



**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](http://www.bheemacements.co.in)

**WORKS**

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

**NOTICE**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Company will be held on Saturday, the 29<sup>th</sup> 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 31<sup>st</sup> 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 22<sup>nd</sup> 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 33<sup>rd</sup> 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 31<sup>st</sup> March, 2012 and Profit & Loss account of the company for the year ended 31<sup>st</sup> 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

## 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 priority, as it not only helps bring down carbon emissions, but also adds to the net profits of the company by way of higher efficiencies and thus 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 shall make 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. To Improve 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.

## e. 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. Your company's efforts in the areas of planning to develop special quality of low heat transfer and high heat insulation cement for the exterior (Plastering) of the buildings to make them more energy efficient, are being continuously and seriously pursued through in house R&amp;D.

## B. TechnoiogyAbsorption

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 Lakhs)

- b. Total foreign exchange used : 20.22

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

	For the Year ended 31.03.2012	For the Year ended 31.03.2011
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity:		
a. Purchased		
Units (Nos.)	2,63,49,649	2,61,62,495
Amount (Rs.)	12,09,75,893	11,64,70,235
Rate/Unit (Rs.)	4.59	4.45
b. Own Generation		
i) Through Diesel Generator (Unit/Nos.)	42,592	17,104
Units per Ltr. of Diesel Oil	3.20	2.35
Cost/Unit (Rs.)	13.40	17.15
ii) Through Steam Turbine Generator Unit per Ltr. of Fuel Oil / Gas Cost/Unit (Rs.)	—	—
2. Fuel:		
Coal used in Kiln:		
Quantity (MTs)	76,405	54,671
Total Cost (Rs.)	36,96,48,492	18,35,20,260
Average Rate(Rs.)	4,838.01	3,356.81
3. Furnace Oil	—	—
4. Others/Internal Generation	—	—
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Standard Production (with details)	<b>OPC &amp; PPC</b>	<b>OPC &amp; PPC</b>
Electricity (Units/Ton of Cement)	68.88	78.53
Coal (% on Clinker)	24.20	20.64

**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 is taking several initiatives to reduce Power and Coal Consumptions.



**REPORT ON CORPORATE GOVERNANCE**

**1. Company's Philosophy on Corporate Governance**

The Company's philosophy on the code of Corporate Governance is:

- (i) To ensure that adequate control systems exist to enable the board to effectively discharge its responsibility to all the shareholders of the company.
- (ii) To ensure that the decision making process is fair and transparent.
- (iii) To ensure that the fullest commitment of the Management and the board to the maximization of shareholders value.
- (iv) To ensure that the employees of the company subscribe to the corporate values and apply them in their conduct and to ensure that the company follows globally recognized Corporate Governance practices.

**2. Board of Directors:**

(i) Composition: the details of composition and categories of Directors are:

Name	Category	Designation held	No.of Meetings held	No. of Meetings Attended	Whether Attended Last AGM (Y/N)	No. of Directorships In other Boards	No. of Membership In other committees
Sri S.Chandra Mohan	Executive Director	Chairman	6	5	Yes	Nil	Nil
Sri S.R.B.Ramesh Chandra	Executive Director	Managing Director	6	6	Yes	Nil	Nil
Sri S.Kishore Chandra	Executive Director	Whole time Director	6	6	Yes	Nil	Nil
Capt J.Rama Rao	Independent	Non Executive Director	1	0	No	Nil	Nil
Sri S.V.Reddy	Independent	Non Executive Director	6	6	Yes	1	2
Sri K.R.Chari	Independent	Non Executive Director	6	5	Yes	1	1

**Meeting of Board of Directors :**

During the Financial year 2011-12 Board of Directors met on the following dates: 30<sup>th</sup> May, 2011, 13<sup>th</sup> August, 2011, 29<sup>th</sup> September, 2011, 12<sup>th</sup> November, 2011, 29<sup>th</sup> November, 2011 and 10<sup>th</sup> February, 2012.

