

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

COST AUDITORS

DZR & Co.,
104, Praveen Residency,
H.No.2-2-14/2/104,
Durgabai Deshmukh Colony
Hyderabad – 500 007

BANKERS

Axis Bank Limited
Corporation Bank
ICICI Bank Limited
Karnataka Bank Ltd
Oriental Bank of Commerce
State Bank of Hyderabad
United Bank of India

REGISTERED OFFICE

6-3-652/C/A, Flat 5A,
KAUTILYA, Amrutha Estates
Somajiguda,
Hyderabad – 500 082
Website : www.bheemacements.co.in

WORKS

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

**NOTICE**

Notice is hereby given that the 31th Annual General Meeting of the Company will be held on Thursday the 30th Day of September, 2010 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, 2010 Balance sheet and Cash Flow Statement as on that date together with the reports of the Directors' and Auditors' thereon.
2. To Declare 12% Dividend on Equity Shares of the Company for the year ended 31st March, 2010.
3. 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.
4. To Appoint Director in place of Sri K.R.Chari, who retires by rotation and being eligible, offers himself for re-appointment

By order of the Board
For **BHEEMA CEMENTS LIMITED**

Sd/-
K.A.N. SUBBARAO
Company Secretary

Place: Hyderabad
Date: 14-08-2010

**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 PROXY FORMS, 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 24th September, 2010 to 30th September 2010 (both days inclusive).
3. Dividend @12% 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 23rd September, 2010 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.

By order of the Board
For **BHEEMA CEMENTS LIMITED**

Sd/-

K.A.N. SUBBA RAO
Company Secretary

Place: Hyderabad
Date: 14-08-2010



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2010.

FINANCIAL RESULTS:

The Financial highlights for the year under review are given below: (Rs. in lacs)

| | 2009-10 | 2008-09 |
|------------------------|------------|------------|
| Sales and Other Income | 9682.72 | 8878.39 |
| EBITA | 2404.50 | 2864.85 |
| Interest | 484.64 | 562.57 |
| Depreciation | 298.99 | 300.54 |
| Profit Before Tax | 1620.87 | 2001.74 |
| Provision for Tax* | *616.20 | *513.26 |
| Profit After Tax | 498.72 | 1546.32 |
| Net Worth** | **15605.94 | **16207.32 |

* Includes Provision for Fringe Benefit Tax and Deferred Tax

** Includes Mineral Capitalization Reserve of Rs.728.32 Lacs.

OPERATIONS

Your Directors are glad to report that the Company has maintained satisfactory Production and Sales levels. During the year the Company achieved production of 2,51,600 MTs of Cement (Previous year 2,56,479 MTs) and sold 2,51,709 MTs (Previous year 2,56,200 MTs) and the Company has produced 1,63,594 MTs Clinker during the year (previous year 1,68,700 MTs).

DIVIDEND

Your Directors are pleased to recommend dividend @12% on Equity Share Capital of the Company for the Year ended 31st March, 2010.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors state:

- i) that in preparation of the Annual Accounts, applicable accounting standards have been followed and there were no material departures there from except as otherwise explained in the notes to accounts.
- ii) that the directors have selected such accounting policies and adopted them consistently, except as stated in the notes on accounts, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2010 and Profit & Loss account of the company for the year ended 31st March, 2010. The auditor's comments in this regard are self explanatory.
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that the accounts were prepared on a going concern basis.

DIRECTORS

Sri K.R. Chari retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

A. Ramachandra Rao & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and they are eligible for re-appointment as statutory auditors of the Company to audit the accounts of the Company for the financial year 2010-11.

COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956 your Directors have appointed M/s DZR & Co., Cost Accountants as Cost Auditors for the Financial Year 2010-11.



PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended is as follows :

| Name | Age | Qualification | Designation | Date of Commencement | Years of experience | Remuneration | Previous Employment |
|-----------------|-----|---------------|--------------------------------------|----------------------|---------------------|------------------|---|
| Venkata Vasudev | 42 | B.E. M.B.A | Executive Director (Not on Board) | 01-04-2004 | 19 | Rs.1,64,48,400/- | Vice President IMAP Technologies Limited |

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and out go as required to be disclosed in terms of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed thereto (Annexure-I) and forms part of this report.

HUMAN RESOURCES

Your Company maintains a constructive relationship with its employees by creating a positive work environment with focus on improving productivity and efficiency. Your company adopts an open door policy to promote better working environment for all employees that encourages innovation and creativity. Your company has been holding monthly meetings at factory for the last 11 years where the Management interacts with all the employees which nurtures a good employer employee relation and also provides to air their views for achieving better results. This has led to increased employee participation for better productivity and congenial environment at work.

Since the date of incorporation your Company has not lost a single day of work due to industrial strike. The industrial relations during the year were harmonious. Your Directors wish to place on record the co-operation extended by Employees in achieving the objectives of your Company.

Your Company has in place an Internal Recruitment Scheme, Training Programmes and Talent Management Initiatives for providing growth to employees.

