ltd.	Hire Purchase	7.20	4.08	3.50%	22 EMIs of Rs.33,500.00	Charge on asset i.e. respective vehicles
	Apeejay Finance Ltd.	Hire Purchase	3.42	1.14	3.50%	24 EMIs of Rs.15,618.00	Charge on asset i.e. respective vehicles
	Citicorp Finance Ltd.	Hire Purchase	15.12	13.69	2.75%	23 EMIs of Rs.72,932.00	Charge on asset i.e. pay-loader
	Citicorp Finance Ltd.	Hire Purchase	10.91	9.88	2.75%	23 EMIs of Rs.52,625.00	Charge on asset i.e. pay-loader
			36.65	**28.79**			
Term Loans	West Bengal Financial Corporation	Term Loan	150.00	126.45	9.75%	19 quarterly instalments commencing from 21.06.06	All these Term Loans from West Bengal Financial Corporation is secured by way of first charge over the immovable and movable assets of the Company located at Palashdihagram, Kanyapur, Asansol. This loan is also secured by the personal guarantees of the Promoter Directors of the Company. The WBFC also have lien of NSC,LIC & Fixed deposits in the name of Company & its Directors. The WBFC also have a floating charge on the remainder assets of the Company, the floating charge is, however subject to the prior charge of the Company's Bankers against borrowing for Working Capital.
			138.00	37.50	11.00%	19 quarterly instalments commencing from 02.07.03	
			225.00	225.00	9.50%	19 quarterly instalments commencing from 20.03.07	
			513.00	**388.95**			

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amount Sanctioned (Rs. in Lacs.)	Amount Outstanding (Rs. in Lacs)	Rate of Interest p.a. (Monthly Compound)	Repayment Terms (No of monthly Installments)	Securities Offered
Working Capital Loans	State Bank of India	Cash Credit	720.00	635.98	SBAR plus 1.25%, i.e. 12.25% p.a.		Cash Credit is secured by Hypothecation of present and future stocks of Raw Materials, Stores, Stock in Process, Chemicals & Consumables, Fuels, Packing Material, Finished Goods etc. and Book Debts of the Company. The Loan is further secured by way of Second Charge on the Fixed Assets of the Company, and personal guarantees of the Promoter Directors of the Company. The aforesaid loan is also secured by NSC, LIC, Fixed Deposits in Company's and/or Directors name and also mortgage of land & building (Cement House, Saradapally, Asansol-4 & Palashdiha Gram, Kanyapur Asansol) in the name of Directors.
		Ad hoc Limit	80.00				
			800.00	**635.98**			
Total			**1349.65**	**1053.72**			
(ii) Non-Fund Based							
Working Capital Loans (Non-Fund Based)	State Bank of India	Bank Guarantee	48.00	18.46	N.A.		Fixed Deposits in the name of the Company and its promoters to the extent of 11.95 lacs.
Total			**48.00**	**18.46**			

Details of Proposed Secured Loans to be availed by the Company for the proposed project (As on March 31, 2007)

(Rs. in lacs)

Particulars	Name of the Sanctioned Bank	Nature of Loan	Amount Sanctioned (Rs. in Lacs)	Proposed Allocation (Rs. in Lacs)	Rate of Interest p.a. (%) (Monthly Compound)	Repayment Terms (No of monthly Installments)	Securities Offered
(i) Fund Based							
Term Loan	State Bank of India	Term Loan	1500.00	1500.00	The rate of interest at SBAR , effective rate will be 11%P.a.	The principal amount will be repaid in 20 quarterly installments of Rs. 75.00 lacs. Repayment will be commence from the quarter ending March 2009 and the last installment will be due in quarter ending December 2013.	1st Pari-passu charges over the land and building of the company on which the proposed factory will be constructed at Jharkhand along with Pari-Passu hypothecation charges over the assets of the Company to be created out of Bank finance for their Jharkhand Project. Guarantee: Personal Guarantee of Mr. Ashok Kumar Gutgutia, Mr. K.P. Agarwal and Smt. Shashi Gutgutia.

	State Bank of Hyderabad	Medium Term Loan	1500.00	900.00	At 1% below SBHBPLR i.e. 11.00% p.a. (Fixed), payable monthly, subject to a minimum of 11.00% p.a., to be reset after 2 years.	The repayment is proposed in 20 equal quarterly installments of Rs.75 lacs each commencing from 31.03.2009. Interest during construction is capitalized and has been reckoned as a part of the project cost. Interest to be serviced at monthly rests.	a. Primary: First pari-passu charge on all fixed assets of new project to be set up at Patratu Industrial Area, District Hazaribagh, Jharkhand, present and future. b. Second charge on fixed assets to be ceded in favour of working capital lenders as and when required. Collateral: Second pari-passu charge on all current assets of the Company, both present and future. Guarantee: Personal Guarantee of the following persons. Mr. Ashok Gutgutia- Promoter Director Mrs. Shashi Gutgutia Mr. Kailash Prasad Agarwal
	Canara Bank		2015.00	1210.00	BPLR-1.50% Floating – 10% at present subject to revision/variation from time to time our rate of interest shall not be less than the roi stipulated by the other lenders		Prime-Pari-passu I charge on all the fixed assets of the proposed project estimated at Rs. 109.81 Crore. Collateral: Extension of pari-passu charge on all current assets of the Company. Personal Guarantee: Mr. Ashok Gutgutia

	Punjab National Bank	Term Loan	1500.00	950.00	12.50%p.a. (i.e. BPLR 11.50% + Term Prima of 0.50% + 2%-1.50%) subject to the stipulation that our rate will not be lower than the rate to be charged by other lenders	The loan will be repaid in 20 Quarterly installments of Rs.75 lacs after a moratorium of 12 months from COD. However the interest will be repaid as & when charged.	Primery first pari pasu charge on the block assets of the company with other term lenders of the proposed project. Collateral : The facility will be collaterally secured by second pari pasu charge over the current assets of the company Gurantee: The account will be personally guaranteed by Mr. Ashok Gutgutia

	Indian Overseas Bank	Term Loan to part finance the 800TPD Cement Plant at Hazaribagh Jharkhand at a cost of Rs. 120.90 Cr.	1000.00	700.00	BPLR-1% i.e. 10.50% presently	Repayable in 20 quarterly installment of Rs. 50 lacs after a moritorium of 12 months from the commercial date of operation the first repayment will be 3.3.2009. interest will be charged and serviced separately including holiday period	a. First mortgage and charge in favour of the lenders over all the immovable properties and assets created out of term loan. b. First charge by way of Hypothecation in favour of the lenders of all the movables (including movable plant & machinery s parts tools, accessories) of the project. c. First charge/assignment and or creation of security interest in favour of the lenders of (i) all the right , title, interest, benefits, claims, demand what so ever of the borrower in the project documents any letter of credit, guarantee or performance bond that may be provided by any party to the project document in favour of the borrower, all as amended varied or supplemented from time to time (II) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in or under the authorizations.

							d. Term loan will also be secured by 2nd pari-passu charge on the current assets of the company e. Working capital facility will be primarily secured by the first pari-passu charge on the current assets and collaterally secured by second charge on the block assets of the company 2. The exposure to carry the personal guarantee of the promoter Director Mr. Ashok Gutgutia.
		Cash Credit (Hyp)	500		BPLR-1% i.e. 10.50% presently		
	Union Bank of India		1500.00	900.00	BPLR+3.5%	The term loan to be repayable in 5 years(20 equal quarterly installments)after a moratorium of four quarters after completion of disbursement or commencement of commercial production, whichever is earlier. Door to door repayment period is maximum 7 years 1 month	First paripasu charge on all fixed assets of the company-equitable mortgage on the land and building of the company

	Bank of India	Term Loan Part finance under consortium lending arrangement for land & Building, factory shed & Insta	1000.00	700.00	1% below BPLR presently 10.50%p.a.	Repayable in 20 quarterly installment of Rs. 50 lacs each, commenced from March,2009 and 1 quarterly installment of Rs. 50 lacs ending on March, 2013	Pari-Passu 1st charge on all movable fixed assets of BCL & Pari-Passu 1st mortgage charge of land & Bldg. Structures of BCL. Pari-Passu 2nd charge on all chargeable current assets (including stocks and book debts of BCL with other member of consortiums and Personal Guarantee of Mr. Ashok Gutgutia Mr. Shashi Gutgutia

	Oriental Bank of Commerce	Term Loan	1000.00	700.00	AT P.L.R. with a minimum of 11.50% p.a. monthly rest or as decided by the consortium which ever is higher, subject to change in PLR/ spread announced by the bank and subject to changes by R.B.I. from time to time.	Repayment in 20 quarterly installments 50 lacs each with initial moratorium of 12 months from the commercial date of operation or March 2009 whichever is earlier and interest to be served on monthly basis as and when due	First pari-passu charge on all fixed assets for the proposed cost of Rs. 114.82 Crores. Extension charge on all current assets of the Company. Personal guarantee of Mr. Ashok Gutgutia Promoter Director of the Company having net worth of Rs. 6.88 Crores
	Indian Bank		1000.00	500.00	BPLR + TP- !.5% i.e at present 11%		Primary First pari passu charges over the land and building of the company on which the proposed factory will be constructed at Jharkhand along with first pari pasu charge over the other fixed assets of the company to be created out of bank finance for the Jharkhand Project, with an estimated cost of Rs. 109.81 crores Collateral: Pari passu second charge on all chargeable current asserts including stocks and book debts with other members of the consortium Gurrantor Sri Ashok Gutgutia, smt. Sashi Gutgutia,sri Kailash prasad agarwal
Total Fund Based			**12015.00**	**8060.00**			

FINANCIAL INFORMATION OF COMPANIES, FIRMS PROMOTED/CONTROLLED BY THE PROMOTERS

The information for the last 3 years based on the audited/unaudited statements in respect of all the companies, firms, ventures, trusts, etc. promoted by the promoters irrespective of whether these are covered under section 370(1)(B) of the Companies Act, 1956 or not are given hereunder:

1. INSIGHT CONSULTANTS PRIVATE LIMITED

Insight Consultants Private Limited ("ICPL" or "the Company") was incorporated on April 21 1995. The Registered Office of the Company at the time of incorporation was 2B Grant Lane, 4th Floor, Kolkata – 700012. The Registered Office of the company was shifted to 133/1 S N Banerjee Road, 2nd Floor, Kolkata – 700013 with effect from July 2 1996. With effect from January 15 2001, the registered office of the Company shifted back to 2B Grant Lane, 4th Floor, Kolkata – 700012. Subsequently, with effect from February 1 2006, the registered office of the Company shifted to 4 Fairlie Place, Room No -106, Kolkata – 700001.

Insight Consultants Private Limited was originally promoted by Mr Arunav Dey and Vivek Kumar in the year 1995. Subsequently, the controlling shareholding /directorship was taken over by the Promoters/Promoters Group of Burnpur.

ICPL is registered with the Reserve Bank of India as a Non-Banking Financial Company (NBFC) and is engaged in financial consultancy and financing activities.

As per the Objects Clause of the Memorandum of Association, the main objects of the Company are:

1. To carry on all or any of the business as buyers, sellers, suppliers, traders, merchants, indentors, transporters brokers, agents, assemblers packers, distributors stockists, and all types of aluminium and rubber products, rubber bags, rain coat, shoe, chappal, food articles, forest products, tea bags, tea packets, tea packing, & packaging all types of plastic and petrochemicals items & writing materials/instrument, minerals, metals, chemicals, molasses industrial & other gases cotton yarn, and computer parts, data calculating , nuclear, medical and industrial equipment, electro coustics devices, wines & non-eligibl oils, fats, petrol & diesel oil and other petroleum products, consumer and domestic and house hold articles, hardware goods, plant and machinery equipment, component stores spare parts and accessories and other engineering goods fibres and fibrous substances, commercial natural and man made fibres, readymade garments, Electricals & Telecommunication items and hosiery goods, leather and leather products sanitary materials, textiles items, granite of all kinds all types of yarns, jute and jute products, cement, dyes, building materials, vehicles and vehicle parts, machine parts and industrial components plastics and Petrochemicals items electronic parts and devices, bullian, gems, ivory, precious stockes, jewellery and ornaments, food grains and all kinds or articles, merchandise and other things required in connection therewith.

2. To carry on business as advisers, management consultants, collaborators on matter and problems relating to the industries, administration organization accountancy or economic activities, labour, quality control and data processing, technical knowhow, operation, storage distribution, sale and purchase of goods, and in relation to any business, trade commerce, industry mine agriculture, and upon the means method and expension of business , trade, commerce, industry agriculture plant or machineries and all systems, method techniques, process, principals, in relation to the foregoing, in India and outside India and to act as a financial, and management consultants, broker, dealers, agents.

Board of Directors (as on September 28, 2006)

Name of Directors	Designation
Mr Ashok Gutgutia	Director
Mr Kailash Prasad Agarwal	Director

Shareholding as on date

Sl. No.	Name of Shareholder	No. of Shares Held	% of Shareholding
1.	Mr. Ashok Gutgutia	121000	12.48
2.	Mrs. Shashi Gutgutia	368700	38.01
3.	M/s. Bharat Cement Private Limited	50000	5.16
4.	A.K.Gutgutia & Sons	200000	20.62
5.	Iswaryam Mercantile Private Limited	25000	2.58
6	Mideast Vyapaar Private Limited	25000	2.58
7	Backbone Sales Private Limited	25000	2.58
8	Priya Nivesh Private Limited	20000	2.06
9	Waltz Mercantiles Private Limited	25000	2.58
10	Enoch Mercantiles Private Limited	25000	2.58
11	Dowell Fiscal Private Limited	10000	1.03
12	Naatta Marketing Private Limited	10000	1.03
13	Danmall Vyapaar Private Limited	25000	2.58
14	Sunflag Viniyog Private Limited	15000	1.55
15	Vishaljoy Vinimay Private Limited	25000	2.58
	TOTAL	969700	100.00

Financial Performance

(Rs. in lacs)

Particulars	Year Ended (Audited)		
	31-Mar-2006	**31-Mar-2005**	**31-Mar-2004**
Equity Capital	96.97	73.97	65.47
Reserves	318.90	110.27	33.77
Misc. Exp. (to the extent not written off)	0.09	0.13	0.16
Sales & Other Income	134.05	16.72	1.00
PBT	1.63	0.006	0.006
PAT	1.63	0.002	0.004
EPS (Rs.)	0.17	Negligible	Negligible
NAV (Rs.)	42.88	24.89	15.13

The Company is not a sick Company within the meaning of Sick Industrial Company within the meaning of section 3(1) (o) of the SICA Act, 1985.

2. BHARAT CEMENT PRIVATE LIMITED

Bharat Cement Private Limited ("BCPL" or "the Company") was incorporated on July 6 1995 as a public limited company under the name and style of Bharat Cement Limited and got the Certificate for Commencement of business on July 18 1995. The Company was converted into a private limited Company and the name of the Company was changed to Bharat Cement Private Limited and the Fresh Certificate of Incorporation was issued by the Registrar of Companies, West Bengal Kolkata on the 20th of September, 2001. The registered office of the Company at the time of Incorporation was situated at 46 B B Ganguly Street, Kolkata – 700012 which was shifted to 4 Fairlie Place, Room No – 106, 1st Floor, Kolkata – 700001 with effect from June 21, 2006.

Bharat Cement Private Limited is engaged in the business of financial activities, i.e. investment in shares and securities.

As per the Objects Clause of the Memorandum of Association, the main objects of the Company are:

(i) To produce, manufacture, treat, process, refine, import, export, purchase, sell and generally to deal in and to act as brokers, agents, stockists, distributors and suppliers of all kinds of Cement (whether ordinary, white, coloured, Portland, pozzolana, alumina, blast furnace, silica or otherwise), cement products of any description such as pipes, poles, slabs, asbestos, sheets, blocks, tiles, gardenwares and otherwise and articles, things, compounds and preparations connected with the aforesaid products and in connection therewith to take on lease or acquire, erect, construct, establish, work operate and maintain cement factories, querries, mines, workshops and other works.

(ii) To work as real estate developer by acquiring on lease, exchange, ownership, purchase, hire, rent or otherwise acquire, deal in construction business and carry on all or any of the functions and dealings in dwelling houses, lands and buildings, shops, apartments, flats and immovable property of any kind or tenure or any interest in the same and to develop and turn to account, construct, execute, undertake, maintain remodel, build, erect, demolish, repair, alter, re-erect or do any work, furnish any building or buildings scheme, part of any building, hotels, clubs, colonies, complexes, apartments, markets, tanks, schools, hospitals, restaurants, baths, places of worship, shops, garages, libraries, reading rooms, dairy farms or amusements and to sell or dispose off which the Company may decide.

(iii) To carry on business as advisers, consultants, collaborators on matters and problems relating to the industries, administration, management, organization, accountancy, costing, financial, marketing, import, export, commercial or economic activities, labour, quality control and data processing, technical know-how operation, manufacture, production, storage, distribution, sale and purchase of goods property and other activities of and in relation to any business, trade, commerce, industry, mine, agriculture, housing, or real estate and upon the means, methods and procedure for the establishment, construction, development and expansion of business, trade, commerce, industry, agriculture, building, real estates, plant or machineries and all systems, methods, techniques, processes, principles in relation to the foregoing, in India and outside India and to act as Financial Consultants, Management Consultants, Brokers, Dealers, Agents, and carry on the business of shares broking, money broking, exchange broking, bill broking and general brokers for shares, debentures, stocks, bonds, Units, obligations, securities, commodities, bullion, currencies and to manage the funds of any person or Company by investment in various avenues like Growth Fund, Income Fund, Risk Fund, Tax Exemption Funds Pension/Superannuation Funds, and to pass on the benefits of portfolio Investment to the investors as dividends, bonus, interest.