**3. Audit committee:** As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted consisting of two Independent Directors and one Executive Director as Sub-Committee to the Board and considers the terms of reference as stipulated under Clause 49 of the Listing Agreement :

**Composition and other details :** The Audit Committee of the Company was constituted with two Independent Directors and one Executive Director viz.,

Chairman	-	Sri. K.R.Chari	-	Independent Director
Member	-	Sri S.V.Reddy	-	Independent Director
Member	-	Sri S.Chandra Mohan	-	Promoter Director

During the year the Audit Committee met 4 times on the following Dates:

30<sup>th</sup> May, 2011

13<sup>th</sup> August 2011

12<sup>th</sup> November 2011 and

10<sup>th</sup> February, 2012

Attendance of the Directors in the Audit Committee Meeting:

Name of the Director	No. of Meetings held	No. of Meetings attended
Sri K.R.Chari	4	4
Sri S.V.Reddy	4	4
Sri S. Chandra Mohan	4	3

**4. Remuneration Committee:**

a) Composition, Name of the Chairman and members:

Sri K.R. Chari

Sri S.V. Reddy

Sri S. Chandra Mohan

b) The Terms of reference stipulated by the Board to the Remuneration Committee:

To formulate a remuneration policy and approve the remuneration or revise the remuneration payable to the Managing/Whole Time Directors. The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance.

**5. Share Holders / Investors Grievance Committee**

**a. Constitution:** The share holders grievance committee was constituted by the Board of Directors in accordance with the requirement of clause 49 of the listing agreement.

**b. Composition :** The composition of the Committee is as follows:

Chairman	-	Sri S.R.B.Ramesh Chandra	-	Managing Director
Member	-	Sri S.Chandra Mohan	-	Executive Chairman
Member	-	Sri S.Kishore Chandra	-	Whole Time Director

**c. Functions :** The functions of the committee are as follows: oversees

- (i) Share Transfer with in stipulated time.
- (ii) Non-receipt of Dividends, if any.
- (iii) To consider Replacement of lost/ stolen/ mutilated share certificates.
- (iv) Non-receipt of rights/ bonus / share certificates.
- (v) Other related issues.

**6. Shares Allotment Committee :**

**a) Constitution :** The shares allotment committee was constituted by the Board of Directors for the purpose of allotment of shares to banks against FITL as per CDR Package.

**b) Composition :** The composition of the Committe is as follows :

- 1. Sri S. Chandra Mohan - Chairman
- 2. Sri S.V. Reddy - Member
- 3. Sri S.R.B. Ramesh Chandra - Member

**7. GENERAL BODY MEETINGS**

a. Details of Location and Time of holding the last three Annual General Meetings.

Date	Venue	Time	No. of Special Resolutions
September 30, 2009	Hotel NKM's Grand, Erramanzil Colony, Hyd.	10.00 AM	Nil
September 30, 2010	Hotel NKM's Grand, Erramanzil Colony, Hyd	10.00 AM	Nil
September 29, 2011	Hotel NKM's Grand Erramanzil Colony, Hyd	10.00 AM	Nil

**8. DISCLOSURES**

- (a) **RELATED PARTY TRANSACTIONS:** The Company has no related party transactions during the year 2011-2012 .
- (b) **COMPLIANCE BY THE COMPANY:** The Company has complied with the requirements of the Stock Exchange, Securities Exchange Board of India (SEBI) and other Statutory authorities on all matters related to capital markets during the last three years; no penalties, strictures have been imposed on the company by the Stock Exchange or Securities Exchange Board of India (SEBI) or any other Statutory authorities relating to the above.

**9. MEANS OF COMMUNICATION:**

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Un-audited as well as Audited financial results to the Stock Exchanges immediately after they are taken on record by the Board. These financial results are normally published in the Business Standard and Andhra Prabha (Telugu) Newspapers.
- b. Company displays Un-audited and Audited Results on its Web Site [www.bheemacements.co.in](http://www.bheemacements.co.in)
- c. The Management Discussion and Analysis Report is part of this Annual Report.

**10. GENERAL SHAREHOLDERS INFORMATION:****(a) Annual General Meeting :**

- Date & Time : 29<sup>th</sup> September, 2012 at 11.00A.M
- Venue : Conference Hall, Hotel NKM's Grand, Erramanzil,  
Somajiguda, Hyderabad

**(b) Tentative calendar of events for the Financial Year 2012-13 (April - March) is given below:****(i) Un-audited Financial Results:**

- |  |   |                                 |
|--|---|---------------------------------|
| For the Quarter ending 30 <sup>th</sup> June, 2012     | - | 14 <sup>th</sup> August, 2012   |
| For the Quarter ending 30 <sup>th</sup> September 2012 | - | 14 <sup>th</sup> November, 2012 |
| For the Quarter ending 31 <sup>st</sup> December 2012  | - | 14 <sup>th</sup> February, 2013 |
| For the Quarter ending 31 <sup>st</sup> March 2013     | - | 15 <sup>th</sup> May 2013       |

