



BHEEMA CEMENTS LTD

**Manufacturers of
BHEEMA CEMENTS
SUPER GRADE
43 & 53 Grade**

**Annual Report
2011-2012**



BOARD OF DIRECTORS

Sri S. CHANDRA MOHAN

CHAIRMAN

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 33rd Annual General Meeting of the Company will be held on Saturday, the 29th Day of September, 2012 at 11.00 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, 2012, 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 K.R. Chari, who retires by rotation and being eligible, offers himself for re-appointment

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

Place: Hyderabad
Date: 13-08-2012

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 22nd September, 2012 to 29th September, 2012 (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/ Extraordinary 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**

Sd/-

K.A.N. SUBBARAO
Company Secretary

Place: Hyderabad
Date: 13-08-2012

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 33rd Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

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

	2011-12	2010-11
Sales and Other Income	16,396.24	9,295.04
EBITA	1,038.67	(553.54)
Interest	1,173.03	1,178.18
Depreciation	427.14	428.07
Profit Before Tax	(561.50)	(2,159.79)
Provision for Tax*	*(52.14)	*(2.79)
Profit After Tax	(509.36)	(2,157.00)
Net Worth**	**15,014.26	**13,200.61

* Includes Provision for Deferred Tax.

** Includes Mineral Capitalization Reserve of Rs.10,017.38 Lacs.

OPERATIONS

Your Directors are glad to report that the Company has maintained satisfactory Production and Sales levels. During the year the Company achieved Cement production of 3,13,038.48 MTs (Previous year 2,92,924 MTs) and 3,15,770 MTs of Clinker (previous year 2,64,883 MTs). The Company sold 3,13,803.80 MTs Cement (Includes 643 MTs processed / ground by a third party through job work) (Previous year 3,03,166 MTs, Includes 10075.00 MTs processed / ground by a third party through job work) and 1,07,928.65 MTs of Clinker during the year (previous year 19,129.30 MTs).

DEBT RESTRUCTURING

You are aware of that your Company was referred to CDR and CDR EG has approved the debt restructuring package of the debt profile of the Company during the previous year 2010-11. Further to the sanctioning of a Debt Restructuring package your company has completed all formalities as per the Debt Restructuring package during the current year. The Bankers have restructured and rescheduled the existing term loans and other facilities and their terms of

repayment as per the debt restructuring Package. Further Banks have sanctioned and released fresh term loans to complete the expansion project. Expansion works are under Progress.

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, 2012 and Profit & Loss account of the company for the year ended 31st March, 2012. 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, Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s. A. Ramachandra Rao & Co., Chartered Accountants, Auditors of the Company retires 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 2012-13.

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 2012-13.

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. The human resource policy and strategy of your Company has been designed to attract and retain the best talent and creating a workplace environment that keep employees engaged, motivated and encourages innovation. Your Company has put in place an effective human resource management team and has done scalable quality recruitment. Your Company has fostered a culture that rewards continuous learning, collaboration and development, making it future – ready with respect to the challenges posed by ever-changing market realities. Your Company has in place an Internal Recruitment system 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 13 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

Corporate Commitment to the Community and Public Service is deeply embedded into the cultural fabric of Bheema Cements Ltd. Bheema Cements Ltd has always lived by its philosophy

of "Serving Society through Industry". Over the years serious efforts have been directed towards making a meaningful contribution to uplifting and transforming the lives of the underprivileged. The Company is also extremely conscious of its duty and responsibility towards the environment. Your company continue to make sincere efforts to promote good health, social development and better environment, through various Company programs that contribute to sustainable, all round growth. Your Company supports various social causes by providing drinking water 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 assisted the surrounding community with veterinary camps for Cattle. 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, Corporation Bank, ICICI Bank, Karnataka Bank, Oriental Bank of Commerce, State Bank of Hyderabad and United Bank of India, 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 the 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, 2012

Sd/

S.R.B. RAMESH CHANDRA
MANAGING DIRECTOR