(iv) To carry on the business of manufacturers, buyers, sellers, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemblers, packers, stockists, distributors, hire purchasers and dealers of any in all kind of ferrous and non-ferrous metals, industrial and other waste and bye products, consumer goods, household goods, cosmetic goods, hardware, stores, plant & machinery, spare parts and accessories, vehicles and other earth moving equipments, commercial and man made fibers, cullulose viscose rayon yarns and fibres, synthetic fibers and yarn and such other fibers of fiberous materials, including polyester filament yarn, textiles of all kinds, readymade garments, wool, silk, hemp, flax and other fibrous substances, blankets and any products of cotton, yarn and wollen textiles, raw jute and jute products, cement, chemicals, plastics, building materials, jewelleries, ornaments, bullion, wires, cable, conductors, coir and coir products, inorganic salts, dyes and dye intermediates, paints and varnishes, plastic and linolium products, petrochemicals and pharmaceuticals products, pesticides, fungicides, insecticides, engineering goods, electricals goods, toys and their components, plywood products, ceramic and allied products, processed minerals including granite, explosive and graphites, glass and glass wares, refractories, rubber products, leather goods, sports goods, paper, ink, computer stationery, processed foods, sea foods, spices, vegetables, wines, liquors and other alcoholic and non-alcoholic or synthetic drinks , oil seeds, essential oils and fats and their derivatives, tobacco products, handicrafts, books and periodicals, arms accessories and arms wares and decors.

Board of Directors (as on September 28, 2006)

Name of Directors	Designation
Mr Ashok Gutgutia	Director
Mrs Shashi Gutgutia	Director

Shareholding as on date

Sl. No.	Name of Shareholder	No. of Shares Held	% of Shareholding
1.	Ashok Gutgutia	50,100	32.33
2.	Goutam Sen	100	0.07
3.	Rati Kanta Sarkar	100	0.07
4.	Anand Poddar	100	0.07
5.	Banwari Lal Poddar	4300	2.78
6	Rajendra Nath Singh	100	0.07
7	Sukumar Roy	100	0.07
8	Insight Consultants Private Limited	100000	64.54
	TOTAL	**154900**	**100.00**

Financial Performance

(Rs. in lacs)

Particulars	Year Ended (Audited)		
	31-Mar-2006	31-Mar-2005	31-Mar-2004
Equity Capital	15.49	15.49	15.49
Reserves	2.08	0.05	-
Profit & Loss A/c (Debit Balance)	-	-	0.74
Misc. Exp. (to the extent not written off)	-	-	0.04
Gross Income	2.10	1.05	0.02
PBT	2.03	0.79	(0.10)
PAT	2.03	0.79	(0.10)
EPS (Rs.)	1.31	0.51	(0.07)
NAV (Rs.)	11.34	10.03	9.49

The Company is not a sick Company within the meaning of Sick Industrial Company within the meaning of section 3(1) (o) of the SICA Act, 1985.

3. GOYAL AUTO DISTRIBUTORS PRIVATE LIMITED

Goyal Auto Distributors Private Limited was incorporated on January 6, 1993. The registered office of the Company at the time of incorporation was 28 New Road, Alipore, Kolkata – 700027, which was shifted to Saradapally, Ashok Nagar, Asansol – 713304 with effect from August 6, 1999.

Goyal Auto Distributors Private Limited is engaged in the business of financial activities, i.e. investment in shares and securities.

As per the Object Clause of the Memorandum of Association the Main Object of the Company are:

(i) To carry on the business of manufacturers, dealers, hirers, repairers, cleaners, runners, charterers, storers, warehousers of cars, Motor scooters, motor cycles, tractors, three wheelers, bi-cycles, and carriages, lifts, forklifts and handling equipments, launches, boats, vans, helicopters, hydroplanes and other conveyance of all discriptions (all hereinafter comprise d in motor and other thing whether propelled or assisted by means of petrol, spirit, gas, electricity, animals or other power) and of engines, tyres, fuel injection equipments, chasis, telehoist, bodies, components parts, accessories, fittings and other thing, used for or in connection with motors and other thing, their manufacturers, maintenance and working thereof including engine valves, tyres walls, break lining etc.

(ii) To acquire by purchases, lease, exchange or otherwise, to construct, alter, develop, manage, improve, decorate, maintain, consolidate, connect, and subdivide and to sell, dispose of, turn to account, exchange, let, lease or sub-let on rent, royalty, share of profit, ownership basis or otherwise, to mortgage grant licences, easements, options and other rights and to invest in or in any other manner deal with land or with buildings and hereditaments of any tenure or description and any other real estate or interest therein including all other property movable or immovable which the company from time to time thing proper and to acquire any right over or connected with the same in India or elsewhere.

(iii) To carry on business as advisers, consultants, collaborators on matter and problems relating to the industries, administration, management, organization, accountancy, costing, financial, marketing, import, export, commercial or economic activities, labour, quality control and data processing, technical know-how operation, manufacture, production, storage, distribution, sell and purchase of goods, property and other activities of and in relation to any business, trade, commerce, industry, mine, agriculture, housing or real estate and upon the means, methods and procedure for the establishment, construction, development and expansion of business, trade, commerce, industry, agriculture, buildings, real estate, plant & machineries and all system, methods ,techniques, processes, principles in relation to the foregoing, in India and outside India and to act as Financial Consultants, Management Consultants, brokers, dealers, agents and to carry on the business of the share broking, money broking, bill broking and general brokers for shares, debenture, stocks, bonds, units, obligations, securities, commodities, bullion, currencies, manage the funds of any person or company by investment in various avenues like income funds, risk funds, tax exemption funds, pension/superannuation funds and to pass on the benefits of the portfolio investment to the investors as dividends and bonus.

(iv) To carry on business of buyers, sellers, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemblers, packers, stockists, distributors, hire purchasers and dealers of and in all kinds of ferrous and non-ferrous metals, industrial and other waste and bye-products products, consumer goods, household goods, cosmetic goods, hardware, stores, plant & machineries, spare parts and accessories, vehicles, commercial and man made fibres, textile of all kinds, ready made garments, wool, silk, hemp, flax and other fibrous substances, blankets and any products of cotton, yarns and woolen textiles, raw jute and jute products, cements, chemicals, plastics, building materials, jewellery, ornaments, bullion.

Board of Directors (as on September 28, 2006)

Name of Directors	**Designation**
Mr Ashok Gutgutia	Director
Mrs Shashi Gutgutia	Director

Shareholding as on date

Sl. No.	**Name of Shareholder**	**No. of Shares Held**	**% of Shareholding**
1.	Ashok Gutgutia	12100	10.15
2.	Pawan Gutgutia	100	0.08
3.	Ram Awatar Gutgutia	100	0.08
4.	Leong Packers Private Limited	12500	10.48
5.	Sunil Kumar Rajgharia	5500	4.61

6	Pratush Consult Private Limited	15000	12.57
7	Rama Prasad Kumud	5000	4.19
8	Ashok Kumar Saraogi	5000	4.19
9	Pawan Kumar Saraogi	9000	7.54
10	Rajesh Chandra Jha	5000	4.19
11	Insight Consultants Private Limited	50000	41.92
	TOTAL	**119300**	**100.00**

Financial Performance

(Rs. in lacs)

Particulars	**Year Ended (Audited)**		
	31-Mar-2006	**31-Mar-2005**	**31-Mar-2004**
Equity Capital	11.93	11.93	11.93
Reserves & Surplus	0.42	-	-
Profit & Loss A/c (Debit Balance)	-	0.09	0.17
Gross Income	0.58	0.31	0.07
PBT	0.50	0.09	(0.01)
PAT	0.50	0.09	(0.01)
EPS (Rs.)	0.42	0.07	(0.01)
NAV (Rs.)	10.35	9.93	9.85

The Company is not a sick Company within the meaning of Sick Industrial Company within the meaning of section 3(1) (o) of the SICA Act, 1985.

4. M/s R A GUTGUTIA & CO.

M/s R A Gutgutia & Co., a partnership firm, was formed on October 1, 1997 with Mr Ashok Kumar Gutgutia, Mrs Shashi Gutgutia, Mr Pawan Kumar Gutgutia and Mrs Nirmala Devi Gutgutia being the partners of the firm. The firm was reconstituted on April 1, 1999 wherein Mr Pawan Kumar Gutgutia and Mrs Nirmala Devi Gutgutia retired from the firm. Mr Ashok Kumar Gutgutia and Mrs Shashi Gutgutia continue to remain the partners of the firm.

The Main object of the firm is to deal in all types of contract jobs, order supplying and also such other and/or allied business as may be mutually decided by partners from time to time. Its principal place of business is located at "Cement House" Saradapally, Ashoknagar, P.O.- Asansol West Bengal.

Partners as on date

Name of Partner	**Profit Sharing Ratio**
Mr. Ashok Gutgutia	50.00%
Mrs. Shashi Gutgutia	50.00%

Financial Performance

(Rs. in Lacs)

Particulars	**Year Ended**		
	31-Mar-2006	**31-Mar-2005**	**31-Mar-2004**
Partner's Capital A/c	15.19	12.19	23.74
Net Income	2.55	1.23	1.05

5. A K GUTGUTIA & SONS

A K Gutgutia & Sons, an HUF, was formed on April 1, 1999 with Mr. Ashok Kumar Gutgutia as karta of the HUF. The Main object of the HUF shall be dealing in all types of contract jobs, order supplying and also such other and/or allied business as may be decided by the karta of HUF from time to time. Its principal place of business is located at "Cement House" Saradapally, Ashoknagar, P.O.- Asansol West Bengal

List of Co-parcenors as on date

Name of Members	Designation
Mr Ashok Gutgutia	Karta
Mrs Shashi Gutgutia	Co-parcenor
Master Rishab Gutgutia	Co-parcenor
Miss Kanishka Gutgutia	CO-parcenor

Financial Performance

(Rs. in Lacs)

Particulars	Year Ended		
	31-Mar-2006	31-Mar-2005	31-Mar-2004
Capital A/c	80.58	76.17	74.22
Net Income	1.65	1.06	2.13

6. BCL DEVELOPERS

BCL Developers, a Propreitorship firm was formed on July 6, 2006 by Burnpur Cement Limited and has obtained the Trade License from the Asansol Municapal Corporation.The Main object of the Propreitorship Firm would be to act as promoter and developer. Its principal place of business is located at "Cement House" Saradapally, Ashoknagar, P.O.- Asansol West Bengal. The Propreitorship Firm has opened a bank account with UTI Bank, Apurba Complex Apcar garden, Sen Raleigh Road, Asansol

SHARE QUOTATIONS OF GROUP COMPANIES

The Equity Shares of all the abovementioned Group Companies are not listed on any Stock Exchange. The above Group Companies has not come out with any Public or Rights Issue since their inception.

LITIGATIONS AND DEFAULTS OF GROUP COMPANIES

There are no defaults in meeting any statutory/bank/institutional dues by the Group Companies/Firms/HUFs and no proceedings have been initiated for economic offences against these Group Companies except as mentioned under the head "Outstanding Litigations" on page [.] of this DRHP.

RELATED BUSINESS TRANSACTIONS

Except as mentioned in the section titled "Financial Information" beginning on page No. [.] of this DRHP, there are no related business transactions within the Group.

COMMON PURSUITS

As on date, there are no common pursuits which may lead to conflict of interest in the business of the Company and other companies promoted by the Promoter.

DETAILS OF COMPANIES/FIRMS FROM WHICH PROMOTERS HAVE DISASSOCIATED

During the last three years, our Promoters have not disassociated themselves from any Company/partnership firm.

DETAILS OF GROUP COMPANIES WHOSE NAMES HAVE BEEN STRUCK OFF FROM ROCs

None of the Companies promoted by our Promoters has been struck off as a defunct Company by any ROC in India. There are no sick companies promoted by our Promoters. There are no BIFR proceedings against any company promoted by our Promoters.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITIONS AND RESULTS OF THE OPERATIONS, AS REFLECTED IN THE FINANCIAL STATEMENTS

OVERVIEW OF THE BUSINESS

Burnpur Cement Limited (formerly known as "Ashoka Concrete & Allied Industries Private Limited") is engaged in manufacture of cement. BCL has commenced commercial production of Portland Slag Cement (PSC) from its unit at Asansol from October 1991 with an initial capacity of 30 TPD. The capacity thereafter has been increased gradually in a phased manner and currently the plant has a capacity of 1000 TPD.

The company has not been able to utilise the full capacity due to non-availability of clinker. The company has decided to use clinker from the proposed project of Patratu after its implementation.

BCL has been in the business of cement for more than a decade and has established itself in the market. The company has showed improved financial performance on a continuous basis. The turnover (net of excise duty) has increased from Rs. 1,212.82 lacs in 2004-05 to Rs. 2,282.99 lacs in 2005-06 and further to Rs. 1,123.14 lacs during the 9 months period ended December 31, 2006, thereby showing a steady growth over the previous years. Some of the major customers of the company are as follows:

Sl. No.	Name
1.	West Bengal Essential Commodities Supply Corporation Limited
2.	Nicco Corporation Limited
3.	Skanska Cementation India Limited
4.	Bengal Silver Spring Projects Limited
5.	Bengal Peerless Housing Development Limited
6.	Arambagh Municipal Corporation, Government of West Bengal
7.	Bengal Shristi Infrastructure Development Limited
8.	Bengal Shrachi Housing Development Limited
9.	KEC International Limited
10.	Paharpur Cooling Towers
11.	Dankuni Steel Limited
12.	District Rural Development Authority, Govt. of Jharkhand, Jharkhand
13.	Water resources Department, Govt. of Jharkhand, Ranchi

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

The Directors of the Company confirm that in their opinion, no circumstances have arisen since the date of the last financial statements as disclosed in the Draft Prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

SIGNIFICANT DEVELOPMENTS DURING THE LAST THREE FINANCIAL YEARS

The company has shown tremendous growth in sales and profit. The company has also declared interim/final dividend @ 5% for last three years. The capacity of the company has been increased from 700 TPD to 1000 TPD in the year 2004. In the year 2004, the Company was awarded an ISO:9001:2000 quality certificate. In the year 2006, an MoU with the Govt. of Jharkhand was entered into to set up a 800 TPD clinker and cement grinding unit with captive limestone mines, at Hazaribagh in Jharkhand State

FACTORS THAT MAY AFFECT THE BUSINESS OPERATIONS

The Company financial condition and results of operations are affected by numerous factors and the following are of particular importance:

1. Supply and Demand

The Company's grey cement sales volume and prices are influenced by the supply of and demand for grey cement in the cement market of Eastern India. Supply of cement and construction of new capacity is influenced by factors such as the central and state government tax incentives, the economic environment, perception of prospective demand and the cost of capital. According to CMA, during the five years ended March 31, 2006, available installed capacity in Eastern India grew at a CAGR of 6.8%. Demand for cement can be stimulated by GDP growth, the fiscal policies of the central and state governments and increased spending on infrastructure and housing. According to CMA, during the five years ended March 31, 2006, the total sales volume of cement in Eastern India grew at a CAGR of 7.5%.

The Company's plant is located in Eastern India and the majority of the Company's revenue is derived from sales of grey cement in this region. Accordingly, economic conditions and growth in Eastern India have a direct impact on its operations, including the level of demand for and supply of the grey cement and the availability and prices of transport and raw materials. India has experienced significant economic growth in recent years. The Company's operating results are also affected by the level of business activity of the Company's major customers, which in turn is affected by the level of economic activity in the industries and markets that they serve, in particular the construction and housing industries. Improvements or declines in the level of business activity of the customers caused by declines in the local economy could materially affect the company's results of operations.

Given the size of India and the freight intensive nature of the product, the cement business in India is significantly dependant upon regional demand and supply. Prices in a particular region or market are influenced by the growth in demand, capacity additions and general demand-supply dynamics of that region or market. Infrastructure bottlenecks, such as the availability of railway cars and trucks experienced from time to time, also impact pricing. Further, whenever any new large manufacturing facility comes on stream, it disturbs the demand-supply balance in that region and cement prices tend to soften, especially if the region is already experiencing excess supply.

2. Power and fuel costs

Power costs, together with fuel costs for coal and fuel oil, generally comprise the largest portion of the company total expenditures. Fluctuations in the prices of fuel oil, coal and power therefore have a significant direct impact on its results of operations.

The company is sourcing power from the West Bengal State Electricity Board, which has increased its tariffs in recent years. .

Coal prices in India are set by Government agencies and have increased significantly in recent years, generally reflecting increased worldwide demand. Majority of the annual coal requirement of the Company is sourced from open market and those vendors who procure coal from government operated coal mines. As such, the Company is indirectly exposed to the risk of increase in coal prices by these Government agencies. Any deterioration in the quality of the coal supplied to the Company may adversely impact its ability to manufacture cement to acceptable yield levels and quality standards and may have an adverse affect on the company operations.

3. Growth in the construction industry

The Company's business is significantly dependent on the general economic condition and infrastructure sector activity in India and Government policies relating to infrastructure development projects. The Government's focus on and sustained increase in budgetary allocation for the infrastructure sector and the development of a structured and comprehensive infrastructure policy that encourages greater private sector participation, together with international and multilateral development financial institutions for infrastructure projects in this region have resulted in or is expected to result in several large infrastructure projects in this region. The Company's ability to benefit from the considerable investments proposed in the infrastructure sector in the medium and long term will be key to the Company results of operations.

4. Seasonality

Demand for cement is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, the Company usually experiences a reduction in sales of cement during the quarter ending September 30, and somewhat stronger sales in the quarter ending March 31 when the weather is dry. The Company expects its results of operations will continue to be affected by seasonality in the future. The Company's results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

5. *Taxation*

The Government of India may from time to time implement new policies using economic or administrative means to regulate the cement industry. Examples of such measures include imposing import restrictions and customs duties on imported cement, granting tax concessions for setting up new manufacturing plants, allocating Government of India and State Government funding for public infrastructure programs in Eastern India and providing preferential coal prices to cement manufacturers. In particular, policies related to tax rates and incentives have had a material impact on the cement industry in the past. Cement in India is a highly taxed commodity with various taxes and levies comprising a significant portion of the end-user price. The key levies on cement are excise duty and sales tax or value added tax.