**(ii) Financial year - April - March**

- (c) Date of Book Closure : 22<sup>nd</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive)
- (d) Listing on Stock Exchanges : The Equity Shares of the company are listed on:
1. The Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalai Street, Mumbai- 400 001
  2. Madras Stock Exchange Limited.  
Exchange Bldg., Post Box No. 183  
No. 30, 2<sup>nd</sup> Line Beach, Chennai - 600 001.
- (e) STOCK CODES
- B.S.E CODE NO : 518017
- ID ON HOST : 1480
- (f) ISIN Number for NSDL & CDSL : INE333H01012
- (g) Registrars & Transfer Agents : Share Transfers & Communication regarding Share Certificates and Change of address etc.
- M/s BIGSHARE SERVICES PRIVATE LIMITED,  
306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital,  
Somajiguda, Rajbhavan Road, Hyderabad – 500 082  
Phone: +91-40-23374967, Fax: +91-40-23370295  
E-mail ID: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)
- (h) The listing fee for the year 2012-13 has been paid to Bombay Stock Exchange and Madras Stock Exchange Limited where the Company's shares are listed.
- (i) Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date & likely impact on equity:
- No Outstanding GDRs/ADRs/Warrants or any Convertible instruments.
- (j) Pursuant to the Guidelines issued by the Securities and Exchange Board of India vide Circular No.D&CC/FITTC/CIR-15/2002 dated 27<sup>th</sup> December, 2002 regarding 'Appointment of Common Agency' for share registry work, the Board of Directors have appointed M/s BIGSHARE SERVICES PRIVATE LIMITED, as Share Transfer Agents.

**(k) Distribution of Shareholding as on 31<sup>st</sup> March, 2012.**

<b>Share holding of Nominal value (Rs.)</b>	<b>Number of Shareholders</b>	<b>%</b>	<b>Number of shares</b>	<b>%</b>
Upto 5000	1,589	61.33	2,98,562	1.07
5001-10000	402	15.52	2,98,468	1.07
10001-20000	216	8.34	3,20,501	1.15
20001-30000	92	3.55	2,38,558	0.86
30001-40000	25	0.96	88,204	0.32
40001-50000	41	1.58	1,94,417	0.70
50001-100000	96	3.70	6,81,600	2.45
100001 & above	130	5.02	2,57,17,659	92.38
<b>Total</b>	<b>2,591</b>	<b>100.00</b>	<b>2,78,37,969</b>	<b>100.00</b>

**(l) Shareholding Pattern as on 31<sup>st</sup> March, 2012.**

<b>Sl.No</b>	<b>Category</b>	<b>No of shares</b>	<b>%</b>
1.	Promoters	1,76,09,586	63.26
2.	Financial Institutions & Banks	13,57,352	4.88
3.	Foreign Institutional Investors	—	—
4.	Non-Resident Indians	38,276	0.14
5.	Corporate Bodies	32,59,931	11.71
6.	Mutual Funds & UTI	—	—
7.	Others	55,72,824	20.01
	<b>Total</b>	<b>2,78,37,969</b>	<b>100.00</b>

**(m) Plant Location of the Company :**

Ramapuram Village,

Mellachervu Mandal, Nalgonda District-508 246, Andhra Pradesh

**(n) Address for Correspondence :**

- ❖ For suggestions / Grievances/ Queries  
K.A.N. Subba Rao,  
Company Secretary  
Bheema Cements Limited,  
Regd.Office: 6-3-652/C/A, Fiat 5A,  
Kautilya, Amrutha Estates,  
Somajiguda, HYDERABAD – 500 082  
E-mail ID: [complianceofficer@bheemacements.co.in](mailto:complianceofficer@bheemacements.co.in)
- ❖ For Share Transfer / Dematerialization / Consolidation / Split of Shares,  
Issue of Duplicate Share Certificates and Change of Address of members:  
M/s BIGSHARE SERVICES PRIVATE LIMITED  
306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital,  
Somajiguda, Rajbhavan Road, Hyderabad – 500 082  
Phone: +91-40-23374967, Fax: +91-40-23370295  
E-mail ID: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

**(o) Depository Services:**

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

<p>National Securities Depository Limited Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91-22-24972964 to 70 Fax: +91-22-24972993 / 24976351 Email: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a></p>	<p>Central Depository Services (India) Limited Phiroze Jeejeebhoi Towers, 28<sup>th</sup> Floor, Dalai Street, Mumbai – 400 023 Tel: +91-22-22723333 Fax: +91-22-22723199 Email: <a href="mailto:investors@cDSLindia.com">investors@cDSLindia.com</a></p>
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- (p) Shareholders Right:** The Quarterly & Yearly declaration of financial performance including summary of the significant events in last three months should be known to the shareholders.

