

**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 Limited
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 32nd Annual General Meeting of the Company will be held on Thursday, the 29th Day of September, 2011 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, 2011, 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 a Director in place of Sri S.V.Reddy, who retires by rotation and being eligible, offers himself for re-appointment

B. SPECIAL BUSINESS:**4. INCREASE OF AUTHORISED SHARE CAPITAL FROM Rs. 37.50 CRORES TO Rs. 51.45 CRORES:**

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

“RESOLVED THAT in accordance with the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification(s) or re-enactment (s) thereof for the time being in force], Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and the enabling provisions in this behalf in the Articles of Association of the Company, and subject to such approvals, permissions and sanctions, if any, required from any concerned authorities, the Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 37,50,00,000/- (Rupees Thirty Seven Crores Fifty Lakhs only) comprising of 3,30,00,000 (Three Crores Thirty Lakhs only) Equity Shares of Rs.10/- (Rupees Ten only) each and 4,50,000 (Four Lakhs Fifty thousand only) Preference Shares of Rs.100/- (Rupees One hundred only) each to Rs.51,45,00,000/- (Rupees Fifty One Crores Forty Five Lakhs only) divided into 4,20,00,000 (Four Crores Twenty Lakhs only) Equity Shares of Rs.10/- (Rupees Ten only) each and 9,45,000 (Nine Lakhs Forty Five Thousand only) Preference Shares of Rs.100/- (Rupees One Hundred only) each and the fresh Equity Shares shall rank pari passu in all respects including and in particular the payment of dividend on pro rata basis and consequently the existing sub clause (a) of Clause IV of the Memorandum of Association of the Company be substituted with the following new Clause IV (a), namely –

IV (a) The Authorised Share Capital of the Company is Rs.51,45,00,000/- (Rupees Fifty One Crores Forty Five Lakhs only) divided into 4,20,00,000 (Four Crores Twenty Lakhs only) Equity Shares of Rs.10/- (Rupees Ten only) each and 9,45,000 (Nine Lakhs Forty Five Thousand only) Preference Shares of Rs. 100/- (Rupees One hundred only) each to be increased or reduced in accordance with the relevant provisions of the Companies Act, 1956.

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

Place: Hyderabad
Date: 13-08-2011

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

**NOTES**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF 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 23rd September, 2011 to 29th September 2011 (both days inclusive).
3. 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 like Bank Account Number and Bank Name 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 it's 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.
4. 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.
- 5. The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by Companies and has issued a circular on April 21, 2011, stating that the service of documents by a Company can be made through electronic mode. In view of the circular issued by MCA, the Company proposes to henceforth deliver documents like the Notice calling the Annual General Meeting/ Extra-ordinary General Meeting / Audited Annual Accounts / Report of Auditors / Report of the Directors etc., in electronic form to the e-mail address provided by the shareholders.**
- 6. Shareholders are requested to furnish their E-mail Ids to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in De-mat form, the E-mail IDs of the shareholders registered with the DP and made available to the Company shall be the registered E-mail ID unless communication is received to the contrary.**



7. The Securities and Exchange Board of India has notified that the shareholders / transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly all the shareholders / transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action
8. Members are requested to bring their copies of Annual Report to the Annual General Meeting. 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**

Place: Hyderabad
Date: 13-08-2011

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

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

Item # 4: Increase of Authorised Share Capital of the Company:

The growth in Infrastructure and Construction activity, coupled with the thrust on irrigation projects by the Government, offered tremendous potential for the growth to the Company. Hence, keeping in view the future requirements of the Company, it is proposed to increase the authorised Share Capital of the Company to meet the funds requirement by way of fresh issue of shares along with long term loans from Banks.

Hence it is proposed to increase the Authorised Share Capital of the Company from Rs.37,50,00,000/- to Rs.51,45,00,000/- by creation of 90,00,000 new Equity Shares of Rs.10/- each and 4,95,000 Preference Shares of Rs.100/- each. Any increase in authorised Share Capital requires the approval of members by way of an Ordinary Resolution pursuant to Section 94 of the Companies Act, 1956. Hence the resolution at item No.4 is submitted to the meeting for members' approval.