Under existing regulations, the Company is currently required to pay to the relevant State Governments or the Government of India excise duty on cement, sales tax (or value added tax, where it has been implemented), duties on power tariffs, sales tax on stores and spares, packaging and other raw materials and there can be no assurance that the current levels of these taxes, duties and will not increase in the future, or that the state governments will not introduce additional levies, each of which may result in increased operating costs and lower sales realisations. To the extent additional levies are imposed, there can be no assurance that the Company would be able to pass such cost increases on to its customers.

6. Other Factors

Besides the five broad factors, as mentioned above and except as otherwise stated in this Draft Prospectus, the following factors could cause actual results to differ materially from the expectations:

- Changes in fiscal, economic or political conditions in India;
- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Increasing competition in the construction industry;
- Increase in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Changes in the value of the Indian rupee and other currencies;
- Changes in laws and regulations that apply to the construction industry;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the interest rates and tax laws in India.

CRITICAL ACCOUNTING POLICIES

The Company's financial statements are prepared in accordance with generally accepted accounting principles, the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. Certain of the accounting policies are particularly important to the portrayal of the financial position and results of operations and require the application of assumptions and estimates of the management. For further details, please refer to the section titled "Financial Information – Significant Accounting Policies and Notes to accounts" beginning at page no. [.]of this Draft Prospectus. Some of the important accounting policies are as under:

a. Basis of Preparation of Financial Statement

i. The financial statements have been prepared under the historical cost convention and on the accounting principles of going concern. Accounting polices not specifically referred to otherwise are in accordance with the generally accepted accounting principles and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
ii. The Company follows mercantile system of accounting and recognise significant items of income and expenditure on accrual basis.
iii. In order to comply with the requirements of section 211(3C) of the Companies Act, 1956, the Company is complying with the provisions of the Accounting-Standards issued by the ICAI.

b. Revenue Recognition

Sales are inclusive of Excise Duty and are booked on the basis of dispatches from factory gates.

c. Fixed Assets

Expenditure of capital nature are capitalised at cost comprising of purchase price *(net of Excise duty, rebates and discounts)* and any other cost which is directly attributable to bring the assets to its working condition for the intended use. All fixed assets are carried at cost less depreciation. But when an asset is scrapped or otherwise disposed off, the cost and related depreciation are written-off from the books of accounts and resultant profit or loss, if any, is reflected in Profit and Loss Account.

Depreciation on fixed assets is provided on the basis of Written Down Value method except on the Turbine and De-inking Plant on which depreciation has been provided on the Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act. 1956, Vide GSR No. 756E dated 16.12.1993.

d. Retirement Benefits

i. Retirement benefits in the form of provident fund & pension schemes whether in pursuance of law or otherwise is accounted on accrual basis and charged to Profit and Loss account of the year. The Company is regular in depositing these dues to the credit of appropriate authorities in due time.
ii. Liability in respect of gratuity payable to employees has been provided for on the assumption that such benefits are payable to all employees who have completed five years of service at the end of accounting year.
iii. Liability in respect of leave encashment payable to employees has been provided for leave credit at the year-end.

e. Taxation on Income

Current Tax is the tax payable for the period determined as per the provisions of the Income Tax Act, 1961. The Provision for deferred tax has been made in accordance with the requirement of Accounting Standard 22 issued by the Institute of Chartered Accounts of India (ICAI).

COMPANY'S FINANCIAL PERFORMANCE & ANALYSIS :
COMPARISON OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF BURNPUR CEMENT LIMITED FOR THE PAST THREE YEARS

(Rs. in lacs)

Particulars	Year Ended 31st March (Audited)							
	2006		2005		2004		2003	
	Amt	*% to Total Income*	Amt	*% to Total Income*	Amt	*% to Total Income*	Amt	*% to Total Income*
Income								
Sales from:								
- Manufactured Goods (Gross)	2,107.95		1,328.05		940.17		696.21	
Less: Excise Duty	301.92		200.22		143.08		108.93	
- Manufactured Goods (Net)	1,806.03	78.02	1,127.83	93.41	797.08	90.25	587.28	90.84
- Traded Goods	476.96	20.60	84.99	7.04	-	-	-	-
Net Sales	2,282.99	98.62	1,212.82	100.45	797.08	90.25	587.28	90.84
Other Income	31.76	1.37	0.01	0.00	83.83	9.49	56.35	8.72
Increase/(Decrease) of Stock	0.23	0.01	(5.50)	(0.46)	2.28	0.26	2.89	0.45
Total Income (T.I.)	**2,314.97**	**100.00**	**1,207.33**	**100.00**	**883.20**	**100.00**	**646.52**	**100.00**
Expenditure								
Manufacturing Expenses	469.21	20.27	259.71	21.51	242.76	27.49	140.57	21.74
Raw Materials Consumed	951.00	41.08	536.85	44.47	394.76	44.70	284.01	43.93
Total Manufacturing Expenses	1,420.21	61.35	796.56	65.98	637.52	72.18	424.57	65.67
Trading Purchases	423.96	18.31	74.67	6.19	-	-	-	-
Staff Costs	30.57	1.32	25.76	2.13	19.06	2.16	15.35	2.37
Selling, Administrative & Other Expenses	212.66	9.19	169.22	14.02	96.90	10.97	90.13	13.94

Interest	63.58	*2.75*	34.58	*2.86*	59.41	*6.73*	49.92	-
Depreciation	58.18	*2.51*	43.75	*3.62*	39.48	*4.47*	49.22	*7.61*
Total Expenditure	**2,209.17**	***95.43***	**1,144.55**	***94.80***	**852.38**	***96.51***	**629.19**	***97.32***
Profit/(Loss) Before Tax	**105.80**	***4.57***	**62.78**	***5.20***	**30.82**	***3.49***	**17.33**	***2.68***
Provision for Income Tax	8.90	*0.38*	4.92	*0.41*	2.37	*0.27*	0.29	*0.04*
Deferred Tax Liability/ (Asset)	7.91	*0.34*	13.95	*1.16*	13.30	*1.51*	40.08	*6.20*
Fringe Benefit Tax	0.20	*0.01*	-	-	-	-	-	-
Profit/(Loss) After Tax	**88.79**	*3.84*	**43.91**	*3.64*	**15.15**	*1.72*	**(23.05)**	*(3.57)*

COMPARISON OF FY 2006 WITH FY 2005 – REASONS FOR VARIANCE

Income from Sales of Manufactured Goods

The income from sales of manufactured goods (net of Excise Duty) increased from Rs. 1127.83 lacs in fiscal 2005 to Rs. 1806.03 lacs in fiscal 2006, i.e. an increase of 60.13% on Y-o-Y basis. This increase in sales from manufacturing goods was due to increased demand of goods. However, while comparing the figures w.r.t. total income of the corresponding fiscal year, the sales from manufactured goods accounted for 93.41% of the total income in fiscal 2005 whereas the corresponding figure stood at 78.02% in fiscal 2006.

Income from Sales of Trading Goods

The income from sales of traded goods showed a significant increase from Rs. 84.99 lacs in fiscal 2005 to Rs. 476.96 lacs in fiscal 2006, i.e. an increase of 461.19% on Y-o-Y basis. This increase in sales from manufacturing goods was due to clearance of old stock of raw materials at better realisable price. However, while comparing the figures w.r.t. total income of the corresponding fiscal year, the sales from traded goods accounted for 7.04% of the total income in fiscal 2005 whereas the corresponding figure stood at 20.60% in fiscal 2006.

Other Income

The income from other sources in the fiscal 2005 was Rs. 0.01 lacs whereas it stood at Rs. 31.76 lacs in fiscal 2006. This is mainly on account of income from hire charges of pay-loader, which contributed Rs. 30.30 lacs.

Total Income

The Company registered an increase of 91.74% in its total income for the FY 2006 compared to the previous year on account of increase in both manufacturing and trading sales and also increase in other income during the fiscal 2006. The total sales of the Company was Rs. 2282.99 lacs in fiscal 2006 as compared to Rs. 1212.82 lacs in the previous year while other income increased from Rs. 0.01 lacs in 2005 to Rs. 31.76 lacs in 2006. As a result, the total income of the Company also increased from Rs. 1207.33 lacs in fiscal 2005 to Rs. 2314.97 lacs in fiscal 2006.

Manufacturing Expenses

The total manufacturing expenses (comprising of raw materials consumed and other manufacturing expenses) has increased from Rs. 796.56 lacs in the fiscal 2005 to Rs. 1420.21 lacs in fiscal 2006, an increase of 78.29% on Y-o-Y basis. However, the manufacturing expenses as a percentage of total income has slightly decreased from 65.98% in fiscal 2005 to 61.35% in fiscal 2006. The growth in manufacturing expenses is 78.29% due to increase in input cost of raw materials and other expenses.

Trading Purchases

The total expenses on purchase of trading goods increased from Rs. 74.67 lacs in fiscal 2005 to Rs. 423.96 lacs in fiscal 2006, i.e. an increase of 467.76% on Y-o-Y basis. Trading purchases was 88.89% of the trading sales in the fiscal 2006 as against 87.85% in the fiscal 2005.

Personnel (Staff) Expenses

The personnel expenses, as a percentage to total income, decreased from 2.13% in fiscal 2005 to 1.32% in fiscal 2006. In absolute terms, the staff costs have gone up to Rs. 30.57 lacs in the fiscal 2006 as against Rs. 25.76 lacs in the previous fiscal. This is due to the induction of more technical and skilled professionals during the fiscal 2006 and increment in salary of staff.

Administrative and Other Expenses

The Administrative and other expenses, as a percentage to total income, have decreased from 14.02% in fiscal 2005 to 9.19% in fiscal 2006. However, in absolute terms, the administrative and other expenses have gone up to Rs. 212.66 lacs in fiscal 2006 as against Rs. 169.22 lacs in the previous fiscal. This is because of the significant increase in the volume of business.

Interest

Interest, as a percentage to total income, has marginally decreased from 2.86% in fiscal 2005 to 2.75% in fiscal 2006. However, in absolute terms, the interest costs have gone up from Rs. 34.58 lacs in the fiscal 2005 to Rs. 63.58 lacs in fiscal 2006. This is because of the increase in secured loans during the fiscal 2006.

Depreciation

The depreciation, as a percentage to total income, has decreased from 3.62% in fiscal 2005 to 2.51% in fiscal 2006. However, on year-to year comparison, the depreciation has increased by 32.99%. This is on account of increase in fixed assets.

Profit Before Tax (PBT)

The profit before tax increased significantly by 68.52% during the fiscal 2006 in comparison to the fiscal 2005 on account of increase in sales volume in the fiscal 2006.

Profit After Tax (PAT)

The profit after tax increased by 102.21% during the fiscal 2006 in comparison to the fiscal 2005 on account of increased revenue in the fiscal 2006 as compared to the previous year.

COMPARISON OF FY 2005 WITH FY 2004 – REASONS FOR VARIANCE

Income from Sales of Manufactured Goods

The income from sales of manufactured goods (net of Excise Duty) increased from Rs. 797.08 lacs in fiscal 2004 to Rs. 1127.83 lacs in fiscal 2005, i.e. an increase of 41.49% on Y-o-Y basis. Moreover, while comparing the figures w.r.t. total income of the corresponding fiscal year, the sales from manufactured goods accounted for 90.25% of the total income in fiscal 2004 whereas the corresponding figure stood at 93.41% in fiscal 2005. The increase was due to increase in demand for the product.

Income from Sales of Trading Goods

During the fiscal 2005, the Company commenced trading of goods. The income from sales of traded goods stood at Rs. 84.99 lacs in fiscal 2005, which accounted for almost 7 percent of the total income of fiscal 2005. This increase in sales from manufacturing goods was due to clearance of old stock of raw materials at better realisable price

Other Income

The income from other sources in the fiscal 2005 decreased to Rs. 0.01 lacs from Rs. 83.83 lacs in fiscal 2004 as there was no income from hire charges of pay-loader in the fiscal 2005 as the pay loader was under maintenance for part of the year.

Total Income

The Company registered an increase of 36.70% in its total income for the FY 2005 compared to the previous year on account of increase in both manufacturing and trading sales during the fiscal 2005. The total sales of the Company was Rs. 1212.82 lacs in fiscal 2005 as compared to Rs. 797.08 lacs in the previous year. As a result, the total income of the Company also increased from Rs. 883.20 lacs in fiscal 2004 to 1207.33 lacs in fiscal 2005.

Manufacturing Expenses

The total manufacturing expenses (comprising of raw materials consumed and other manufacturing expenses) has increased from Rs. 637.52 lacs in the fiscal 2004 to Rs. 796.56 lacs in fiscal 2005, an increase of 24.95% on Y-o-Y basis. However, the manufacturing expenses as a percentage of total income has decreased from 72.18% in fiscal 2004 to 65.98% in fiscal 2005. This decrease in manufacturing expenses was mainly due to the relative decrease in the sales from manufactured goods.

Trading Purchases

The total expenses on purchase of trading goods stood at Rs. 74.67 lacs in fiscal 2005. As mentioned above, the Company had started trading of goods in the fiscal 2005. The total expenses on purchase of trading goods was 6.19% of the total income, in fiscal 2005.

Personnel (Staff) Expenses

The personnel expenses, as a percentage to total income, decreased marginally from 2.16% in fiscal 2004 to 2.13% in fiscal 2005. In absolute terms, the staff costs have gone up to Rs. 25.76 lacs in the fiscal 2005 as against Rs. 19.06 lacs in the previous fiscal. The increase was due to normal increment and induction of new staff during the year.

Administrative and Other Expenses

The Administrative and other expenses, as a percentage to total income, have increased from 10.97% in fiscal 2004 to 14.02% in fiscal 2005. This is because of the significant increase in the volume of business.

Interest

Interest, as a percentage to total income, has significantly decreased from 6.73% in fiscal 2004 to 2.86% in fiscal 2005 due to substantial repayment of term loan from WBFC.

Depreciation

The depreciation, as a percentage to total income, has decreased from 4.47% in fiscal 2004 to 3.62% in fiscal 2005. However, on year-to year comparison, the depreciation has increased by 10.80%. This is on account of increase in fixed assets.

Profit Before Tax (PBT)

The profit before tax almost doubled in the fiscal 2005 in comparison to that in the fiscal 2004 on account of increase in sales volume in the fiscal 2005 and also on account of relative reduction in expenses.

Profit After Tax (PAT)

The profit after tax increased by 189.78% during the fiscal 2005 in comparison to the fiscal 2004 on account of increased revenue in the fiscal 2005 as compared to the previous year.

COMPARISON OF FY 2004 WITH FY 2003 – REASONS FOR VARIANCE

Income from Sales of Manufactured Goods

The income from sales of manufactured goods (net of Excise Duty) increased from Rs. 587.28 lacs in fiscal 2003 to Rs. 797.08 lacs in fiscal 2004, i.e. an increase of 35.72% on Y-o-Y basis. Moreover, while comparing the figures w.r.t. total income of the corresponding fiscal year, the sales from manufactured goods accounted for 90.25% of the total income in fiscal 2004 whereas the corresponding figure stood at 90.84% in fiscal 2003.

Other Income

The income from other sources increased from Rs. 56.35 lacs to Rs. 83.83 lacs in fiscal 2004. The other income accounted for 9.49% of total income in 2004 as compared to 8.72% in fiscal 2003.

Total Income

The Company registered an increase of 36.61% in its total income for the FY 2004 compared to the previous year on account of increase in sales during the fiscal 2004. The total income of the Company increased to Rs. 883.20 lacs in fiscal 2004 from Rs. 646.52 lacs in fiscal 2003.

Manufacturing Expenses

The total manufacturing expenses (comprising of raw materials consumed and other manufacturing expenses) has increased to Rs. 637.52 lacs in the fiscal 2004 from Rs. 424.57 lacs in fiscal 2003, an increase of 50.16% on Y-o-Y basis. Moreover, the manufacturing expenses as a percentage of total income has increased to 72.18% in fiscal 2004 from 65.67% in fiscal 2003.

Personnel (Staff) Expenses

The personnel expenses, as a percentage to total income, decreased marginally from 2.37% in fiscal 2003 to 2.16% in fiscal 2004. In absolute terms, the staff costs have gone up to Rs. 19.06 lacs in the fiscal 2004 as against Rs. 15.35 lacs in the previous fiscal.

Administrative and Other Expenses

The Administrative and other expenses, as a percentage to total income, have decreased from 13.94% in fiscal 2003 to 10.97% in fiscal 2004.

Interest

Interest, as a percentage to total income, has significantly decreased from 6.73% in fiscal 2004 to 2.86% in fiscal 2005.

Depreciation

The depreciation, as a percentage to total income, has significantly decreased from 7.61% in fiscal 2003 to 4.47% in fiscal 2004. In absolute terms, the depreciation decreased from Rs. 49.22 lacs in 2003 to Rs. 39.48 lacs in FY 2004. This decrease is on account of decrease in fixed assets.

Profit Before Tax (PBT)

The profit before tax increased significantly in the fiscal 2004 in comparison to that in the fiscal 2003 on account of increase in sales volume in the fiscal 2004, i.e. an increase of 77.89% on Y-o-Y basis.

Profit After Tax (PAT)

The profit after tax increased to Rs. 15.15 lacs during the fiscal 2004 as against a loss of Rs. 23.05 lacs in the fiscal 2003.