As the Company's Quarterly & Yearly results are published in English Newspaper and in Telugu Newspaper (Vernacular language) having wide circulation, the Quarterly & yearly financial information is brought to the knowledge of the shareholders.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

### Overview & Operations of the Company:

Your Company has been in the cement manufacturing business for the last 25 years. It started its business with manufacture of Ordinary Portland Cement and later introduced the Pozzolana Portland Cement in the name and style of "Bheema Cements Super Grade". The Company is also proposing to launch many more innovative and customized products for niche marketing. The Company is also making all out efforts to extend the brand to other areas of Andhra Pradesh and adjacent states, by adopting effective marketing and advertising methods. The Company intends to gradually penetrate into the markets of Tamil Nadu, Karnataka, Orissa, Maharashtra, Kerala, Chhattisgarh and Pondicherry. It has been your Company's endeavor to bring to the Customer a High Quality and Environmentally Friendly product.

### Business Environment:

India is the world's second largest producer of cement. The Indian cement industry has outpaced the growth rates of other prominent industries in the country on the back of factors, such as rising demand from the rural housing sector, increased activity in infrastructure and construction recovery. Further with the increased thrust in the rural areas, the demand for the cement is expected to go upwards. With the increased capacities to meet the demand and better price realizations, the company expects to consolidate its position in the market by becoming a major cement player in the region. The Company also strives to improve its efficiency levels in all areas of its operations by reducing the costs thereby increasing the profits.

### Opportunities and Threats:

There has been a global rise in demand for the cement due to increased activity in infrastructure. As part of Economic revival, most of the countries are spending more money for Infrastructure, as part of Stimulus. India has also witnessed a growth in cement needs with Governments at Centre and State putting their thrust in the areas of infrastructure development like roads, irrigation projects, housing etc. During the First Quarter of the current Financial Year Cement consumption has recorded double digit growth in India. With all this impetus, the Company sees great opportunity for the industry to grow as a whole.

Any adverse changes in the Government policies relating to price interventions, taxes and duties, increase in input costs, power supply interruptions etc may have an effect on the profitability and growth of the industry as a whole.

### Future Outlook:

Government of India has committed to spend Rs.56,00,000/- Crores ( USD 1 Trillion ) for Infrastructure Sector during 12<sup>th</sup> Plan. The rural India, with over 0.6 Million villages, provides enormous growth opportunities for cement manufacturers in the country. Under the Bharat

Nirman Yojana, the Indian government has allotted INR 480 Billion for the rural infrastructure programs. This thrust on the rural infrastructure development is expected to raise the cement consumption in the coming years. Union Budget 2012 has given clearance for FDI into Low cost housing, augurs well. With the demand for low-cost housing increasing in rural and semi-urban areas, the cement sales may rise up to 30% in the rural market. The increase in the cement demand can be attributed to the revival of infrastructure and real estate projects. It is anticipated that the industry players will continue to increase their annual cement output in the coming years, and the country's cement production will expand to reach 300 Million Metric Tons by 2013-14. Also severe power cuts across the country may also curtail Cement Industry's Production Capacity to some extent.

**Risks and Concerns:**

While Cement capacity is increasing continuously, the allotment of Coal linkages is decreasing. As a result, Cement Industry is depending heavily on the purchase of Coal from open market, e-auction and import of Coal at exorbitant price. At the same time gypsum, limestone rising cost and fly ash prices have also gone up substantially. The rise in power and fuel prices has also pushed up cost of production for cement companies. Though Cement is the most essential infrastructure input, the Tax and Duties on Cement is the highest among the items required for building infrastructure. The hike in lending rates by banks to realty sector may also effect the demand for the cement from the real estate sector with many big projects being delayed especially in major metropolitan cities. Hence any change in policies of the Government, increase in input costs, drop in demand due to adverse market conditions, may affect the performance of the company and its profitability.

