

**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 34th Annual General Meeting of the Company will be held on Monday, the 30th Day of September, 2013 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, 2013, 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. To Re-Appoint Sri S.R.B.Ramesh Chandra as Managing Director and fixing of remuneration:**

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and 310 read with schedule XIII and all other applicable provisions, if any, of Companies Act, 1956 and subject to such approvals and permissions of any authority as may be necessary, Sri S.R.B. Ramesh Chandra be and is hereby re-appointed as Managing Director of the Company, for a period of 5 years with effect from 1st April, 2013 with a remuneration in accordance with Part II of Schedule XIII of the Act as enumerated below:

Salary: Rs. 2,00,000 (Rupees Two Lakhs Only) per month.

Terminal Benefits:

- (i) Company's contributions towards provident Fund/Superannuation Fund/Annuity Fund: According to the rules of the Company.
- (ii) Gratuity: In accordance with the Scheme as applicable to other senior management employees, at a rate not exceeding half month's salary for each completed year of service."

5. To Re-Appoint Sri S.Chandra Mohan as Whole-Time Director and Chairman and fixing of Remuneration:

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



"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and 310 read with schedule XIII and all other applicable provisions, if any, of Companies Act, 1956 and subject to such approvals and permissions of any authority as may be necessary, Sri S. Chandra Mohan be and is hereby re-appointed as Whole Time Director and Chairman of the Company, for a period of 5 years with effect from 1st April, 2013 with a remuneration in accordance with Part II of Schedule XIII of the Act as enumerated below:

Salary: Rs. 2,00,000 (Rupees Two Lakhs Only) per month.

Terminal Benefits:

- (i) Company's contributions towards provident Fund/Superannuation Fund/Annuity Fund: According to the rules of the Company.
- (ii) Gratuity: In accordance with the Scheme as applicable to other senior management employees, at a rate not exceeding half month's salary for each completed year of service."

6. To Re-Appoint Sri S.Kishore Chandra as Whole-Time Director and fixing of Remuneration:

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and 310 read with schedule XIII and all other applicable provisions, if any, of Companies Act, 1956 and subject to such approvals and permissions of any authority as may be necessary, Sri S. Kishore Chandra be and is hereby re-appointed as Whole Time Director of the Company for a period of 5 years with effect from 1st April, 2013 with a remuneration in accordance with Part II of Schedule XIII of the Act as enumerated below:

Salary: Rs. 2,00,000 (Rupees Two Lakhs Only) per month.

Terminal Benefits:

- (i) Company's contributions towards provident Fund/Superannuation Fund/Annuity Fund: According to the rules of the Company.
- (ii) Gratuity: In accordance with the Scheme as applicable to other senior management employees, at a rate not exceeding half month's salary for each completed year of service."

By order of the Board
For BHEEMA CEMENTS LIMITED

Sd/-
K.A.N. SUBBA RAO
Company Secretary

Place: Hyderabad
Date: 13-08-2013

**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, 2013 to 30th September, 2013 (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 Demat 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 along with the Annual Report 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: 13-08-2013

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

Item # 4: Re-Appointment of Sri S.R.B.Ramesh Chandra as Managing Director and fixing of remuneration:

Sri S.R.B. Ramesh Chandra is a promoter Director and is the present Managing Director of the company. He is a Law Graduate from Sri Venkateswara University. He had vast experience in fields of Accounts, Administration and Sales. Initially he joined as Company Secretary in this Company and later on as a Manager (Commercial), then as General Manager (Commercial) and Vice President looking after Administration, Coordination with various Govt. Departments, Marketing and Production.

He was elected President of All India Mini Cements Manufacturers Association for the three consecutive years from 1996-97 to 1998-99 unanimously. He was re-elected unanimously for a further period of two years – 2004-06. He has been again re-elected unanimously for the period 2006-07.

Ministry of Industry, Government of India, vide letter No. (2) / 96 dated 28/10/96 appointed him as a Member Development Council for Cement Industry for two years.



He was also Member of Working Group under Task Force for Cement Industry for the IX th Plan, Government of India. He was also member of the Task Force for Cement Industry for the XI th Plan.

Mr. Ramesh Chandra took over as the Managing Director of the Company on 16th December 2004 and is now in charge of the day to day operations of the company.