LIQUIDITY AND CAPITAL RESOURCES

The Company depends on both internal and external sources of liquidity to fund working capital and capital expenditure. The Company has traditionally funded the working capital requirements and capital expenditures from internally generated funds, unsecured loans and debt financing. In respect of the debt funding of working capital, the Company uses cash credit limits from State Bank of India, whereas for project or capital expenditure, the Company has entered into long term borrowings in the form of term loans from West Bengal Financial Corporation.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5 (a) OF SEBI (DIP) GUIDELINES

i. **Unusual or Infrequent Events or Transactions**

   There have been no unusual or infrequent events or transactions.

ii. **Significant economic changes that materially affected or are likely to affect income from continuing operations**

   There have been no significant economic changes that materially affected or are likely to affect income from continuing operations.

iii. **Known trends or uncertainties that have had or are expected to have a material adverse impact on income from operations**

Other than described in the sections "Risk Factors" and "Management Discussion and Analysis of Financial Conditions and Results of Operations" and elsewhere in this Draft Prospectus, to our knowledge there are no trends or uncertainties that have or had or expected to have a material adverse impact on revenues or income of our company from continuing operations.

iv. Future changes in relationship between costs and revenues

The changes in prices of raw materials, transportation costs, etc could materially affect cost as a percentage of revenue. The risk on account of price fluctuation is reduced to a significant extent considering the fact that a rise in the price of the basic raw material is passed on in the form of increased prices of the finished products.

v. Extent to which material increases in revenues are due to increased volumes, introduction of new projects.

Increases in revenue are by and large linked to increase in volume of manufacturing activity carried out by the company and the trading sales. The Company registered an increase of 58.73% in the gross turnover by manufacturing activity during the FY 2006 compared to the previous year. The Company registered an increase of over 90% in its total income for the fiscal 2006 as against the total income in 2005 which is on account of a substantial increase in the turnover from manufacturing and trading activities.

vi. Total revenue of the industry segment in the which the Company operates.

The Company is currently engaged in the manufacturing and trading of cement.

vii. Seasonality of business

Demand for cement is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, the Company usually experience a reduction in sales of cement during the July-September quarters, and somewhat stronger sales in the January-March quarters, when the weather is dry.

viii. Dependence on single or few suppliers/customers

The company sources the raw material from a number of suppliers and is not under threat from excessive dependence on any single or few suppliers.

Similarly, the company has nationwide customers of its products and hence there is no dependence on any single customer.

ix. Competitive Conditions

The Company faces competition from bigger players.

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SECTION VI: LEGAL AND OTHER INFORMATION

Outstanding Litigations And Material Developments

Litigation involving the Company

There are no outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).

Except as stated below there are no other outstanding litigations including statutory dues, commercial disputes, patent disputes etc. No Criminal proceedings have been launched against the Company or any of the Directors for any of the offences under the enactment specified in paragraph 1 of schedule XIII of the Companies Act 1956.

No disciplinary action / investigation has been taken by Securities and Exchange Board of India (SEBI)/ Stock Exchanges against the Company, its directors, promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.)

The Company has not defaulted in meeting any economic offences, statutory dues, Bank dues, institutional dues and any dues to instrument holders of debentures, fixed deposits.

In terms of Clause 6.11.1.1(g), as at March 31, 2006, the Company does not owe any sum to any Small Scale Undertaking, which is outstanding for more than 30 days.

Against the Company

Criminal Cases:

West Bengal State Electricity Board (WBSEB) has filed a complain case No. 1/2005 under Section 151 of the Electricity Act, 2003 read with Section 190(1)(a) of the Code of Criminal Procedure before the Special Court, Burdwan against the Company, Mr. Ashok Gutgutia Managing Director, Mr. Kailash Prasad Agarwal Director and other employees of the Company for a commission of Offence punishable under Section 135 of the Electricity Act, 2003 pertaing to theft of energy. The said case is now pending before the said Court.

By the Company

Constitutional & Writ Proceedings

The Company has instituted a proceeding under Article 226 of the Constitution of India before the High Court at Calcutta being W.P. No. 11232(W) of 2005. The said case has been filed against, West Bengal State Electricity Board (WBSEB) and others for a writ of Mandamus, Certiorari and Prohibition in the matter of illegal refusal by the West Bengal State Electricity Board to issue No Objection Certificate to the Company for getting the supply of electricity for the factory from other distribution agency.

The aforesaid case, is still pending disposal before the High Court

Sales Tax Proceedings

There is a Sales Tax demand raised by the Sales Tax Authority amounting to Rs.4507639.10 pertaining to the year ended on 31st March, 2000 and 31st March, 1996, which have been disputed by the Company in the revision petitions filed before the West Bengal Appellate & Revisional Board, Kolkata where the management expects full relief. The case is still pending.

LITIGATIONS OF COMPANIES PROMOTED BY THE PROMOTERS/DIRECTORS OF BURNPUR

There are no cases / litigations filed by or against companies promoted by the promoters/Directors of Burnpur.

AGAINST OR BY THE PROMOTERS:

There are no cases / litigations filed by or against the promoters.

LITIGATIONS RELATED TO COMPANY BELONGING TO PROMOTER GROUP

There are no cases / litigations filed by or against any company belonging to promoter group.

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any circumstances that may materially or adversely affect or are likely to affect the profitability of the Company or the value of the assets or the ability to pay the material liabilities within the next twelve months.

Except as stated in this Draft Prospectus, there is no subsequent development after the due date of the Auditor’s Report which we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of the Company.

Government and Other Approvals

As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

The Company has all the necessary licenses, permissions and approvals, as may be applicable, from the Central and State Governments and other government agencies/certification bodies required for the business and no further approvals are required by the company, except those approvals that may be required to be taken from any government or any other authority in the normal course of business from time to time to continue the activities, and those mentioned under the heading Risks Envisaged.

It must, however be, distinctly understood that in granting the below-mentioned approvals, the Central Government, State Government, RBI and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and its current and proposed business activities and no further material approvals are required from any Government authority to continue such activities

Licences/Approvals Obtained By The Company:

Sl. No.	Name of Registration	Regulatory/Issuing Authority	Licence/Registration No. and date
1.	Establishment Code Number under Employees Provident Fund & Miscellaneous Provisions Act 1952	Regional Provident Fund Commissioner	WB/CA/33206 Dated 13.12.1995
2.	Permanent Account Number under Income Tax Act 1961	Deputy Commissioner of Income Tax Asansol	AACCA1999B
3	Bureau of Indian Standards Act 1986	Section officer (MDK-2) Bureau of Indian Standard Kolkata	CM/L-2386462 Dated 12.09.2006
4.	Standard of Weight & Measures () Act 1985	The Controller of Legal Metrology West Bengal	002345 Dated 13.09.2006
5.	Central Excise Registration Certificate under Central Exciser Act 1944	Assistant Commissioner of Central Excise Asansol Division	Registration No: AACCA1999BXM001 Dated 19.05.2003
6.	Service Tax Registration under Finance Act, 1994	Superintendent Central Excise Asansol Range	Registration No.:14/BCL/GTA/ST/ASN-R/05 Dated 31.01.2005
7.	Certificate of Registration under West Bengal Value Added Tax Rule, 2005	Assistant Commissioner - Sales Tax , Asansol Charge	19741265013
8.	Tax Identification Number allotted under Jharkhand Value Added Tax	Deputy/Assistant Commissioner of Commercial Tax, Ranchi	TIN - 20260400191 Dated 01.02.2006
9.	Certificate of Registration under Central Sales Tax Act, 1956	Notified Authority Patna Bihar Sales Tax Authority	10010429198 Dated 09.07.2005
10.	Tax Deduction Accountant Number (TAN) under	National Securities Depository Limited	CALB06596C Dated 14.03.2005

	Income Tax Act 1961		
11.	Registration under Employees State Insurance Act 1948	Assistant Regional Director, JRD	C/INS-IV/41-7271-46 (Certificate pending) Dated 10.12.1993
12.	Registration under Factories Act, 1948 and West Bengal Factories Rules,1958, Payment of Wages Act, 1936, The West Bengal Payment of Wages Rules. 1958, The Maternity Benefit Act, 1961	Chief Inspector of Factories West Bengal	9-BD/X/91 Dated 10.10.1991
13.	West Bengal State Tax on Professions, Trade, Callings and Employment Act 1979	Office Professional Tax Officer W.B. Unit III	RWA-2306891 dated 16.03.2001
14	Industrial Entrepreneur Memorandum (IEM) Acknowledgement from Secretariat of Industrial Assistance, Ministry of Commerce and Industry New Delhi	Ministrey of Company Affairs – Secretary to the Government of India	761/SIA/IMO/2002 Dated 10.12.2002
15.	Certificate of Registration under Central Sales Tax (Registration and Turnover) Rules Act 1957	Assistant Commissioner, Commercial Taxes, Asansol Charge, West Bengal	2384(AS) Dated 12.11.2001
16	The West Bengal Sales Tax Rules, 1995	Assistant Commissioner Commercial Taxes, Asansol Charge	AS/5416 dated 12.11.2001
17	Trade License	Chief Executive officer License Department Asansol Municipal Corporation	Certificate Number - 47139
18	The Air (Prevention & control of Pollution) Act 1981 The Water ((Prevention & control of Pollution)Act 1974	Jharkhand State Pollution Control Board	Letter no. JA/2655/W/217 Dated :25/01/2007

Licences/Approvals Applied For But Not Yet Received:

Sl.No.	Act/Rules/ Notificaton	Regulatory/ Issuing Authority	Date of Application
1.	The Air (Prevention & Control of Pollution) Act 1981 The Water ((Prevention & Control of Pollution)Act 1974	Senior Environmental Engineer West Bengal Pollution Control Board	28.08.2006
2.	Trade Marks Act, 1999 – Burnpur Logo	Registrar of Trade Marks, Kolkata	13.05.2005
3	Trade Marks Act, 1999 – Burnpur Trade Mark	Registrar of Trade Marks, Kolkata	04.06.1999

SECTION VII: OTHER REGULATORY AND STATUTORY DISCLOSURES

1. Authority for the Present Issue

The issue of Equity Shares by the Company has been authorised by the resolution passed by the Board of Directors at their meeting held on November 18, 2006 which is subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act. Subsequently, on December 12, 2006, the shareholders approved the Issue at the EGM of the Company.

2. Prohibition by SEBI/RBI/Any other Authority

The Company, its directors, its promoters, Promoter Group, the Group Companies, persons in control of the promoter companies, other companies with which the promoters/directors are associated as directors or as promoters are not prohibited from accessing/operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

Neither the Company nor its directors, associates, promoters, promoters Group companies or relatives of the Promoters have been detained as wilful defaulter by the RBI or government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

3. Eligibility of the Company to enter the capital market

The Company is eligible for the issue as per Clause 2.2.1 of the SEBI (DIP) Guidelines as confirmed by the Auditors of the Company:

- The Company has net tangible assets of at least Rs. 3 crores in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets;
- The Company has had a track record of distributable profits as per Section 205 of Companies Act for at least three out of the immediately preceding five years;
- The Company has had a pre-Issue net worth of not less than Rs. 1 crore in each of the three preceding full years;
- The name of the Company has not been changed in the last one year.
- The proposed Issue size would not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2006;

The distributable profits as per Section 205 of the Companies Act, net worth and net tangible assets for the last five years as per Company's restated financial statements are as under:

(Rs. In Lacs)

	For the year ended March 31				
	2002	**2003**	**2004**	**2005**	**2006**
Distributable Profits [1]	23.80	(23.05)	15.15	43.91	88.79
Net Worth, as restated [2]	235.02	212.92	219.29	626.20	1081.61
Net Tangible Assets [3]	764.62	882.13	919.69	1200.02	2076.07
Monetary Assets [4]	40.65	57.96	48.06	69.98	187.74
Monetary Assets as a % of Net Tangible Assets	5.32	6.57	5.23	5.83	9.04

Note:

[1]*Distributable profits have been defined in terms of section 205 of the Companies Act, 1956;.*

[2]*Net worth has been defined as the aggregate of value of the paid up equity share capital and reserves, (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written of),as per the audited Balance Sheet;*

[3]Net tangible assets is defined as the sum of fixed asset(including capital work in progress and capital advances and excluding revaluation reserves),investments, current assets (excluding deferred tax assets) less current liabilities and short term liabilities;.
[4]Monetary assets comprise of cash and bank balances, public deposit account with the Government.

The Company undertakes that the number of allottees (i.e., Persons receiving Allotment in the Issue) shall be at least 1000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay, subject to and in accordance with, applicable law.

4. Disclaimers

SEBI DISCLAIMER CLAUSE:

AS REQUIRED, A COPY OF THE DRAFT PROSPECTUS HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER, SREI CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES 2000, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER SREI CAPITAL MARKETS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LM, SREI CAPITAL MARKETS LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 11.04.2007 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992 WHICH READS AS FOLLOWS:

I WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;

II ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

a. THE DRAFT PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE ISSUE;

b. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT

AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

c. **THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;**

III WE CONFIRM THAT, BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID *;

IV WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS; AND

V WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.

THE FILING OF DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

* The Registrar has informed that in the matter of Ankit Prachi Trading & Investment Ltd., notice of enquiry has been issued by SEBI and necessary submissions have been made. The matter is presently pending before SEBI.

5. CAUTION STATEMENT/DISCLAIMER STATEMENT FROM THE ISSUER AND LEAD MANAGER:

The Company, its Directors, the LM and their respective directors, officers agents, affiliates and representatives accept no responsibility for statements made otherwise than in the Draft Prospectus or the advertisements or any other material issued by or at the instance of the above mentioned entities and any one placing reliance on any other source of information, including the website of the Company "www.burnpurcement.com" would be doing so at his or her own risk.

The Lead Manager do not accept any responsibility, save to the limited extent as provided in terms of the Memorandum of Understanding entered into between the Company and the Lead Manager and the Underwriting Agreement to be entered into amongst the Underwriters and the Company.

All information shall be made available by the Lead Manager and the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at the Collection centres or elsewhere.

The Company and Lead Manager are obliged to update the Draft Prospectus and keep the public informed of any material changes till the listing and trading commencement.

6. Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860 as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted Insurance Companies and Pension Funds and to permitted non residents including FIIs, NRIs and other eligible Foreign investors (viz. Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions). The Draft Prospectus does not, however, constitute an offer to sell or, an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about it, and to observe, any such restrictions. Any dispute arising out of this Issue shall be subject to the exclusive jurisdiction of appropriate court(s) in, Kolkata, West Bengal India only.

No action has been or will be taken to permit a public Issue in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

7. Disclaimer Clause of the Stock Exchanges

Disclaimer Clause Of the Bombay Stock Exchange Limited (BSE) – The Designated Stock Exchange

[•]

Disclaimer Clause of the National Stock Exchange Association Limited (NSE)

[•]

8. Filing of Draft Prospectus with the Board and The Registrar of Companies

A copy of the Draft Prospectus, along with the documents required to be filed has been filed with SEBI at SEBI Bhavan, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the Registrar of the Companies, West Bengal, Kolkata located at Office of the Registrar of Companies, West Bengal, "NIZAM PALACE", 2nd MSO Building, 2nd Floor, 234/4 A.J.C Bose Road, Kolkata – 700 020

9. Listing

Initial listing applications have been made by the Company to the Bombay Stock Exchange Limited (BSE) (Designated Stock Exchange) and the National Stock Exchange of India Limited (NSE) for permission to list the equity shares and for an official quotation of the Equity Shares of the Company.

In case the permission to deal in and for official quotation of the Equity Shares are not granted by the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from applicants in pursuance of the Prospectus. If such money is not paid within eight days after the Company becomes liable to repay it (i.e., from the date of refusal or within 70 days from the Issue Closing Date, whichever is earlier), then the Company and every Director of the Company who is an officer in default shall, on and from the date the expiry of 8 days, will be jointly and severally liable to repay the money with interest as prescribed under section 73 of the Companies Act, 1956.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven working days of finalization of the basis of allotment for the Issue.

10. Impersonation

Attention of applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who

a. makes in a fictitious name an application to a company for acquiring, or subscribing of any Shares therein, or
b. otherwise induces a company to allot, or register any transfer of Shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

11. Consents

Consents, in writing, of the Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to the Company, Bankers to the Issue, Lead Manager to the Issue, Legal Advisor to the Issue, and Registrar to the Issue, act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the Registrar of Companies, Kolkata as required under Section 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

M/S N K AGARWAL & CO., Chartered Accountants, the Company's statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

M/S N K AGARWAL & CO., Chartered Accountants, the Company's statutory auditors have given their written consent to the inclusion of their report on the tax benefits accruing to the Company and its members in the form and context in which it appears in this Draft Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

12. Expert Opinion

Except as stated elsewhere in this Draft Prospectus, we have not obtained any expert opinions.

13. Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

Sl. No.	Activity	Estimated Amount (Rs. in lakhs)	% of Total Expenses	% of Total Issue size *
1.	Fees of LM	[•]	[•]	[•]
2.	Underwriting commission	[•]	[•]	[•]
3.	Brokerage & Selling commission	[•]	[•]	[•]
4.	Advertisement & Marketing expenses	[•]	[•]	[•]
5.	Printing and Stationery, Distribution, postage etc	[•]	[•]	[•]
6.	Fees of Registrar to the issue	[•]	[•]	[•]
7.	Other Expenses (including legal fees, filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
	Total	**200.00**	**100.00**	[•]

* Will be incorporated after finalization of Issue price

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager for the issue will be as per the Memorandum of Understanding executed by the Company and the Lead Manager SREI Capital Markets Ltd, dated 16.02.2007, a copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding dated 16.02.2007 between the Company and the Registrar, a copy of which is available for inspection at the Registered Office of the Company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post /speed post / under certificate of posting

Others

The total fees payable to the Legal Advisor, Auditors and Tax Auditors will be as per the terms of their respective engagement letters.

14. Underwriting Commission, Brokerage And Selling Commission

The Underwriting commission for the Issue would be set out in the Underwriting Agreement, copy of which would be available for inspection at the Registered Office of the Company. Brokerage will be paid on the basis of allotment made against application bearing the stamp of a member of any recognized exchange in India in the brokers columns. Brokerage at the same rate shall also be payable to the bankers to the issue in respect of allotment made against applications bearing their respective stamps in the brokers columns.

In case of tampering or over stamping of broker/agents codes on the application form, Issuers decision to pay brokerage in respect will be final and no further correspondence will be entertained in the matter.