None of the Directors are concerned or interested in the proposed resolution (4) above except to the extent to which they may participate in the enhanced capital.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 32nd Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2011.

FINANCIAL RESULTS:

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

	2010-11	2009-10
Sales and Other Income	9295.04	9789.98
EBITA	(553.54)	1898.55
Interest	1178.18	484.64
Depreciation	428.07	298.99
Profit Before Tax	(2159.79)	1114.92
Provision for Tax*	*(2.79)	*616.20
Profit After Tax	(2157.00)	498.72
Net Worth**	**13200.61	**15605.94

* Includes Provision for Deferred Tax

** Includes Mineral Capitalization Reserve of Rs.10745.70 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 2,92,924 MTs of Cement (Previous year 2,51,600 MTs) and sold 3,03,166 MTs (Includes 10075.00 MTs processed/ground by a third party through job work) (Previous year 2,51,709 MTs) and the Company has produced 2,64,883 MTs Clinker during the year (previous year 1,63,594 MTs).

DEBT RESTRUCTURING

Your Company was referred to the CDR Cell by the lenders due to the delay in the expansion. The delay in project execution was largely on account of increased Steel Prices, unfavorable FOREX Fluctuation, Delay in Power Line Sanction and Erection. With the support of the Banks, CDR EG approved restructuring package of the debt profile of the Company on 7th March, 2011. The impact of the Debt Restructuring approved by the CDR EG Cell will result in funding of interest from 1st July, 2010 to 31st December, 2011 and re-scheduling of re-payment of loans.

**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 judgments 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, 2011 and Profit & Loss account of the company for the year ended 31st March, 2011. 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 S.V. Reddy, Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.

Your Director Capt. J.Rama Rao (Retd.) has resigned from the Board vide his letter dated 20th July, 2011 due to advancing age and indifferent health. Your Board of Directors would like to place on record their appreciation of the Services rendered by Capt.J.Rama Rao, during his tenure as Director of the Company.

AUDITORS

M/s. 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 2011-12.

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 2011-12.

**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, the names and other particulars of the employees are set out in the annexure to the Director's Report. Having regard to the provisions of Section 219(1)(b)(IV) of the said Act, the Annual Report excluding the afore said information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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

With the size of expansion going on in your Company, human resources assume greater importance and have a significant place in the Organizational Structure. Your Company has been creating a favorable work environment that encourages innovation and meritocracy. Your Company has put in place an effective human resource management team and has done scalable quality recruitment. Your Company has in place an Internal Recruitment system wherein Training Programmes and Talent Management Initiatives form part of individual employee development. The efforts of your Company in the area of employee management and HR practices have been proved effective in Human Resource Management. Emphasis is given to the overall development of the personality of individual employee. Welfare schemes for employees and their families are being implemented in your Company.

Your company has been holding monthly meetings at factory for the last 12 years where the Management interacts with all the employees which forges a good employer employee relation and also provides the platform to express 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.

**CORPORATE COMMITMENT TO THE COMMUNITY**

Your Company has always been a responsible corporate citizen and has made significant contributions towards community development. Your company 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 stakeholder 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.

ACKNOWLEDGEMENTS

Your Directors wish to take this opportunity to express their grateful appreciation and deep sense of gratitude to the AXIS Bank, ICICI Bank, United Bank of India, State Bank of Hyderabad, Corporation Bank, Karnataka Bank and Oriental Bank of Commerce, CDR Cell, various Departments of Central and State Governments and consultants 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 of 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

Place: Hyderabad
Date: 13th August, 2011

Sd/

S.R.B.RAMESH CHANDRA
MANAGING DIRECTOR

**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 with top 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 its 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. Improved the Clinker quality consistently to improve blending efficiency to produce more of the blended cement.

c. With the introduction of twin calciners in the Pre-Heater, the Company is aiming at achieving higher 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