



Ckoramaandel Cements Ltd

Manufacturers of
BHEEMA CEMENTS

SUPER GRADE

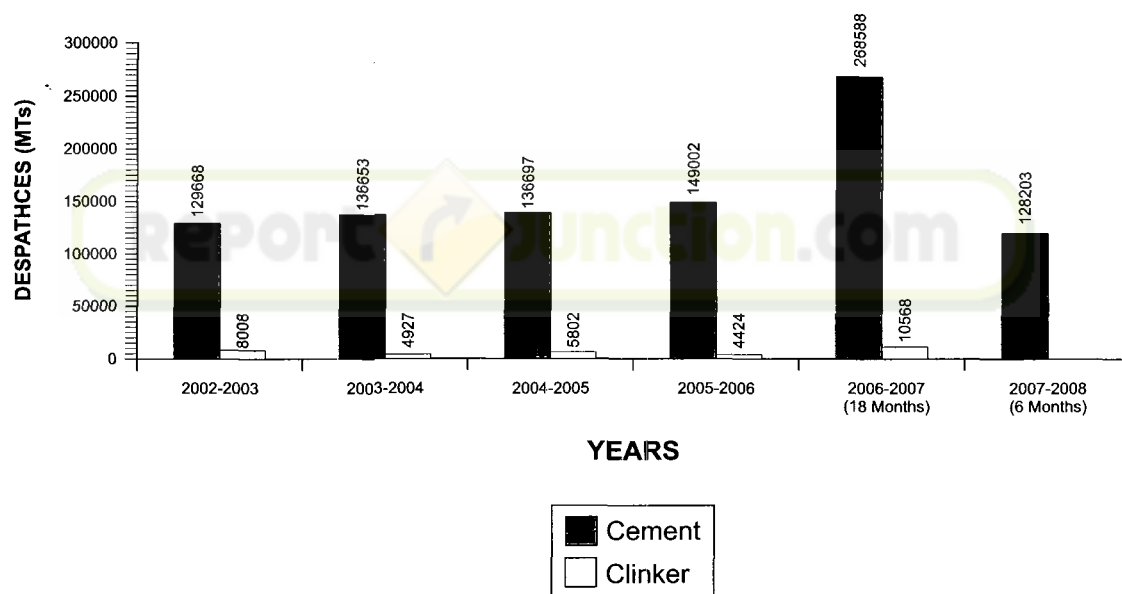
43 & 53 Grade

Annual Report

2007-2008

(6 Months)

CEMENT & CLINKER DESPATCHES





BOARD OF DIRECTORS

SRI S. CHANDRA MOHAN	CHAIRMAN
CAPT. J. RAMA RAO IN (Retd.)	DIRECTOR
SRI K.R. CHARI	DIRECTOR
SRI S.V. REDDY	DIRECTOR
SRI S. KISHORE CHANDRA	WHOLE TIME DIRECTOR
SRI S.R.B. RAMESH CHANDRA	MANAGING DIRECTOR
SRI K.A.N. SUBBA RAO	COMPANY SECRETARY

AUDITORS

A. Rama Chandra Rao & Co.,
Chartered Accountants
3-6-369/A/11, Himayatnagar,
Hyderabad – 500 029.

COST AUDITORS

Narasimha Murthy & Co.,
104, Pavani Estate
Y.V. Rao Mansion, Himayatnagar,
Hyderabad – 500 029

BANKERS

HDFC Bank
Axis Bank
ICICI Bank Limited

REGISTERED OFFICE

6-3-652/C/A, Flat 5A,
KAUTILYA, Amrutha Estates
Somajiguda,
Hyderabad – 500 082

WORKS

Ramapuram
Mellacheruvu Mandal,
Nalgonda Dist.
ANDHRA PRADESH – 508 246



NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Company will be held on Wednesday the 24th Day of September, 2008 at 10.00 A.M at Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad – 500 082 to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31st March 2008 (Six Months) and Balance sheet and Cash Flow Statement as on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint M/s. A. Ramachandra Rao & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.
3. To Appoint Director in place of Sri S.V.Reddy who retires by rotation and being eligible, offers himself for re-appointment
4. Declaration of Final Dividend:

"RESOLVED THAT in terms of the recommendation of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for payment of dividend Rs.1/- (Rupees one only) on the fully paid-up Equity Shares of Rs.10/- each of the Company for the year 2007-08 and the same be paid to all the members whose names appear in the Register of Members on 17th September, 2008 and in case of the shares held in the electronic mode to those members whose names appear in the records of the Depository participants as on closing hours of 16th September, 2008."

B. SPECIAL BUSINESS:

5. Issue of Convertible Warrants to Promoters and their Associates on Preferential Allotment Basis:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 read with the Memorandum & Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of all other appropriate and / or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers conferred by this Resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby



accorded to the Board to offer, issue, allot and deliver 20,00,000 (Twenty Lakhs only) warrants on preferential basis in one or more trenches, convertible into 20,00,000 equity shares of the Company of the face value of Rs.10/- each, for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price of Rs.240/- (Rupees Two Hundred and Forty only) each including premium of Rs.230/- (Two Hundred and Thirty only), which has been fixed as required under Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 to the following Promoters:

Sl No.	Name of the Proposed Allottees	No. of Warrants to be allotted
1	S.R.B.Ramesh Chandra	6,66,666
2	S.Chandra Mohan	6,66,667
3	S.Kishore Chandra	6,66,667
	TOTAL	20,00,000

"RESOLVED FURTHER THAT-

- each warrant be convertible into one equity share can be exercised at any time within a period of 18 months from the date of allotment of such Warrants and on such other terms and conditions, subject to SEBI (Disclosure and Investor Protection) Guidelines, 2000, as may be applicable, from time to time.
- the aforementioned allottees shall have to pay a minimum 10% of the share offer price i.e. Rs.24/- per share as application money towards the warrants.
- The amount paid on issue of warrants shall be forfeited if the warrant holders does not exercise option within a period of 18 months from the date of issue of warrants.

Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank pari passu in all respects with the then existing fully paid-up Equity Shares of the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution and accept any alteration(s) or amendment(s) or corrections including change in the proposed allottees as they may deem fit and appropriate and give such directions/instructions as may be necessary to settle any questions, difficulties or doubts that may arise in regard to the offer, issue or allotment of the said securities and also to seek listing of such securities at the Stock Exchanges where the existing securities are listed."

6. Change of Name of the Company:

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:



"Resolved that subject to the approval of the Central Government, pursuant to Sec.21 of the Companies Act, 1956, the name of the Company be changed from CKORAMAANDEL CEMENTS LIMITED to **"BHEEMA CEMENTS LIMITED,"** and that wherever the name CKORAMAANDEL CEMENTS LIMITED appears in Memorandum and Articles be substituted by BHEEMA CEMENTS LIMITED."

7. Issue of Shares under the Employee Stock Option Scheme 2008:

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956 ("the Act"), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendments, modification or reenactment to the Act or the Guidelines for the time being in force) read with the Articles of Association of the Company and subject to such approvals \ permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded to the Board of directors (hereinafter referred to as "the Board" which terms shall be deemed to include any Committee of Directors constituted for the purpose), to the proposed ESOS Scheme, 2008 and to create, offer, issue and allot in one or more tranches under the said proposed ESOS Scheme, 2008 at any time to or for the benefit of employees, whole Time Directors or any other persons as mentioned in the ESOS Scheme 2008 of the Company such number of equity shares of the Company, initially not exceeding 10,00,000 equity shares of the nominal value of Rs.10/- each, at such price and on such terms and conditions as may be fixed or determined by the Board or by ESOS Compensation Committee in accordance with the Guidelines or other applicable provisions of any law as may be prevailing at that time."