15. Previous Rights and Public Issues, if any in the last five yars

The Company has not made any previous rights and public issues since inception.

16. Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" beginning on page [●] of the Draft Prospectus, the Company has not made any previous issues of shares for consideration otherwise than for cash.

17. Commission and Brokerage on Previous Issues

The Company has not made any previous public or right issue since inception and as such no amount has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription of the equity shares

18. Particulars in regard to the Company and other listed Companies under the same management within the meaning of section 370 (1b) of the companies act, 1956 that made any capital issue during the last three years

The following company has been declared to be under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956:

a. Insight Consultants Private Limited
b. Bharat Cement Private Limited

C. Goyal Auto Distributors Private Limited

For more details, please refer to the section titled "Financial and Other Information of Companies, Firms Promoted/Controlled by the Promoters" beginning on page no.142 of this Draft Prospectus.

There have been no capital issues during last three years either by the Company or any other company under the same management within the meaning of Sec. 370(1) (B) of the Act.

19. Promise Vis-À-Vis Performance – The Company

This is the first public issue of the Company. Hence Promise vis-à-vis performance is not applicable to the Company.

Listed Ventures of Promoters

The promoters do not have any listed venture and hence not applicable.

20. Outstanding Debentures Or Bond Issues

The Company does not have any outstanding debentures or bonds.

21. Outstanding Preference Shares

The Company does not have any outstanding preference shares.

22. Stock Market Data

This being an initial public issue of the Company, the Equity Shares of the company are not listed on any stock exchange hence no stock market data is available.

23. Mechanism for Redressal of Investor Grievance

The Memorandum of Understanding between the Company and the Registrar to the Issue will provide for retention of records with the Registrar to the Issue, M/s Niche Technologies Private Limited, for a period of at least three years from the last date of dispatch of letters of allotment, demat credit, and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Company and Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, bank, Depository participant.

The Company has constituted a Investor's Grievance Committee on January 4, 2007 comprising of Mr. Prabha Shanker Mishra (Independent Director) as the Chairman and Mr. Kailash Prasad Agarwal (Non Executive Director) and Mr. Keshab Das (Non Executive Director) as members.

The Company has also appointed Mr Manoj Agarwal, Company Secretary as the Compliance Officer of the Company.

All investor complaints that cannot be resolved by the Company Secretary and the Compliance Officer would be placed before the Investor's Grievance Committee for resolution. The Company will settle investor grievances expeditiously and satisfactorily.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of rouine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The company has appointed, Mr Manoj Agarwal,, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue related problems such as non-receipt of allotment advice, refund orders and demat credit, etc. He can be contacted at:

Mr Manoj Agarwal,
Burnpur Cement Limited
Cement house, Saradapally, Ashoknagar
P.O. Asansol- 713304, Dist.: Burdwan (W.B.), India.
Tel.: (0341) 2250663, 2250859/61/62,
Fax: (0341) 2250860
E-mail: info@burnpurcement.com
Website: www.burnpurcement.com

Changes in Auditors during last 3 years and reasons thereof

The auditors of the company are appointed (and reappointed) in accordance with provisions of the Companies Act and their remuneration, rights and duties are regulated by section 224 to 233 of the Companies Act.

There have been no changes of Statutory Auditors in the last three years. M/S N K AGARWAL & CO., Chartered Accountants were appointed as Statutory Auditors of the Company since incorporation.

24. Capitalization of Reserves Or Profits

The Company has till date not capitalized the reserves or profits.

25. Revaluation of assets

The Company revalued its Fixed Assets comprising of Land/Building/Plant/ Machineries/Vehicle as on 31.03.2005 located at Main Asansol-Lalganj Road, at Mouza Palashdiha under Asansol Muincipal Corporation.

On account of the revaluation, the gross block of the Fixed Assets comprising of Land/Building/Plant/Machineries/Vehicle stands at Rs.1596.58 lakhs. The above amount was credited to Revaluation Reserves, and the accounts were approved by the Shareholders at their Annual General Meeting held on 30th September, 2005.The same was adopted in the Company's books.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, the terms of this Draft Prospectus, Application Form and other terms and conditions as may be incorporated in the allotment advice and other documents / certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications, rules and regulations relating to the issue of capital, listing and trading of securities issued from time to time by SEBI / Government of India / Stock Exchanges / RBI / ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The issue of Equity Shares by the Company has been authorised by the resolution passed by the Board of Directors at their meeting held on November 18, 2006 which is subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act. Subsequently, on December 12, 2006, the shareholders approved the Issue at the EGM of the Company.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company including rights in respect of dividend. The allotees will be entitled to dividends and other corporate benefits, if any, declared by the company after the date of allotment. For a description of the Articles of Association, please refer to "Main Provisions of the Articles of Association of the Company" on page [•] of this Draft Prospectus.

Mode of payment of dividend

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders of the Company, at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition. Dividend shall be paid to the shareholders as per provisions of the Companies Act.

Face Value and Issue Price

The Equity Shares with a face value of Rs.10 each are being offered in terms of this Draft Prospectus at a total price of Rs. [•] per Equity Share, which is 1.0 times at the lower end of the Price Band and 1.2 times at the higher end of the price band. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws.

Compliance with SEBI DIP Guidelines

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time. In this regard the Company has appointed Mr Manoj Agarwal, Company Secretary as the Compliance Officer of the Company.

Rights of the Equity Shareholder

Subject to applicable laws, regulations, rules and guidelines and the Articles of Association, the Equity shareholders shall have the following rights: -

- Right to receive dividend, if declared;
- Right to receive notice, annual reports, attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;

- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public Company under the Companies Act and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Company's Articles of Association dealing with voting, dividend, forfeiture and lien, transfer and transmission and/or consolidation /splitting of Shares, refer to the section titled "Main Provisions of the Articles Of Association of the Company" on page 197 of this Draft Prospectus.

Market Lot & Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors.

Since trading of the Equity Shares of the Company will be in dematerialised mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in Kolkata, West Bengal India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Applicant, along with other joint Applicants may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his/her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of the Company and the Registrars and Transfer Agents of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either; -

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to elect / choose either to register himself or herself or to transfer the Equity Shares, and if the notice is not complied within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment/transfer of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing of the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

"If the company does not receive the minimum subscription of 90% of the net Issue to public including devolvement of Underwriters within 60 days from the Issue closing date, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956."

Further, in accordance with clause 2.2.2 A of the SEBI Guidelines, the Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Period of Subscription

The subscription list for public issue shall remain open for at least 3 working days and not more than 10 working days.

Arrangements for disposal of odd lots

The Company's shares will be traded in dematerialized form only and the marketable lot is one share. Therefore there is no possibility of odd lots.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within 2 working days of finalization of the basis of allotment of Equity Shares. In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 30 days from the Issue Closing Date;
- Dispatch of refund orders will be done within 30 days from the Issue Closing Date;
- Refunds shall be made in the following manner:

  - In case of applicants residing in any of the centres specified by the SEBI – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;
  - In case of other applicants – by despatch of refund orders by registered post, where the value is Rs. 1500/- or more, or under certificate of posting in other cases, (subject however to postal rules); and
  - In case of any category of applicants specified by the SEBI – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the SEBI from time to time.

The Company shall pay interest at 15% per annum (for any delay beyond the 30 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 30 day prescribed time period as mentioned above (or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner) within 30 days from the date of the closure of the issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Restrictions, if any, on Transfer and Transmission of Shares and on their Consolidation/Splitting

Nothing contained in the Articles of the Company shall prejudice any power of the Company to refuse to register the transfer of any share.

No fee shall be charged for sub-division and consolidation of share certificates (physical form), debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pucca transfer receipts into denomination corresponding to the market units of trading.

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer sub-heading "Main Provisions of the Articles of Association of the Company" starting from page no. 197 of this Draft Prospectus.

ISSUE PROCEDURE

1. Authority for the Present Issue

The issue of Equity Shares by the Company has been authorised by the resolution passed by the Board of Directors at their meeting held on November 18, 2006 which is subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act. Subsequently, on December 12, 2006, the shareholders approved the Issue at the EGM of the Company.

2. Principal Terms and Conditions of the issue

The Equity Shares, now being issued, are subject to the terms and conditions of this Draft Prospectus, the Application Form, the Memorandum & Articles of Association of the Company, the guidelines for listing of securities issued by Government of India and guidelines issued by SEBI from time to time, the Depositories Act and the provisions of the Act.

In addition, the Equity Shares shall also be subject to such other terms and conditions as may be incorporated in the letter of allotment, Share Certificates, as per guidelines, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

3. How To Apply

i. Availability of Draft Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, the Lead Manager to the Issue, the Registrar to the Issue, Brokers to the Public Issue and at the branches/collection centers of the Bankers to the Issue, as mentioned on the Application Form.

NRIs/FIIs can obtain the Application Form from the Registered Office of the Company as well as from the office of the Lead Manager.

ii. Application Form

Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English, as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made. The prescribed application forms will have the following colours:

Category	**Colour of Application Form**
Indian public, NRIs applying on a non-repatriation basis	White
Non-residents including Eligible NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Eligible Employees of the Company	Pink

iii. Who Can Apply:

A	Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic in single name or joint names (not more than three)
B	Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
C	Companies, Bodies Corporate and Societies registered under the applicable laws

	in India and authorized to invest in the Equity Shares
D	Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India and SEBI regulations, if any):
E	Scientific and/or Industrial Research Organizations which are authorized to invest in shares
F	Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any.
G	State Industrial Development Corporations
H	Insurance Companies registered with Insurance Regulatory and Development Authority
I	Provident Funds with minimum corpus of Rs.2500 Lacs and who are authorized under their constitution to hold and invest in equity shares
J	Pension Funds with minimum corpus of Rs.2500 Lacs and who are authorized under their constitution to hold and invest in equity shares
K	Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company
L	Foreign Institutional Investors (FIIs) on repatriation basis/ non-repatriation basis subject to applicable laws
M	Permanent and Regular employees of the Company
N	Non-Resident Indians (NRIs) on repatriation / non-repatriation basis subject to applicable laws
O	Multilateral and bilateral development financial institutions.

Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

iv. Applications not to be made by:

- Minors
- Foreign Nationals (except NRIs)
- Partnership firms or their nominees
- Overseas Corporate Bodies (OCBs)

4. Minimum and Maximum Application Size

Applications should be for minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. In case of applications under the Employee Reservation Portion, a single applicant under this category can make an application for a number of Equity Shares, which exceeds the reservation. An applicant in the Net Issue to the Public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Under existing SEBI guidelines, a QIB applicant cannot withdraw its application after the Issue Closing Date.

5. Option to Subscribe

As on the date of this document, there are no pending options to subscribe to Equity Shares or convertible instruments pending conversion into Equity Shares of any kind. The investor shall have the option to subscribe to Equity Shares to be dealt with in a depository.

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialised form only. However the investor shall have the option to hold the Equity Shares in physical form or demat form. After the allotment in the proposed issue allottees may request their respective Depository Participant for rematerialisation of shares in physical shares.

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6. Filing of the Draft Prospectus with the RoC

The Company will file a copy of the Prospectus with the Registrar of Companies, West Bengal, Kolkata in terms of Section 56, Section 60 of the Companies Act.

7. Pre-Issue Advertisement

The Company will issue a statutory advertisement after filing of the Draft Prospectus with the RoC. This advertisement will contain the information that has to be set out in the statutory advertisement. Material updates, if any, between the date of filing the Draft Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

8. Application by Mutual Funds/Schedule Banks/Indian and Multilateral Development Financial Institutions

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. The applications made by the Asset Management Company or Trustees / Custodians of a Mutual.

Schedule Banks and Indian and Multilateral Development Financial Institutions can apply in this public issue based upon their own investment limits and approvals.

Application Forms together with cheques or bank drafts drawn in Indian Rupees for the full amount payable at the rate of Indian Rs. (.) per Equity Share must be delivered before the close of subscription list to such branches of the Bankers to the Issue at places mentioned in the Application Form. A separate single cheque / bank draft must accompany each Application Form.

9. Applications By NRIs/FIIs (On Repatriable Basis):

a. As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits.
b. NRIs / FIIs / Indian Mutual Funds & Indian and Multilateral Development Financial Institutions can obtain the Application Form from either the Registered Office of the Company or the office of the Lead Manager.
c. In case of application by NRIs on repatriation basis, the payments must be made through Indian Rupees drafts purchased abroad or cheques or banks, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Accounts of Non-Resident Subscribers applying on a repatriation basis. Payment by bank drafts should be accompanied by along with the Certificate from the Bank issuing the Draft confirming that the Draft has been issued by debit to NRE/FCNR account.
d. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to RBI approval under prevailing RBI Guidelines or any other requisite statutory authority as may be necessary under the existing Exchange Control regulations. The sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon, subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.
e. In case of application by FIIs on repatriation basis, the payment should be made out of funds held in Special Non-Resident Rupee Account along with documentary evidence

in support of the remittance like certificates such as FIRC, bank certificate etc. from the authorised dealer. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to Special Non-Resident Rupee Account.

f. Duly filled Application Forms, by NRIs / FIIs, along with the cheques/bank drafts, and crossed '**Account Payee only'** in favour of "**________Bank A/c- BURNPUR CEMENT LTD.-Public Issue-NRI"** will be accepted at designated branches of the Bankers to the Issue.
g. Refunds/dividends and other distributions, if any, will be payable (net of Bank Charges/commissions) in Indian Rupees only. In case of applicants who remit their application money from funds held in NRE /FCNR accounts, such payments shall be credited to their respective NRE / FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.
h. Applications in this category may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment on repatriable basis. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the blue coloured forms meant for applications on repatriable basis.

The Company does not require approvals from FIPB or RBI for the transfer of Equity Shares in the Issue to eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allotment.

10. Application by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The allotment of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company. In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the company total issue capital or 5% of the Company total issued capital in case such sub-account is a foreign corporate or an individual.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off-shore derivatives instruments, such as Participatory Notes, Equity-Linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any Stock Exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities, in the countries of their incorporation or establishment, subject to compliance of "Know Your Client" requirements. An FII or sub account shall also ensure that no further downstream issue or transfer of any instrument referred to herein above is made to any other person other than a regulated entity.

11. Application by SEBI Registered Venture Capital Funds And Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI, in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only upto 33.33% of the investable funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under the laws or regulations, and the Company and the LM shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

12. Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, must be lodged separately at the office of the registrar to the issue along with the Application Form, indicating the serial number of the application form and the name of the Bank and the branch office where the application is submitted. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made by provident funds with minimum corpus of Rs.2500 Lacs (subject to applicable law) and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case without assigning any reason therefor.

In case of Applications made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject terms and conditions that the Company and the LM may deem fit.

13. General Instructions for Applicants

Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English, as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made.

a. Application must be made only:

i. For a minimum of [•] Equity Shares and in multiples of [•] shares thereafter.
ii. In single name or joint names (not more than three);

Thumb impressions and signatures other than in English/Hindi or any other language specified in the 8^{th} Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal.

b. Bank Account Details of Applicant:

ALL THE APPLICANTS WILL GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Applicants such as address, bank account details for making refunds and occupation ("Demographic Details"). Hence, Applicants are advised to immediately update their bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine-digit code appearing on a cheque leaf) as appearing on the records of the depository participant, and carefully fill in their Depository Account details in the Application Form. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the LM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Applicants in the Application Form would not be used for these purposes by the Registrar.

Hence, Applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

Allocation Advice / refund orders/ refund advice would be mailed at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of allocation advice/ refund orders/ refund advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In the case of refunds through electronic modes as detailed in page no. 163 of this Draft Prospectus, Applicants may note that refund may get delayed if the bank particulars obtained from the Depositories are incorrect

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

c. An applicant in the public category cannot make an application for that number of securities exceeding the number of securities offered to the public. Payment should be made in cash or by cheque/Bank Draft drawn on any bank (including a Co-operative Bank), which is situated at and is a Member or Sub-member of the Banker's Clearing House located at the place where the application is submitted.

d. A separate cheque or Bank draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /draft.

Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders/Postal Orders will not be accepted.

e. All Cheques or Bank Drafts must be payable to any of the Bankers to the Issue with whom the application is lodged and marked "Name of the Bank A/c-M/s Burnpur Cement Limited Public Issue" and crossed "Account Payee Only" **(e.g. ___________ Bank A/c BURNPUR CEMENT LTD Public Issue)**.

f. All application Forms duly completed together with cash/ cheque/bank draft for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Public Issue named herein or to any of their branches mentioned on the reverse of Application Form, and NOT to the Company or to the Lead Manager to the Public Issue or to the Registrars to the Public Issue.

g. No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning acknowledgment slip at the bottom of each application form.

h. When an application for Equity Shares is for a total value of Rs.50,000/-or more, the applicant or in the case of application in joint names each applicant should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle, Ward, District. In case neither PAN, GIR Number has been allotted mention of "Not Allotted" must be made in the place provided. Application Form without this information will be considered incomplete and is liable to be rejected.

i. All Cheques/Bank Drafts accompanying the application form should contain the Application Form Number on the reverse of the instrument.

j. The applicant should fill in the details of his/her bank account in the space provided in the application form failing which the application is liable to be rejected.

k. Having regard to the provisions of Section 269 (SS) of the Income Tax Act, 1961, subscriptions against applications for securities should not be effected in cash and must be effected only by Account Payee cheques or Account Payee bank drafts, if the amount payable is Rs. 20,000/-or more. In case payment is effected in contravention of this provision, the application is liable to be rejected.

l. Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at a their sole risk along with Demand Draft payable at Mumbai only payable to "**BURNPUR CEMENT LTD. -Public Issue"**

m. Applications by NRIs on non-repatriation basis can be made using the Form meant for Public out of the funds held in Non-Resident Ordinary (NRO) Account. The relevant bank certificate must accompany such forms. Such applications will be treated on par with the applications made by the public.

The company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund Orders/ECS refunds for credits/Allotment Advice, the demographic details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic details as given in the Application Form instead of those obtained from the Depositories.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, name(s) of the Applicant(s) (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

For further instructions please read Application Form carefully.