CORPORATE COMMITMENT TO THE COMMUNITY

Your Company has always been a responsible corporate citizen and has made significant contributions towards community development. Bheema Cements Ltd has always lived by its philosophy of "Serving Society through Industry". Your Company believes in living every moment of life in harmony with nature to create value for itself, its stakeholders and the society. Your



Company supports various social causes by providing drinking water, basic medical facilities and minimum education to the people in the adjoining villages. Your Company takes active interest in environmental issues and is continually making efforts to make eco-friendly zone. Your Company has also been assisting the surrounding community with primary health and veterinary programs. Your company made significant contributions towards education, sports, health and community welfare.

ACHIEVEMENTS

Your directors are happy to state that your company has been awarded the ISO 9001:2008 Certification for its Quality Management System Standard by DNV, Netherlands.

ACKNOWLEDGEMENTS

Your Directors wish to take this opportunity to express their grateful appreciation and deep sense of gratitude to the AXIS Bank, Corporation Bank, ICICI Bank, Karnataka Bank, Oriental Bank of Commerce, State Bank of Hyderabad and United Bank of India, various Departments of Central and State Governments for their valuable guidance and co-operation extended during the year and look forward to their continued support in future. Your Directors would like to thank all the Share Holders, Dealers and Consumers for the confidence reposed in the Company and its management.

Your Directors wish to place on record a deep sense of appreciation for the devoted services rendered by the Executives, Staff and Workers of the Company at all levels.

For and on behalf of the Board

Sd/-

S. CHANDRA MOHAN
CHAIRMAN

Sd/-

S.R.B.RAMESH CHANDRA
MANAGING DIRECTOR

Place: Hyderabad
Date: 14th August, 2010

**ANNEXURE TO DIRECTORS' REPORT****ANNEXURE - I**

Disclosure of particulars with respect to conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as required under Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988.

A. Conservation of Energy**a. Energy Conservation Methods adopted :**

Conservation of energy continues to be accorded top with priority, as it not only helps bring down carbon emissions, but also adds to the net profits of the company by way of reduced input costs. Efforts are being made in monitoring, on a continuous basis, for energy conservation.

b. Additional Investments and proposals, being implemented for reduction of consumption of energy.

The Company has continued efforts in the already identified following areas where there was ample scope for energy conservation and carried out modernization.

1. Maintain consistently the low pressure drop across the Pre-Heater.
2. Improve the Clinker quality consistently to improve blending efficiency to produce more of the blended cement.

c. By implementing the above mentioned two measures the Company is aiming to achieve improved calcinations.**d. The total energy consumption and energy consumption per unit of production. The above information is given in the prescribed Form - A annexed.****3. Keeping in line with our active participation in the environmental issues and the directives of the BEE (Bureau of Energy Efficiency), GOI, our company has carried out experiments on newer grade of blended cement which would meet the requirements of the ECBC (Energy Conservation Building Code) as stipulated in the EC Act 2001. Our company is planning to develop special quality of low heat transfer and high heat insulation cement for the exterior (envelop) of the buildings to make them more energy efficient.**

B. Technology Absorption

Particulars are given in Form "B" annexed:

C. Foreign Exchange savings and outgo

- a. Activities relating to exports, initiatives taken to increase export, development of new export market for production & services and export plans.

The company presently is not envisaging any export market for production & services and export plans.

(Rs. In '000)

- b. Total foreign exchange used : Nil





FORM – A
(See Rule – 2)
**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY**

| | For the Year ended 31.03.2010 (12 Months) | For the Year ended 31.03.2009 (12 Months) |
|--|--|--|
| A. POWER AND FUEL CONSUMPTION | | |
| 1. Electricity: | | |
| a. Purchased | | |
| Units (Nos.) | 1,82,64,258 | 1,94,61,722 |
| Amount (Rs.) | 6,38,21,933 | 6,27,32,447 |
| Rate/Unit (Rs.) | 3.49 | 3.22 |
| b. Own Generation | | |
| i) Through Diesel Generator (Unit/Nos.) | 1,00,655 | 1,44,354 |
| Units per Ltr. of Diesel Oil | 2.94 | 3.03 |
| Cost/Unit (Rs.) | 11.37 | 11.68 |
| ii) Through Steam Turbine Generator Unit | | |
| per Ltr. of Fuel Oil / Gas Cost/Unit (Rs.) | — | — |
| 2. Fuel: | | |
| Coal used in Kiln: | | |
| Quantity (Mts) | 32,305 | 36,504 |
| Total Cost (Rs.) | 8,77,41,113 | 11,56,88,099 |
| Average Rate (Rs.) | 2,716.02 | 3,169.19 |
| 3. Furnace Oil | — | — |
| 4. Others/Internal Generation | — | — |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | |
| Standard Production (with details) | OPC & PPC | OPC & PPC |
| Electricity (Units/Ton of Cement) | 77.35 | 77.45 |
| Coal (% on Clinker) | 19.75 | 21.64 |

FORM- B
(See Rule-2)
**FORM OF DISCLOSURE OF PARTICULARS WITH
RESPECT TO TECHNOLOGY ABSORPTION**

RESEARCH AND DEVELOPMENT (R&D):

The company has been continuously investing in in-house experimentation in various areas to maintain quality of cement.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

The company has made several efforts to bring down Power and Coal Consumptions.