Sri S.R.B.Ramesh Chandra, Managing Director, Sri S.Chandra Mohan, Chairman and Sri S.Kishore Chandra Whole-Time Director are Brothers and promoter Directors of the company.

To Re-appoint Sri S.R.B.Ramesh Chandra as Managing Director and fix the remuneration for which the Company has to obtain members approval.

As a part of the compliance your Directors propose this resolution to be passed.

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

Item # 5: Re-Appointment of Sri S.Chandra Mohan as Whole-Time Director and Chairman and fixing of Remuneration:

Sri S. Chandra Mohan is a Promoter Director and is at present Whole-Time Director and Chairman of the Company. He is a Post Graduate in commerce from Sri Venkateswara University. Initially he joined as G.M (Marketing & Administration) during the year 1985-86 in the company and was elevated as the President. Later he was inducted in to the Board. He became the whole time Director and Chairman in the year 2004.

Sri S.R.B.Ramesh Chandra, Managing Director, Sri S.Chandra Mohan, Chairman and Sri S.Kishore Chandra Whole-Time Director are Brothers and promoter Directors of the company.

To Re-appoint Sri S. Chandra Mohan as Whole Time Director and Chairman and also to fix the remuneration for which the Company has to obtain members approval.

As a part of the compliance your Directors propose this resolution to be passed.

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

Item # 6: Re-Appointment of Sri S.Kishore Chandra as Whole-Time Director and fixing of Remuneration:

He is Graduate in Science. He was involved from the erection stage of the plant and worked in various capacities for the last 17 years. He is a promoter director. He joined in the Company as Manager Co-ordination and promoted as General Manager (Co-ordination). Later he was elevated as Vice President and then as President and was in over all supervision of factory and sales of the company. Later he was inducted into the Board of the Company. He oversees the day to day running of the plant.

Sri S.R.B.Ramesh Chandra, Managing Director, Sri S.Chandra Mohan, Chairman and Sri S.Kishore Chandra Whole-Time Director are Brothers and promoter Directors of the company.



To Re-appoint Sri S.Kishore Chandra as Whole-time Director and also to fix the remuneration for which the Company has to obtain members approval.

As a part of the compliance your Directors propose this resolution to be passed.

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

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

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

Place: Hyderabad
Date: 13-08-2013



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 34th Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

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

	2012-13	2011-12
Sales and Other Income	19,990.90	16,396.24
EBIDTA	1,221.44	1,038.66
Interest	1,147.21	1,173.02
Depreciation	441.62	427.14
Profit Before Tax	(367.39)	(561.50)
Provision for Tax*	*1,545.80	*(52.14)
Profit After Tax	(1,913.19)	(509.36)
Net Worth**	**13,120.87	**15,014.26

* Includes Provision for Deferred Tax of Rs. 1,545.80 Lakhs

** Includes Mineral Capitalization Reserve of Rs. 9,289.06 Lakhs.

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 5,06,836.38 MTs (Previous year 3,13,038.48 MTs) and 4,14,681.00 MTs of Clinker (previous year 3,15,770 MTs). The Company sold 5,02,509.95 MTs Cement (Previous year 3,13,803.80 MTs, Includes 643 MTs processed / ground by a third party through job work) and 31,658.92 MTs of Clinker during the year (previous year 1,07,928.65 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 year 2010-11. Further to the sanctioning of a Debt Restructuring package your company has completed formalities as per the Debt Restructuring package, 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 Project has been completed successfully during the year 2012-13.

**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, 2013 and Profit & Loss account of the company for the year ended 31st March, 2013. 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.

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 2013-14.

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 2013-14.

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 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

Human resources assume greater importance and have a significant place in the Organizational Structure. The core of achieving business excellence lies in a dedicated and talented employee base. The first step towards this is attracting the right talent through our streamlined and structured recruitment process. Your Company has put in place an effective human resource management team and has done scalable quality recruitment. Your Company has adopted a culture that rewards continuous learning, teamwork and development of employee skills which plays vital role to face the challenges posed by ever-changing market realities. 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 15 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 SOCIAL RESPONSIBILITY

At Bheema Cements, we have a strong focus on social and community welfare programmes. Corporate Social Responsibility and Public Service is deeply embedded into the cultural fabric of Bheema Cements Ltd. The Company has clearly identified the community as one of the significant stakeholders and is keenly interested in responding to their needs in a systematic manner. Your Company is 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