14. Instructions for Applications by Eligible Employees:

Reservation on competitive basis has been made in the Issue for Eligible Employees. Eligible Employees are defined to mean:

a. A permanent employee of the Company; or
b. A Director of the Company other than promoter Director

For the purpose of the Employee Reservation Portion, Eligible Employees should be:

a. Employees (as defined hereinabove) as on the date of filing the Prospectus with the RoC; and
b. Indian Nationals, based in India and should be physically present in India on the date of submission of the Application Form.

Reservation on competitive basis shall mean reservation wherein allotment of Equity Shares is made in proportion to the Equity Shares applied for.

a. The Applications should be submitted on the prescribed Application Form (pink in colour) and completed in Full in BLOCK LETTERS in English, except signature(s) in accordance with the instructions contained herein and in the Application Form and is liable to be rejected if not so made.
b. The Application should be for a minimum of [•] Equity Shares and in multiples of [•] shares thereafter.
c. In single name or joint names (not more than three). However, the First Applicant should be permanent/regular employee of the Company.
d. A single applicant in the Employee Reservation Portion can make an application for a number of shares that are being issued to Eligible Employees in terms of the Issue. Payment should be made in cash or by cheque/Bank Draft drawn on any bank (including a Co-operative Bank) which is situated at and is a Member or Sub-member of the Banker's Clearing House located at the place where the application is submitted.
e. A separate cheque or Bank draft shall accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders/Postal Orders will not be accepted.
f. All Cheques or Bank Drafts must be payable in the favour of "_________Bank A/c. Burnpur Cement Ltd.– Public Issue – Employees" and crossed "Account Payee Only".
g. All application Forms duly completed together with cash/ cheque/bank draft for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Issue named herein or to any of their branches mentioned on the reverse of Application Form and NOT to the Company or to the Lead Managers to the Issue or to the Registrars to the Issue.
h. No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning acknowledgment slip at the bottom of each application form.
i. All Cheques/Bank Drafts accompanying the application form should contain the Application Form Number on the reverse of the instrument.
j. The applicant should fill in the details of his/her bank account in the space provided in the application form failing which the application is liable to be rejected.
k. Applicants residing at places where designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai only payable to "_________Bank A/c. Burnpur Cement Ltd.– Public Issue – Employees" to Registrar to the Issue.
l. Application by Eligible Employees can also be made in the "Net Issue to the Public" Portion and such Applications shall not be treated as multiple Applications.
m. Undersubscription in the Employee Reservation Portion may be added back to any other category/categories, at the sole discretion of the LM and the Company.

For further instructions please read Application Form carefully.

15. Terms of Payment

The entire Issue price of Rs. **[.]** per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

16. Submission of Completed Application Forms:

All applications duly completed and accompanied by cash/ cheques/ bank drafts shall be submitted at any of the branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue. <u>Application(s) should not be sent to the office of the Company or the Lead Manager(s) to the Issue or the Registrars to the Issue.</u>

Applicants residing at places where no collection centers have been opened may submit / mail their applications at their sole risk along with application money due there on by Bank Draft to the Registrar to the Issue, Bigshare Services Pvt. Ltd., superscribing the envelope **"BURNPUR CEMENT Limited – Public Issue"** so as to reach the Registrar on or before the closure of the Subscription List. Such bank drafts should be payable at Mumbai only.

The Company will not be responsible for postal delays and loss in transit. The Company will not entertain any claims, damage or loss due to postal delays or loss in transit.

The Company will not be responsible for postal delays and loss in transit. The Company will not entertain any claims, damages or loss due to postal delays or loss in transit.

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

Applications shall be deemed to have been received by the Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

17. Payment Instructions

a. Payments should be made in cash or cheque or bank draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member or a sub-member of the Bankers' "Clearing House", located at the Centers (indicated in the Application Form) where the Application is accepted. However, if the amount payable on application is Rs. 20,000/- or more, in terms of section 269SS of the Income-Tax Act, 1961; such payment must be effected only by way of an account payee cheque or bank draft. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each application form.

b. Money orders, postal orders, outstation cheques or bank drafts, cheques / draft drawn on Banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.

c. All cheques / bank drafts accompanying the application should be crossed **"A/c Payee Only"** and must be made payable to the Bankers to the Issue where the application is lodged and marked: **"Name of the Bank a/c: BURNPUR CEMENT LTD PUBLIC ISSUE"**

d. In case of Applications by NRIs applying on registration basis, the payments must be made through Indian Rupee draft purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

e. In case of Applications by FIIs, the payment should be made out of funds in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

f. Investors will not have facility of applying through stock invest instruments as RBI has withdrawn the stock invest scheme vide notification no.DBOD.NO.FSC.BC.42/24.47.001/ 2003-04 dated 5/11/2003.

g. All cheques / bank drafts accompanying the application should be crossed "A/c Payee Only" and made payable to the Bankers to the Issue and marked:

Category of Application	**Cheques / Bank Drafts favouring**
Indian Public including NRIs applying on non-repatriation basis	**"Name of the Bank a/c: BURNPUR CEMENT LTD - PUBLIC ISSUE"**
NRIs/FIIs on repatriation basis	**"Name of the Bank a/c: BURNPUR CEMENT LTD - PUBLIC ISSUE – NR"**
Eligible Employees	**"Name of the Bank a/c: BURNPUR CEMENT LTD -EMPLOYEES"**

18. Right to Reject Applications

In case of all categories of Applicants, the Company has a right to reject applications based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Applicant's address at the Applicant's sole risk.

19. Grounds for Technical Rejections

Applicants are advised to note that Applications are liable to be rejected on among others on the following technical grounds:

a. Applications not duly signed by the sole/joint Applicants;
b. Amount paid doesn't tally with the amount payable for the Equity Shares applied for;
c. Bank account details (for refund) are not given;
d. Age of First Applicant not given;
e. In case of partnership firms, Equity Shares may be registered in the names of the individual partner and no firm as such shall be entitled to apply;
f. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors ,insane persons;
g. PAN photocopy/ PAN Communication/ Form 60 / Form 61 declaration not given if Application is for Rs.50,000 or more and GIR number is given instead of PAN;
h. Application for lower number of Equity Shares than specified for that category of investors;
i. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
j. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
k. Application at a price less than the offer price;
l. Application at a price higher than the stated price;
m. Application for number of Equity Shares, which are not in multiples of 100.
n. Category not ticked;
o. Multiple applications as defined in Draft Prospectus;
p. In case of application under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
q. Application Form does not have Applicant's depository account details;
r. Applications accompanied by Stockinvest/money order/postal order/cash;
s. Signature of sole and/ or joint Applicant(s) missing;
t. Application Forms are not delivered by the applicant within the time prescribed as per the Application Form, Issue Opening Date advertisement and the Draft Prospectus and as per the instructions in the Draft Prospectus and the Application Form;

u. Applications by OCBs; or
v. Applications by U.S. residents or U.S. persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.
w. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant (including the sequence of names of joint holders), the Depositary Participant's Identity (DP ID) and the beneficiary's account number;

For further instructions regarding application for the Equity Shares, investors are requested to read the Application Form carefully.

20. Acceptance of Applications

LM and the Company reserve the right to reject any QIB Application without assigning any reason. In case of Non-Institutional applicants and Retail Individual applicants, Permanent Employees, LM and the Company have a right to reject applications based on technical grounds. Consequent refunds shall be made as per modes disclosed.

21. General Information

A. Joint Applications in case of Individuals

Applications may be made in single or joint names (not more than three). In case of Joint Applications, refund, pay orders, dividend warrants etc. if any, will be drawn in favour of the first applicant and all communications will be addressed to the first applicant at her/his address as stated in the application form.

B. Multiple Applications

An applicant should submit only one application form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

NRIs/ FIIs applying on a repatriation basis shall not make an application in the public category and such applications made in both the categories i.e. reserved category and Public Category shall be treated as multiple applications.

The Company reserves the right to accept or reject, in absolute discretion, any or all-multiple applications or all categories. Unless the Company specifically agrees in writing with or without such terms and conditions it deems fit, a separate cheque/draft must accompany each application form.

C. Bank Account Details

The applicant shall have to mention particulars relating to his saving bank / current account number and the name of the branch of the bank with whom such account is held in the respective spaces provided in the application form, to enable the registrars to print the said details in the refund orders after the names of the payee to prevent fraudulent encashment of refund order(s). Application forms without this information will be considered incomplete and will be liable to be rejected. The Applicant should note that on the basis of the name of the Applicant, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Offer will obtain from the Applicant's DP A/c, the Applicant's bank account details. The investors are advised to ensure that bank account details are updated in their respective DP A/cs as these bank account details would be printed on the refund order(s),if any.

D. PAN / GIR Number

Where an application for allotment of securities is for a total value of Rs.50,000/-or more i.e., the total number of securities applied for multiplied by the issue price is Rs.50,000/-or more the applicant or in case of applications in joint names, each of the applicant, should mention his / her Permanent Account Number i.e. PAN allotted under the Income Tax Act, 1961. The copy of the PAN card or the PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that the applicant should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.** In case the sole or first applicant and joint applicants is /are not required to obtain PAN, each of the applicants shall mention "Not Applicable" and in the event the sole applicant and /or the joint applicants have applied for PAN which is not been allotted each of the applicants should mention "Applied For" in the application forms. Further, where the applicants have mentioned " Applied For" or "Not Applicable", the sole/first applicant and each of the joint applicants, as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (Form of declaration to be filed by a person who has agricultural income and is not receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving Licence (d) Identity Card issued by any Institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All applicants are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

E. Section 269 Ss Of Income Tax, 1961

In respect of all the categories eligible to apply in this issue, having regard to the provisions of Sec 269SS of the Income Tax Act, 1961 the subscriptions against these applications should not be effected in cash and must be effected by an Account Payee Cheques/Draft, if the amount payable is Rs. 20,000/-or more. In case the payment is effected in contravention of this provision, the applications are liable to be rejected.

F. Unique Identification Number-MAPIN

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/quote UIN under the MAPIN Regulations/Circulars vide its circular MAPIN/Cir- 13/2005. However, in a press release dated December 30,2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UIN's in a phased manner. The press release states that the cut-off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs.1 Lac to Rs.5,00,000/-, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of the Draft Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

G. Equity Share in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Share of the Company can be held in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode).

In this context, two tripartite agreements have been signed between the Company, the respective Depositories and the Registrar to the Issue:

i. Tripartite agreement dated 04.08.2006 between the NSDL, the Company and the Registrar to the Issue;
ii. Tripartite agreement dated 26.09.2006 between the CDSL, the Company and the Registrar to the Issue.

Successful allottees in this Issue will be compulsorily allotted Equity Shares in dematerialised form.

All investors can seek allotment only in dematerialised mode. However, an investor will have an option to hold the shares in physical form or demat form. After the allotment in the proposed Issue, allottees may request their respective DPs for rematerialization of shares if they wish to hold shares in physical form. Applications without relevant details of his or her depository account are liable to be rejected.

Application from any investor, opting for allotment in dematerialised form, without the details of his depository account is liable to be rejected.

- An applicant applying for shares must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account No. and Depository Participants Identification No.) in the Application Form.
- Equity Shares allotted to successful applicants in the electronic account will be credited directly to the respective Beneficiary Accounts (with the Depository Participant)
- Name(s) in the share Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- The Registrar to this Issue will directly send non-transferable Allotment Letters/ Refund Orders to the Applicant.
- Application will be liable to be rejected if incomplete or incorrect details are given under the heading 'Request for shares in electronic/dematerialized form' in the Application Form.
- The applicant is responsible for the correctness of the Applicant's demographic details given in the Application Form vis-à-vis those with his/ her Depository Participant.
- It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where Equity Shares of the Company are proposed to be listed is connected to NSDL and CDSL.

Trading in the Equity Shares of the Company would be in only dematerialised form for all investors.

Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.

For further instructions regarding application for the Equity Shares, investors are requested to read the application form carefully.

22. Disposal of Applications and Application Money

The Company reserves, in own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the Issue. No interest will be payable on the application money so refunded.

The Company shall make refunds in case of oversubscription using the following modes:

a. In case of applicants residing in any of the 15 centers specified by the Board – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;

b. In case of other applicants – by despatch of refund orders by registered post, where the value is Rs 1500/- or more, under Certificate of Posting in other cases, (subject to postal rules) and

c. In case of any category of applicants specified by the Board – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the Board from time to time."

Such refund orders will be payable at par at all the collection centres.

The subscription received in respect of Public Issue will be kept in a separate bank account and the Company shall not have access to such funds unless approval for dealing from all the Stock Exchanges, where listing has been proposed, is received.

The Company has undertaken to make adequate funds available to the Registrar to the Issue for making refunds to unsuccessful applicants as per the mode(s) disclosed.

23. IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

"Any person who:

a. makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or
b. otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

24. Interest in case of Delay in Despatch of Allotment Letters/Refund Orders

The Company agrees that as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of Public Issue. The Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in, a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner) within 30 days from the date of the closure of the Issue.

25. Basis of Allotment

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange) The Executive Director/Managing Director of BSE along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the relevant guidelines:

The Company, in consultation with the LM, will determine the Issue Price, and the basis of allotment based on the Applications received and subject to the confirmation by the BSE/NSE. SEBI Guidelines require the Company to complete the allotment to successful Applicants within 30 days of closure of the Issue. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor's demat account, subject to final approval by the Stock Exchanges.

26. Method of Proportionate Basis of Allotment

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. **[.]** Equity Shares.

A. For Employee Reservation Portion

i. Applications received under the Employee Reservation Portion shall be grouped together to determine the total allotment under this category.
ii. If the aggregate number of Equity Shares applied for in this category is less than or equal to 10,95,000 Equity Shares, full allotment shall be made to the applicants in this category and unsubscribed portion will be added back to any other category/categories, at the sole discretion of the LM and the Company.
iii. If the aggregate number of equity shares applied for in this category is more than 10,95,000 Equity Shares, the allotment shall be made on a proportionate basis as explained below under "Net Issue to the Public portion".
iv. Only Eligible Employees may apply under the Employee Reservation Portion.

B. For Net Issue to the Public portion

In the event of Issue being over-subscribed, the allotment will be on a proportionate basis subject to minimum allotment being equal to the minimum application size, i.e. **[.]** Equity Shares as explained below:

i. A minimum 50% of the Fresh Issue to the Indian Public will be made available for allotment in favour of those Retail Individual Investors/applicants that is those individual applicants (including HUF's) who have applied for Equity Shares of or for a value of not more than Rs.1,00,000/-. This percentage may be increased in consultation with the Designated Stock Exchange depending on the extent of response to the Issue from investors in this category. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category/ other categories and allotment made on a proportionate basis as per relevant SEBI Guidelines. The Executive Director/Managing Director of the Designated Stock Exchange along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI Guidelines.
ii. The balance of the Fresh Issue to Indian Public shall be made available to investors including Corporate Bodies/Institutions and individual Applicants who have applied for allotment of Equity Shares for a value of more than Rs. 1,00,000/-, irrespective of number of Equity Shares applied for.
iii. The Unsubscribed portion of the Fresh Issue to any of the categories specified in (1) or (2) shall be made available for allotment to Applicants in the other category, if so required.
iv. Applicants will be categorized according to the number of Equity Shares applied for.
v. The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of shares applied for in that category (number of applicants in the category multiplied by the number of shares applied for) multiplied by the inverse of the over subscription ratio.
vi. Number of the shares to be allotted to the successful allottees shall be arrived at on a proportionate basis i.e., total number of shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio.
vii. All the Application Forms where the proportionate allotment works out to less than [•] shares per Applicant, the allotment shall be made as follows:
    a. Each successful Applicant shall be allotted a minimum of **[.]** Shares; and
    b. The successful Applicants out of the total applicants for that category shall be determined by draw of lots in such a manner that the total number of

shares allotted in that category is equal to the number of shares worked out as per (vi) above.

c. If the proportionate allotment to an Applicant works out to a number that is more than **[.]** Equity Shares but is a fraction, the fraction equal to or higher than 0.50 shall be rounded off to the next integer and if that fraction is lower than 0.50, the fraction shall be ignored.

viii. All the Applicants in such categories shall be allotted shares arrived at after such rounding off.

ix. If the shares allocated on a proportionate basis to any category are more than the shares allotted to the Applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful Applicants in that category.

x. The balance of Equity Shares, if any, remaining after such adjustment shall be added to that category comprising applicants applying for minimum number of shares.

xi. The process of rounding off to the nearest integer subject to a minimum allotment being equal to **[.]** Equity Shares, which is the minimum application size in this Issue, may result in the actual allotment being higher than the shares offered. However, it shall not exceed 10% of the net offer to public.

It is further clarified that the words "a minimum of 50% of the net offer to the public " used in sub-clause (a) above means that if the category of retail individual investors was to be entitled to get 70% of the net offer to public in accordance with proportionate formula, the category should get 70%. If the category is entitled to get only 30% of the net offer to the public in accordance with the proportionate allotment formula, there should be a reservation of a minimum of 50% of the net offer to the public. The drawl of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the Governing Board of BSE (designated stock exchange).

Retail individual investor means an investor who applies for shares of value of not more than Rs. 1,00,000/-

Investors may note that in case of over -subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE. The drawl of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the governing board of the BSE. The Executive Director / Managing Director of the Designated Stock Exchange in addition to Lead Merchant Bankers and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI Guidelines.

27. Letters of Allotment or Refund Orders

The Company shall give credit to the Beneficiary Account with Depository Participants within two (2) working days of finalisation of the basis of allotment of Equity Shares. The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares, only in dematerialized form, shall be made within 30 days from the Issue Closing Date;
- Dispatch of refund orders shall be done within 30 days from the Issue Closing Date; and
- The Company shall pay interest at 15% per annum (for any delay beyond the 30 days time period as mentioned above), if refund orders are not dispatched and/or demat credits are not made to investors within the 30 day time period prescribed above.
- In case of applicants residing in any of the centers specified by the Board - – refunds shall be credited through electronic transfer of funds by using ECS (Electronic Clearing System), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;

- In case of other applicants - where the value of refund order is Rs. 1500/- or more, refund orders will be dispatched to the applicants by registered post;
- In case of any category of applicants specified by the Board - crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the Board from time to time.