"RESOLVED FURTHER THAT the Board or ESOS Compensation Committee be and is hereby authorised to formulate, evolve, decide upon and bring into effect any Scheme (hereinafter referred to as: "the ESOS Scheme, 2008") on such terms and conditions as contained in the relevant Explanatory Statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the ESOS Scheme, 2008."

By order of the Board

For **CKORAMAANDEL CEMENTS LIMITED**

Sd/-

Place: Hyderabad

K.A.N. SUBBA RAO

Date: 23rd August, 2008

Company Secretary



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES, SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. The Share Transfer Books of the company shall remain closed from 17th September, 2008 to 24th September 2008 (both days inclusive).
3. Dividend of Rs.1/- per Equity Share as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on closing hours of 16th September, 2008 or to their mandates, to the extent eligible, and also to the beneficial owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
4. The Securities and Exchange Board of India (SEBI) and the Department of Company Affairs have made it mandatory for all the listed companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant. In view of the above:
 - i. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at its registered address.
 - ii. Shareholders holding shares in Dematerialised Form are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.
5. Members desiring any information are requested to write to the Company at its Registered Office, 6-3-652/C/A, Flat 5A, KAUTILYA, Amrutha Estates, Somajiguda, Hyderabad – 500 082 well in advance of the date of the Annual General Meeting to enable the Management to keep the information ready.
6. Members are requested to bring their copies of Annual Report to the Annual General Meeting.
7. Members/Proxies should bring the attendance slip sent here with duly filled in for attending the Meeting.


EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.
Item No .5: Issue of Convertible Warrants to Promoters and their Associates on Preferential Allotment Basis:

Your company is modernizing its technology and enhancing its production capacity in two phases. In 1st phase the capacity will be enhanced to 0.9 Million Tons. Total financial tie-up has been completed for this 1st phase of expansion and the work is going on. The first phase of expansion will be completed tentatively by March, 2009. The 2nd phase of expansion is for an additional capacity of 1.5 Million Tons. With this addition, the capacity stands enhanced to 2.4 Million Tons.

Hence to meet the contingencies in Phase I of the Expansion Project and to meet partly the Margin Money Requirement of Phase II Expansion Project, it is proposed to issue 20,00,000 Convertible Warrants of Rs.10/- each at a premium of Rs.230/- each convertible into 20,00,000 equity shares at a later date as per the SEBI Guidelines to the promoters and their associates as per preferential allotment basis.

The information as required under Clause 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 for the preferential issue are as under:

a) Object of Issue

The objects of the proposed issue of warrants is to augment resources to part finance the modernization and expansion of Company's operations and for other corporate purposes.

b) Intention of the Promoters/Directors/Key Management persons to subscribe to the offer:

The proposed issue of 20,00,000 Convertible Warrants to be converted into Equal Number of equity shares within 18 months from the date of allotment are being offered to Mr. S.R.B. Ramesh Chandra, Managing Director, Mr. S. Chandra Mohan, Chairman and Mr. S. Kishore Chandra, Wholtime Director and their Associates.

c) Shareholding pattern before and after issue of warrants to be converted into equity shares within 18 months from the date of allotment of the warrants

Category	Pre - Issue		Post - Issue	
	No. of shares held	% of share holding	No. of shares held	% of share holding
A) Promoter's Holding				
1) Promoters				
- Indian Promoters	1,65,89,676	74.45	1,65,89,676	74.45
- Foreign Promoters				
2) Persons acting in concert				
Sub Total	1,65,89,676	74.45	1,65,89,676	74.45
B) Non-Promoters Holding				
3) Corporate Bodies & Indian Public	56,94,151	25.55	56,94,151	25.55
Sub Total (B)	56,94,151	25.55	56,94,151	25.55
Total (A+B)	2,22,83,827	100.00	2,22,83,827	100.00