Refunds other than (a) above, will be made by cheques or pay-orders drawn on the bank(s) appointed by the Company, as refund banker(s). Such instruments will be payable at par at the places where applications are accepted. Bank charges, if any, for encashing such cheques or pay orders will be payable by the applicant.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

28. Mode of making refunds

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Applicants bank account details including nine digit MICR code. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the LM nor the Company shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

- **ECS:** Payment of refund would be done through ECS for applicants having an account at one of the 15 centres, where clearing houses for ECS are managed by Reserve Bank of India namely 1) Ahmedabad, 2)Bangalore, 3)Bhubaneshwar, 4)Kolkata, 5)Chandigarh, 6)Chennai, 7)Guwahati, 8)Hyderabad, 9)Jaipur, 10)Kanpur, 11)Mumbai, 12)Nagpur,13)New Delhi, 14)Patna and 15)Thiruvanthapuram. This would be subject to availability of complete Bank Account Details including MICR code from the depository. The payment of refund through ECS is mandatory for applicants having bank account at any of the 15 centres named herein above, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS or NEFT.

- **Direct Credit:** Investors having their bank account with the Refund Bank, i.e. Standard Chartered Bank shall be eligible to receive funds, if any, through Direct Credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

- **RTGS:** Applicants having a bank account at any of the 15 centres detailed above, and whose Application amount exceeds Rs. 10 Lacs, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Application Form. In the event of failure to provide IFSC code in the Application Form, the refund shall be made through ECS or Direct Credit, if eligibility is disclosed;

- **NEFT (National Electronic Fund Transfer):**Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC CODE will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1500/- and through Speed Post/ Registered Post for refund orders of Rs. 1500/- and above.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by RBI are eligible to receive refunds through the modes detailed in (a), (b) and (c) herein above.

29. Undertaking by the Company:

The Company undertakes as follows:

a. that the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;

b. that all steps for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are to be listed within seven working days of finalization of the basis of allotment;

c. adequate funds required for making refunds to the unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company.

d. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days of closure of the issue, as the case may be, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund

e. that the refund orders or allotment advice to the successful bidders shall be despatched within specified time; and

f. that no further Issue of Equity Shares shall be made until the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Bid moneys are refunded on account of non-listing, under subscription, etc.

30. Utilization of Issue Proceeds

The Board of Directors of the Company certifies that:

a. All monies received out of the Fresh Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

b. Details of all monies utilized out of the Fresh Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized;

c. Details of all un utilized monies out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in the balance sheet of the Company indicating the form in which such un utilized monies have been invested.

d. The Company shall not have recourse to the Issue proceeds until approval for trading of Equity Shares from all the stock exchanges where listing is sought is received.

Pending utilization for the purposes described above, the company intends to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, bank deposits and similar securities with banks for necessary duration. Such investment would be in accordance with the investment policies approved by the Board from time to time

31. Restrictions on Foreign Ownerships of Indian Securities , if any

Foreign investment in Indian securities is regulated through the industrial policy of the Government of India, notified through press notes and press releases issued from time to time and the FEMA and circulars and notifications issued thereunder.. While the Policy of Government prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. As per current foreign investment policies, foreign direct investment in the industries in which the Company operates is allowed upto 100%under the automatic route.

By way of Circular No.53 dated December 17,2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a Public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents.

Investors making a application in this Issue will be required to confirm and will be deemed to have represented to the Company, the LM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribed to the Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the LM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of the Company.

32. Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

As per the current regulations, the following restrictions are applicable for investments by FIIs

The allotment of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company. In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the company total issued capital or 5% of the company total issued capital in case such sub account is a foreign corporate or an individual.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Draft Prospectus. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

The Articles of the Company, inter-alia, includes the following clauses:

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

1. Amount of Capital

The Authorized Share Capital of the company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.

The minimum paid up Share capital of the Company shall be Rs. 5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.

2. Increase of capital by the Company and how carried into effect

The Company in General Meeting may, from time to time, by an ordinary resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting, resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a right of voting at General Meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions Section 97 of the Act.

5. Office

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Redeemable Preference Shares

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares, which at or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

7. Provision applicable on the Issue of redeemable Preference shares

On the issue of Redeemable Preference Shares under the provision of Article 6 hereof the following provisions shall take effect

(a) No such shares shall be redeemed except out of profits of the Company, which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of redemption.

(b) No such shares shall be redeemed unless they are fully paid.

(c) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account'' a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

8. Reduction of Capital

The Company may (subject to the Provisions of Section 78, 80, 100 to capital 105 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted

9. Sub-division, consolidation and cancellation of shares

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

10. Modification of Rights

Whenever the Capital is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of at least three'-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, but so that the quorum thereof shall be members present in person or by proxy and holding three fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if it were omitted.

SHARES AND CERTIFICATES

11. Register and Index of Members

The Company shall cause to be kept a. Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country.

12. Shares to be Numbered progressively and no share to be subdivided

The shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

13. Further issue of capital

Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, either out of the un-issued capital or out of the increased share capital then

a) such further shares-shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid-up on those shares at the date.

b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED that the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, in their sole discretion, deem fit.

1. Notwithstanding anything contained in the sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof) in any manner whatsoever.

   i. if a special resolution to that effect is passed by the company in general meeting; or

   ii. where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained -in the resolution, moved in the general meeting (including the casting vote, if any, of. the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

2. Nothing in sub-clause (c) of (1) hereof shall be deemed;

   a) To extend the time within which the offer should be accepted; or

   b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

3. Nothing in this article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loan raised by the company:

i. To convert such debentures or loans into shares in the company; or
ii. To subscribe for shares in the company (whether such option is conferred in these articles or otherwise)

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that government in this behalf ; and

b. in the case of debentures or loans or other than debentures issued to or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or raising of the loans.

18. Liability of Members

Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

19. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the directors may from time to time determine) to several certificates each for one or more of such shares and the company shall complete and have ready for delivery of such certificates within 3 month from the date of allotment, unless the conditions of issue thereof otherwise provide or within 1 month of the receipt of application of registration of transfer, transmission, subdivision or consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be borne to issue more than one certificates and delivery of a certificate of shares to one of several joint holder shall be sufficient delivery to all such holders.

20. Issue of New Certification place of one defaced, lost or destroyed

If any certificate be worn out, defaced, mutilated or torn or if there be no production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the article shall be issued without payment of fees if the directors so decide, or on payment of such fees (not exceeding Rs. 2 for each certificates) as the directors shall prescribe, provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced, worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the directors shall comply with such rules or regulations or requirement of any stock exchange or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or the rules applicable in this behalf.

The provision of this act shall mutatis mutandis apply to the debentures of the company.

21. The first named joint holder deemed to be sole holder

If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.

22. Company not bound to recognize any interest in share other than that of registered holder

Except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

23. Buy back of Securities by the Company

The Company shall have power, subject to and in accordance with all the applicable provisions of the Act and the rules made there under, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.

24. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing allotment of share, attending (not voting) at the general meeting, appointment of directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the general meeting by a special resolution.

UNDERWRITING AND BROKERAGE

25. Commission may be paid

Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely on conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly "in one way and partly in the other.

26. Brokerage

The Company may pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

27. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of-the cost of construction of the work or building, or the provision of plant.

CALLS

28. (a) Directors may make calls

The Board may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

(b) That option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meetings.

29. Notice of calls

Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

30. Calls to date from resolution

A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board

31. Calls may be revoked or postponed

A call may be revoked or postponed at the discretion of the Board.

32. The option or right to call of shares not be given to any person except with the sanction of the company in general meeting.

33. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

34. Directors may extend time

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.

35. Calls to carry interest

If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

36. Sums deemed to be calls

Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

37. Proof on trial of suit for money due on shares

On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money clairned to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

38. Partial payment not to preclude forfeiture

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

39. Calls in advance

The directors may, if they think fit, subject to the provisions of section 92 of the act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually paid for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company pay interest at such rate, as the member paying such sum in advance and the directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

40. Company to have lien on shares

The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The directors may at any time declare any shares wholly or in part to be exempt from the provision of this clause.

41. As to enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell, shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

42. Application of proceeds of sale

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARE

43. If call on installment not paid notice may be given

If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

44. Form of notice

The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

45. If notice not complied with shares may be forfeited

If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares -and not actually paid before the forfeiture.

46. Notice of forfeiture to a member

When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

47. Forfeited share to become property of the company

Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit.

48. Power to annul forfeiture

The Board may, at anytime before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

49. Liability on Forfeiture

A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

50. Effect of forfeiture

The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.

51. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

52. Cancellation of share certificate in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding. Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

53. Register of transfers

The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.

54. Instruments of transfer

The instrument of transfer shall be in writing and all provision of section 108 of the companies Act, 1956 and statutory modification there of for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

55. To be executed by transferor and transferee

Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).

56. Transfer Books when closed

The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the Off ice of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient,

57. Directors may refuse to register transfer

Subject to the provision of section 111 of the act and section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company but in such cases, the director shall within 1 (One) month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not, be refused on the ground of the transferor being either alone or jointly with any other person indebted to the company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

58. Nomination

Every holder of shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.

Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall-vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

59. Transmission in the name of nominee

Any person who becomes a nominee by virtue of the provision of the above Article, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

a. to be registered himself as holder of the shares or debentures, as the case may be; or

b. to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder and the certificate (s) of Shares or Debentures, as the case may be, held by the deceased in the Company.

Subject to the provisions of Section 109B(3) of the Act and these Articles, the Board may register the relevant Shares or Debentures In the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.

60. No transfer to insolvent etc.

No share shall in any circumstances be transferred to any insolvent or persons of unsound mind.

61. Registration of persons entitled to shares otherwise than by transfer (The transmission article)

Subject to the provisions of articles 56 and 57, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.

62. Person entitled may receive dividend without being registered as a member

A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

63. Transfer to be presented with evidence of title

Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

64. Conditions of registration of transfer

For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.

65. Fee on transfer or transmission

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, Power of attorney or similar other document.

66. Company not liable for disregard of a notice in prohibiting registration of transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the Prejudice of persons having or I claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

DEMATERIALISATION OF SECURITIES

67. Definitions

The provisions of this Article shall apply notwithstanding anything to the contrary contained in, any other Articles.

1. For the purpose of this Article:

   'Beneficial Owner means a person or persons whose name is recorded as such with a depository, 'SEBI' means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and

   'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996.

2. Dematerialisation of Securities

   The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1 996.

3. Options for Investors

   Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

   If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. Securities in depositories to be in fungible form

All securities held by a depository shall be dernaterialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.

5. Rights of Depositories and beneficial owners

    a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.

    b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by ft.

    c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities, which are held by a depository and shall be deemed to be a Member of the Company.

6. Service of Documents

Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

7. Transfer of securities

Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

8. Allotment of securities dealt with in a depository

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

9. Distinctive number of securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

10. Register and Index of Beneficial Owners

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

BORROWING POWERS

69. Power to borrow

The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General

Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

70. Conditions on which money may be borrowed

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future] including its uncalled capital for the time being.

74. Register of mortgages etc to be kept

The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures, and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

76. Shares may be converted to stock

The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.

77. Rights of stockholders

The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and. advantages as regards dividends and voting at the meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETING OF MEMBERS

78. Annual General Meeting Summary

General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(l) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in' the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

79. Extraordinary General Meeting

The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one4enth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

80. Regulation of the Members to state object of meeting

Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.

81. On receipt of requisitions Directors to call meeting and in default requisitionists may do so

Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from default requisitionists the date of deposit of the requisition, the requisitionists, or such of their may do so number as, represents either a majority In value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the meeting, bid in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

82. Meeting called by requisitionists

Any meeting called under the foregoing Articles by the requisitionists shall Meeting called by be called in the same manner, as neatly as possible, as that in which requisitionist meetings are to be called by the Board.

83. Twenty-one days notice of meeting to be given

Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner, hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 percent of such part of the paid up share capital of the Company as gives a right to vote at the meeting any be convened by a shorter notice. In the case of an Annual General Meeting, I any business other than (I) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (III) the appointment of Directors in place of those retiring (iv) the appointment of and f 1xing of remuneration of the Auditors, is proposed to be transacted then in that event there shall be annexed to the notice of the Meeting a statement setting out all materials facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the Statement if the extent of such share holding interest is not less than 20 percent of the paid-up share capital of that other company, where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

86. Quorum of General Meeting

Five members present in person shall be quorum for a General Meeting.

87. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

88. If quorum not present meeting to be dissolved or adjourned

If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a. public holiday, at the same time and place, or to such other day and at such other time and place in the city or town in which the office of the Company is for the time being situate as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

89. Chairman of General Meeting

The Chairman (if any) of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the Chair, then the directors present may choose one of their member to be the Chairman of the meeting. If no director were present or if all the directors present decline to take the chair, then the Members present shall elect one of their member to be Chairman.

90. No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.

91. Chairman with consent may adjourn meeting

The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned meeting other than the business, left unfinished at the meeting from which the adjournment took place.

92. Questions at general meeting decided

At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up on all the shares conferring that right, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

93. Chairman’s casting vote

In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

94. Poll be taken if demanded

If a poll is demanded as aforesaid, the same shall, subject to Article 89 Poll if be taken if be taken at such time (not later than forty-eight hours from the time when demanded the demand was made) and place in the city or town in which the Off ice of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

95. Scrutinizers at poll

Where a poll is to be taken, the Chairman of the meeting shall appoint two Scrutinizer at poll Scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a Scrutinizer from off ice and fill vacancies in the office of Scrutinizer from such removal or from any other cause.

VOTE OF MEMBERS

98. Members in arrears not to vote

No member shall be entitled to vote either personally or by proxy, at any Members In General Meeting or Meeting of a class of shareholders, either upon a show arrears not to of hands or upon a poll in respect of any shares registered in his name on vote which any calls or other sums presently payable by him have not been paid or, in regard to which the, Company has, and has exercised any right of lien.

99. Number of vote which a person entitled

Subject to the provisions of these Articles and without prejudice to any Number of vote special privileges or restrictions as to voting for the time being attached to which a person entitled any class of shares for the time being forming part of the Capital of the company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting fights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company. Provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of subsection (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

102. Vote of joint holders

If there be joint holders of any shares, anyone of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto by the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member In whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

103. Vote in person or by proxy

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

105. Appointment of proxy

Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

107. A member present by proxy shall be entitled to vote only on a poll.

109. Form of Proxy

Every instrument of proxy whether for a specified meeting or otherwise shall, Form of proxy as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

112. Passing of resolution by postal ballot

Notwithstanding any thing contained in the foregoing, the company shall Passing of transact such business, as may be specified by the Central Government, resolution by postal ballot from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no meeting need to be held at a specified time and space requiring physical presence of members to form a quorum. Where a resolution will be passed by postal ballot the company shall, in addition to the requirements of giving requisite clear days notice, send to all the members the following:

i. Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.

ii. Postal ballot for giving assent or dissent, in writing by members: and

iii. Postage prepaid envelope (by Registered Post) for communicating assents or dissents on the postal ballot to the company with a request to the members to send their communications within 30 days from the date of dispatch of Notice.

The Company shall also follow such procedure, for conducting vote by postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Act and the relevant Rules made there under.

114. Minutes of General Meeting and inspection thereof by

1. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof In books kept for that purpose with their pages consecutively numbered.

2. Each page at every such book shall be initiated or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid

period of thirty days or in the event of the death or liability of that Chairman- within that period, by a Director duly authorised by the Board for the purpose.

3. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

5. All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meetings.

6. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting

a) is or could reasonably be regarded, as, defamatory of any person, or

b) is irrelevant or immaterial to the proceeding, or

c) is detrimental to the interest of the Company.

The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

7. Any such minutes shall be evidence of the proceedings recorded therein.

8. The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

115. 1. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three not more than twelve.

2. The first Directors of the Company were the following:

i. Ramawatar Gutgutia
ii. Ashok Gutgutia

116. Power to appoint exofficio directors

If at any time the Company obtains any loan or any assistance in connection Power to appoint there with by way of guarantee or otherwise from any person, firm, body exofficio directors corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board of the Company, then subject to the provisions of Section 225 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or Directors, as the case may be, to the Board of the Company and to remove from office any director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office, Any such appointment or removal shall be made in writing and shall be served at the office of the Company The director or directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.

118. If the Company at any time have a minimum paid up capital of Rupees Five Crore or such sum as may be prescribed and at least one thousand or more small shareholders, then the company may, suo motto or upon requisition of not less than one tenth of the total number of small shareholders, proceed to appoint a nominee from amongst small shareholders as a Director of the Company. The small 'shareholders' director shall before his appointment, file his consent, to act as a Director, in writing to the Company and the tenure of such appointment shall be three years at a time without retirement by rotation, but shall be eligible for reappointment for another tenure. He shall, however, not be appointed as Managing Director or Whole Time Director under any circumstances and shall be subject to same disqualifications and shall vacate his office on the same grounds as are applicable to other Directors, in pursuance of these Articles. The company shall follow such Rules as may be prescribed by the Central Government in this behalf.

Restrictions on directorship

No small shareholders' director appointed in accordance with the provisions of this Article shall hold office at the same time as "small shareholders' director' in more than two companies.

119. Appointment of alternate directors

The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director') during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

121. Share qualification of directors

Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification

122. Directors can act before acquiring qualification

Without prejudice to the restrictions imposed by Section 226 of the Act, a Director who is required to hold qualification shares may act as a Director before acquiring such shares but shall, if he is not already qualified, obtain his qualification, and every Director other than a Director appointed by the Central or a State Government shall file with the Company a, declaration specifying the qualification shares held by him within two months from his appointment as a director.

123. Director’s power to fill casual vacancies

Subject to the provisions of Section 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

124. Remuneration of Directors

1. Subject to the provisions of the Act, a Managing Director, or Managing Remuneration of Directors or Director who is/are in the whole-time employment of the Directors Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

2. Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either.

   i. by way of monthly, quarterly or annual payment with the approval of the Central Government, or

   ii. by way of commission if the Company by a special resolution authorised such payment.

3. The fees payable to a Director (including a Managing or whole-time Director, if any), for attending a Meeting of the Board or Committee thereof may be in accordance with and subject to the provisions of Section 309 of the Act or such other sum as the Company in General Meeting may from time-to time determine.

125. Reimbursement of expenses to Directors for meting of the Board

The Board may allow any pay to any director who is not a bonafide resident Reimbursement of the place where the meetings of the Board are ordinarily held and who of expenses to Directors for shall come to such place for the purpose of attending any meeting, such attending meeting sum as the Board may consider fair compensation for traveling, boarding, of the Board lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

127. (1) Vacation of office of director

The office of a Director shall ipso facto be vacated if: -

a) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any necessary for his appointment; or

b) he is found to be of unsound mind by a Court of competent jurisdiction; or

c) he applies to be adjudicated an insolvent;

d) or he is adjudged insolvent; or

e) he is convicted by a Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six month or

f) he falls to pay any call in respect of shares of the Company h by him, whether alone or jointly with others, within six month from the last date fixed for the payment of the call; or

g) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three rnonths whichever is the longer, without obtaining leave of absence from the Board; or

h) he or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee, security for a loan, from the Company in contravention of Section 295 of the Act; or

i) he acts in contravention of Section 299 of the Act; or

j) he has been removed from office in pursuance of Section 203 c the Act; or

k) by notice in writing to the Company that he resigns his office; or

l) any office or place of profit under the Company or under an) subsidiary of the Company is held in contravention of Section 314 of the Act and by operation of that Section he is deemed to vacate the office.

(2) Notwithstanding any matter or thing in sub-clauses (d), (e) and 0) of clause (1), the disqualification referred to in those sub-clauses shall not take effect

a) for thirty days from the date of adjudication sentence or order; or

b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or

c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

129. Disclosure of interest

A director of the Company who is in any way, whether directly or indirectly Disclosure of concerned or interested in a contract or proposed contract or arrangement interest entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company either himself or along with his relatives holds or hold two per cent of the paid-up share capital in any such other company.

130. General notice on interest

A General Notice given to the Board by the Directors, to the effect that he General notice of is a director or member of a specified body corporate or is a member of a interest specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired of such general notice and no renewal thereof, shall be of effect unless it is given at a meeting the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

131. Interested director not to participate or vote in Board's proceeding

No director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company if he is in any way whether directly or indirectly concerned or interested such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and 9 if he does vote, his vote shall be void; provided however, that nothing here Contained shall apply to:

a. any contract of indemnity against any loss that the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.

b. any contract or arrangement entered Into or to be entered into with, public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely:

i. in his being:

a. a director in such company, and

b. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or

ii. in his being a member holding not more than 2% of its paid-up , share capital.

132. Register of contracts in which directors are interested

The Company shall keep a Register in accordance with Section 301(l) - and shall within the time specified in section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company & the names of the bodies corporate and firms of which notice has been given by him under Article 125. The Register shall be kept at the office of the company and shall be open to inspection at such office, and extracts may be taken there from and copies thereof in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provision of Section 163 of the Act shall apply accordingly.

133. Directors may be directors of companies promoted by the company

A Director may be or become a director of any company promoted by the Company or "in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 209(6) or Section 314 of the Act may" be applicable.

134. Retirement and rotation of directors

At every Annual General Meeting of the Company, one-third if such of the Directors for the time being as are liable to retire by rotation or if there number is not three or a multiple of three, the number nearest to one-third shall retire from office.

135. Ascertainment of Directors retiring by rotation and filing of vacancies

Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but, as between persons who became -directors on the same day, those who are to retire, shall, in default of, and subject to any agreement among themselves, be determined by lot.

136. Retiring Director eligible for re-election

A retiring Director shall be eligible for re-election.

137. Filing up of vacancies at general meeting

Subject to Sections 258 and 259 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated off ice by electing a person thereto.

138. Provision for default of appointment

a. If the place of the retiring Director is not so filled up and the meeting provisions for has not expressly, resolved not to fill the vacancy, the meeting shall default of appointment stand adjourned until the same day in the next week, at the same time and place.

b. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless:

   i. at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meting and lost;

   ii. the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;

   iii. he is not qualified or is disqualified for appointment;

   iv. a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or

   v. the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

139. Company may increase or reduce the number of directors

Subject to Section 259 of the Act, the Company may, by Ordinary Company may Resolution, from time to time, increase or reduce the number of directors, Increase or reduce the and may after their qualifications the Company (subject to the provisions number of Section 284 of the Act) remove any Director before the expiration of his directors period of office and appoint another qualified person in his seat. The person so appointed shall hold Office during such time as the director in whose place he is appointed would have held the same if he had not been removed.

140. Notice for candidate for office of directors except in certain cases

1. No person not being a retiring Director, shall be eligible for appointment to the office of director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office.

2. Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

3. A person other than a Director reappointed after retirement by rotation of immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

141. Register of Directors etc and notification of change to Registrar

a. The Company shall keep at its office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

b. The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

142. Disclosure by directors of appointment only in other body corporate

(a) Every Director (including a person deemed to be a Director by Virtue of the Explanation to sub-section (1) of Section 303 of the Act) Managing Director, Manager, or Secretary of the Company, shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body which are required to be specified under sub-section (1) of Section 303 of the Act.

Disclosure by a Director of his holder of shares and debentures of company etc,

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provision of that section.

MANAGING DIRECTOR

143. Board may appoint Managing Director or managing Directors

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions- of Article 140, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested In the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

144. Restriction on management

The Managing Director or Managing Directors shall not exercise the powers to:

a) make calls on shareholders in respect of money unpaid on the shares in the Company;

b) issue debentures and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to

c) borrow moneys, otherwise than on debentures;

d) invest the funds of the Company, and

e) make loans.

145. Certain persons not to be appointed

The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who

a) is an undischarged insolvent, or has at any time been adjudged as insolvent;

b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made a composition with them; or

c) is, or has, at any time been convicted by a Court of an offence involving moral turpitude.

146. Special position of Managing Director

A Managing Director shall not while he continues to hold that office be subject to the retirement by rotation, in accordance with Article 129. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

147. Meetings of Directors

The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

148. Notice of Meeting

Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India; to every other Director.

150. Chairman

The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. It no Chairman is appointed, or if it any meeting of the Board the Chairman is not present within five minutes after the time appointed, for holding the same, the Directors present shall choose some one of their member to be the chairman of such meeting.

151. Quorum

The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

153. Matters to be decided on majority of votes

Subject to the provisions of Sections 316, 327(4) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and-in case of any equality of votes, the Chairman shall have a second or casting vote.

154. Power to appoint committee and delegate

The Board may subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Board.

155. Proceedings of committee

The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so for as the same are applicable thereto, and are not superseded by any regulations made by the Board under the Article 149.

156. Resolution without Board Meeting

Save in those case where a resolution is required by Sections 262, 292, 297, 316, 372(4) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors, or members of the Committee, at their usual address in India, and has been approved by such of them as are then in India, or by a majority of them as are entitled to vote on the resolution.

158. Minutes of proceedings of meeting of Board

1. The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in the books kept for that purpose with their pages consecutively numbered.

2. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

3. In no case shall the minutes of proceedings of a meeting be attached I to any such book as aforesaid by a pasting or otherwise.

4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

5. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.

6. The minutes shall also contain

   a) the names of the Directors present at the meeting; and

   b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

7. Nothing contained in sub-clause (1) to (6) shall be deemed to require the Inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting :

   a) is, or could reasonably be regarded as defamatory of any person.

   b) is irrelevant or immaterial to the proceedings; or

   c) is detrimental to the interest of the Company.

8. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

159. Power of Director

The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting:

a. sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking.

b. remit, or give time for the repayment of any debt due by a Director.

c. invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.

d. borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves - that is to say, reserve not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent there in stated; or

e. contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

160. Absolute powers of Board in certain cases

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power

1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

2. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow moneys) And for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment my (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the share holders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

3. Subject to Sections 294, 294A, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and to execute and do all such, acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

4. Subject to the provisions of Companies Act, 1956, the Board may pay such remuneration to Chairman/Vice Chairman of the Board upon such conditions as they may think fit.

THE SECRETARY

161. Secretary

The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the Board comprises only three Directors, neither of them shall be the Secretary. The Secretary appointed by the directors pursuant to this Article shall be a whole-time Secretary. The Directors may also at any time appoint some person, who need not be Secretary, to keep the registers required to be kept by the Company.

THE SEAL

162. The seal its custody and use

a. The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

b. The Company shall also be at, liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

163. Every Deed or other instrument, to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with the Article 1 9(a).

DIVIDENDS

164. Division of profits

The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

165. The company in general meeting may declare a dividend

The Company in General Meeting may declare dividends to be paid to The company in members according to their respective rights, but no dividend shall exceed general meeting may declare a the amount recommended by the Board, but the company in general meeting dividend may declare a smaller dividend.

166. Dividend only to be paid out of profits

No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that ;

a. if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.

b. if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.

167. Interim Dividend

The Board may, from time to time, pay to the Members such interim Dividend as in their judgment, the position of the Company justifies.

169. Payment of prorata dividend

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

170. Dividend to be kept in abeyance

The Board may retain the dividends payable upon shares in respect of which any person is under the Article 60 entitled to become a member or which any person under that Article is entitled to transfer; until such a person shall become a member, in respect of such shares or duly transfer the same.

172. Deduction of money owed to the company

No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

173. Right of dvidend where shares transferred

A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.

174. Manner of paying dividend

Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or Warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.

175. Non-forfeiture of unclaimed dividend

No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall comply with the provision of Sections 205A and 205C of the Act in respect of all unclaimed or unpaid dividends.

176. Dividned may be set off against calls

Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, I so arranged between the Company and the member, be set off against the calls.

177. Where the company has declared a dividend but which has not been paid or dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall with in 7 days from the date of the expiry of said period of 30 days open a special A/C in that behalf in any scheduled bank called "Unpaid dividend of M/s. Burnpur Cement Limited" and transfer to the said account the total amount of unpaid dividend or where no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid/unclaimed for a period of 7 year from the date of such transfer, shall be transferred by the Company to the General Revenue A/C of the Central Govt.

A claim to any money so transferred to the general revenue account may be preferred to the central govt. by the shareholders to whom the money is due. No unclaimed/ unpaid dividend shall be forfeited by the board.

CAPITALISATION OF RESERVES

178. Issue of Bonus Shares

Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

179. Utilisation of undistributed capital profits

A General Meeting may resolve that any surplus money arising from the realization of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

181. Directors to keep true accounts

1. The company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act, with respect to

   a. all the sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place.

   b. all sales and purchases of goods by the Company.

   c. the Assets and liabilities of the Company.

2. Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.

3. The Company shall preserve in good order the Books of Account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.

4. Where the Company has a branch off ice, whether in or outside India, the Company shall be deemed to have complied with the Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its offices at other place in India, at which the Company's Books of Account are kept as aforesaid.

5. The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

182. Places of keeping accounts

The Board shall from time to time determine whether and to what extent and at what times and place and under what conditions are regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no person (not being a member) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board.

183. Laying of accounts before Annual General Meeting

The Directors shall from time to time, in accordance with Sections 210, 211, 212,215,216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Account and Reports as are required by these Sections

184. Accounts when to be sent

A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which exfacie are payable to the bearer thereof); to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.

AUDIT

185. Accounts to be audited

Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.

186. First auditor or auditors

The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting provided that. the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the company not less than fourteen days before the date of the Meeting provided further that if the Board fails to exercise its powers under this Article, the Company in General, Meeting may appoint the first Auditor or Auditors.

The aforesaid provisions shall mutatis mutandis apply to any Secretarial Auditor appointed under the relevant provisions of the Act.

DOCUMENTS AND NOTICES

187. Service of documents and notice

1. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

2. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so; service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

191. Service of notice of General Meetings

Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member (b) every person entitled to a share in consequence of the death or Insolvency of a member, and (c) the Auditor for the time being of the Company.

193. Document or notice to be signed

Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

WINDING UP

195. Liquidators Powers

The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the Contributories in specie any part of the assets of the Company and may with the Ike sanction; vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

196. Person when to be indemnified by the company

Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favour or in which he Is acquitted or discharged or in connection with any application under Section 633 of Act, in which relief is granted to him by the Court.

SECRECY

197. No member to enter the premises of the company without permission

Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to Inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which Is or may be in the nature or a trade-secret, mystery. of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which In the opinion of the Directors will be Inexpedient In the interest of the Company to communicate.'

SECTION X: OTHER INFORMATION

Material Contracts and Documents for Inspection

The following Contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material contracts have been entered into or to be entered into by the Company. These Contracts, copies of which have been attached to the copy of this Draft Prospectus, shall be delivered to the Registrar of Companies, West Bengal, Kolkata, for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of the Company at 'Cement House' Saradapally, Ashok Nagar Asansol -713304 Dist. Burdwan, West Bengal between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Draft Prospectus till the Closing Date of the Issue.

Material Contracts

1. Letter of Appointment dated 05.04.2006 from the Issuer Company appointing SREI Capital Markets Limited as Lead Manager to the Issue.
2. Memorandum of Understanding dated 16.02.2007 entered into by the Issuer Company with SREI Capital Markets Limited
3. Letter of Appointment dated 06.02.2007 from the Issuer Company appointing Niche Technologies Private Limited.
4. Memorandum of Understanding dated 16.02.2007 entered into by the Issuer Company with Niche Technologies Private Limited
5. Engagement Letter dated 05.02.2007 to M/s Mukherjee Agarwalla & Co., appointing them as Legal Advisor to the Issue.
6. Tripartite Agreement dated 04.08.2006 between the Company, NSDL and Niche Technologies Private Limited.
7. Tripartite Agreement dated 26.09.2006 between the Company, CDSL and Niche Technologies Private Limited.
8. Memorandum of Understanding dated 23rd March, 2006 between Government of Jharkhand (GoJ) and the Company.
9. Joint Venture Agreement dated 26th September,2006 between the Company M/s Pandya Minerals

Documents for Inspection

1. Memorandum and Articles of Association of Burnpur Cement Limited as amended from time to time.
2. Certificate of Incorporation dated June 19, 1986
3. Fresh Certificate of Incorporation dated September 18, 2001 consequent upon change of name from Ashoka Concrete & Allied Industries Private Limited to Burnpur Cement Private Limited
4. Fresh Certificate of Incorporation dated November 12, 2001 consequent upon change of name from Burnpur Cement Private Limited to Burnpur Cement
5. Resolution passed by the Board of Directors at their meeting held on 18.11.2006 for the proposed public Issue
6. Special resolution passed by the shareholders of the Company at the EGM held on 12.12.2006, pursuant to Section 81(1A) of the Companies Act, 1956
7. Initial listing applications dated [●] and [●] filed with BSE and NSE.
8. Copies of Annual reports of Burnpur Cement Limited for the years ended 31st March 2002, 2003, 2004, 2005 and 2006.
9. Copies of Audited Financial Results of Burnpur Cement Limited for the nine months ended 31st December, 2006.
10. Auditor's Report on the Restated financial statements of the Company dated 19.02.2007 and included in the Draft Prospectus.
11. Sanction letter(s) of borrowings by the Company.
12. Consents of the Directors, Company Secretary & Compliance Officer, Auditors, Lead Manager, Registrar to the Issue, Bankers to the Issue, Bankers to the Company, and Legal Advisor to the Issue to act in their respective capacities.
13. Tax Benefit Certificate dated 19.02.2007 from M/s N.K.Agarwal & Co., Chartered Accountants, Statutory Auditors of the Company.

14. Copy of the Auditors Certificate dated 29.03.2007 from M/s N.K.Agarwal & Co., Chartered Accountants regarding the Sources and Deployment of Funds as on 28.02.2007.
15. Copy of the Resolution passed at the Meeting of the Board of Directors of the Company on 20.02.2007 confirming the appointment and terms of remuneration of Mr.Ashok Gutgutia, Vice Chairman & Managing Director.
16. Copies of Quotations obtained for purchase of plant and machineries and buiding and civil works.
17. In-principle listing approvals from BSE dated **[•]**, and from NSE dated **[•]**.
18. General Power of Attorney dated 11.04.2007 executed by Directors in favour of Mr. Ashok Gutgutia for signing and making necessary changes in the Draft Prospectus.
19. Legal Advisor's Certificate dated 11.04.2007.
20. Due Diligence Certificate dated 11.04.2007 to SEBI from SREI Capital Markets Ltd.
21. SEBI Observation Letter no. **[•]** dated **[•]**.
22. Reply to SEBI's observations vide letter dated **[•]**.
23. Resolution of the Members of the Company passed at the AGM held on 29.09.2006 appointing M/s N.K.Agarwal & Co Sumanta & Co., Chartered Accountants, as statutory auditors.
24. Copies of form along with relevant resolutions regarding increase in the Authorised Share Capital.
25. Financial Appraisal Note of SBI Capital Markets Limited
26. Techno Economic Feasibility Report
27. Copy of the Board Resolution approving this Draft Prospectus

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

Declaration

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be.

We further certify that all disclosures made in the Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Arvind Pande

Mr. Ashok Gutgutia

Mrs. Shashi Gutgutia

Mr. Kailash Prasad Agarwal

Mr. Subroto Mulherjee

Mr. Keshab Chandra Das

Mr. Prabha Shanker Mishra

Mr. Girdhar Lal Harlalka

Mr. Abdul Kalam

Signed by Mr. Manoj Agarwal, Company Secretary

Place:

Date : 12th April, 2007