**Note:**

- i) The above table has been prepared on the basis of shareholding pattern as on 19th August, 2008.
- ii) The Company proposes to issue Convertible Warrants and hence warrants were not considered for arriving at post issue shareholding pattern.
- iii) The Company will comply with the relevant SEBI (Disclosure and Investor Protection) Guidelines 2000 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 at the time of exercising the option by the allottees.
- iii) Promoters and Persons Acting in concert have informed the Company that they would be subscribing the proposed warrants subject to the provision of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

d) Proposed time within which the allotment shall be completed

Subject to approval from the relevant authorities the Allotment of Warrants shall be completed within 15 days from 24th September, 2008 being the date of the Meeting of the Members of the Company in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time.

e) Identity of proposed allottees of Warrants on preferential basis and the percentage of the post issue capital that may be held by them.

All the proposed allottees are the Promoter Directors of the Company.

S. No.	Name of the Allottee	Shares held presently	% of pre preferential holding	Shares held after the issue	% of post preferential holding
1.	S.R.B. Ramesh Chandra, Managing Director	48,81,868	21.91	48,81,868	21.91
2.	S. Chandra Mohan, Chairman	47,65,937	21.39	47,65,937	21.39
3.	S. Kishore Chandra, Wholetime Director	50,39,856	22.62	50,39,856	22.62
	Total	1,46,87,661	65.91	1,46,87,661	65.91

- Note: i) The Company proposes to issue Convertible Warrants and hence warrants were not considered for arriving at post issue shareholding percentage.
- ii) The Company will comply with the relevant SEBI (Disclosure and Investor Protection) Guidelines 2000 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 at the time exercising the option by the allottees.

f) Change in the Composition of the Board of Directors and Control of the Company

There will not be any change in the composition of the Board of Directors and the control of the Company on account of the proposed preferential allotment. But there will be a corresponding change in the shareholding patterns as well as voting rights consequent to the preferential allotment after exercising the option.



g) Non transferability of the Securities

The Warrants issued and allotted on a preferential basis hereunder will be subject to lock in as per the SEBI guidelines on Preferential Issues

h) Relevant Date:

The Relevant Date for the purpose of determining the issue price of the Equity shares as required under Clause 13.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines 2000 is 25th August, 2008 which is the date 30 days prior to the date of this meeting of the Members of the Company.

i) Price at which allotment is proposed

The price has been fixed in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time.

As per Section 81 (1A) of the Companies Act 1956, approval of the shareholders in the General Meeting is required for the issue of the Convertible warrants by way of preferential allotment as stated in the resolution. Hence consent of the shareholders by way of special resolution is being sought in this regard.

Mr. S.R.B. Ramesh Chandra, Managing Director, Mr. S. Chandra Mohan, Chairman and Mr. S. Kishore Chandra, Wholetime Director being the proposed allottees and relatives are considered to be interested in the proposed resolution.

The Board of Directors recommends this resolution for your approval as a special Resolution.

None of the Directors are concerned or interested in the said resolution except to the extent of their respective shareholdings, if any, in the company.

Item No. 6: Change of Name of the Company:

You are aware that your company is manufacturing and selling Cement under the name and style "BHEEMA CEMENTS". It is now proposed to change the name of the Company as "BHEEMA CEMENTS LIMITED" to correlate and represent name of the Company with the Brand of Cement manufactured by the company and further consolidate the brand image.

The name was allowed by ROC vide SRN No. A43367721.

The Board of Directors recommends this resolution for your approval as a special Resolution.

None of the Directors are concerned or interested in the said resolution.

Item No. 7: Issue of Shares under the Employee Stock Option Scheme 2008:

Your company has always believed in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on a growth path. To enable more and more employees to enjoy the fruits of the phenomenal growth that the Company has witnessed in the recent past it is proposed to implement ESOS Scheme. The main objective of the Scheme is to give employees who are performing well, a