**Internal Control Systems and their adequacy:**

The company has adequate Internal control systems that commensurate with the size of the company. The Company is also continuously monitoring its control systems and upgrading itself to meet the market dynamics.

**Cautionary Statement:**

*Statement in this "Management Discussion & Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations including global and Indian demand and supply conditions, increased installed capacities, finished goods prices, raw materials supply and availability and their prices, cyclical demand and pricing in the company's markets, changes in Government regulations, tax regimes, besides other factors such as litigations and labour negotiations.*

**CEO / MD CERTIFICATE**

The Board of Directors

**BHEEMA CEMENTS LTD**

I certify that :

1. I have reviewed the financial statement, read with the cash flow statement of Bheema Cements Limited (the Company) for the year ended 31st March, 2012 and to the best of my knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements and other financial information included in this report present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. Based on the recent most evaluation on internal controls and systems I have to state
  - (i) that there were no deficiencies in the design or operation of internal controls, which I am aware;
  - (ii) that there have been adequate internal controls in the company,
  - (iii) that there was no fraud, which I have become aware of and that involves managements or other employees who have a significant role in the Company's internal control systems;

Date: 30-05-2012

Sd/-  
**S.R.B. RAMESH CHANDRA**  
MANAGING DIRECTOR

**DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29 October, 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2011-12 as envisaged in Clause 49 of the Listing agreement with Stock Exchange.

Place: Hyderabad  
Date: 30-05-2012

Sd/-  
**S.R.B. RAMESH CHANDRA**  
MANAGING DIRECTOR

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
M/s.Bheema Cements Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Bheema Cements Limited, for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A Ramachandra Rao & Co.**  
Chartered Accountants  
ICAI FRN: 002857S

Sd/-

**(P.S.R.V.V. Surya Rao)**

Partner

Membership No.202367

Place: Hyderabad

Date: 30-05-2012

## AUDITORS' REPORT

To  
The Members of  
M/s.Bheema Cements Limited,

We have audited the attached Balance Sheet of M/s. Bheema Cements limited, as at 31<sup>st</sup> March, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, and amendments thereto made from time to time, issued by the Central Government of India in terms of sub – section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards, referred to in sub - section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant Accounting Policies and other notes thereon, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;
- a) In the case of Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2012;
- b) In the case of Profit and Loss Account, of the Loss for the Year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the Year ended on that date.

**For A.RAMACHANDRA RAO & CO.,**  
Chartered Accountants  
**ICAI FRN : 002857S**

Place: Hyderabad,  
Date: 30-05-2012

**Sd/-**  
**(A. RAMACHANDRA RAO)**  
Partner  
Membership No. 9750

**ANNEXURE TO THE AUDITOR'S REPORT**

(Of even date referred to in Para 3 of our Report)

Re: M/s. Bheema Cements Limited

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) All the Fixed Assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion, is reasonable having regard to the size of the company and the nature of its assets and to the best of our knowledge no material discrepancies were noticed on such verification;
- (c) In our opinion, the Company has not disposed off any substantial part of Fixed Assets during the year and the going concern status of the company is not affected;
- (ii) (a) As explained to us inventories have been Physically verified by the Management at regular intervals during the year;
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records;
- (iii) Based on the information and explanations provided to us, the company has not granted or taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Act during the year. Accordingly the sub-clauses (b),(c),(d),(e) and (f) of clause 4(iii) are not applicable for the year.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the internal control.
- (v) In our opinion, and according to the information and explanations given to us, the company has not entered into any transactions referred to in section 301 of the Act and

hence clause 4(v) is not applicable to the company.

- (vi) Based on the information provided to us, the Company has not accepted any deposits from the public during the year and hence, in our opinion, the clause 4(vi) is not applicable to the company for the year.
- (vii) In our opinion, in view of the expansion, the company needs to further strengthen the internal audit system so as to commensurate with its size and nature of its business.
- (viii) We are of the opinion, based on information provided to us, that the accounts and records, as prescribed by the Central Government under Sec. 209(1)(d) of the Act in respect of maintenance of cost records, have been made and maintained.
- (ix)
  - a) According to the records of the Company, the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty and Cess, Investor Education and Protection Fund with the appropriate authorities. We have been informed that the provisions of Wealth Tax are not applicable to the company.
  - b) According to the information and explanations given to us, there are no dues of Sales Tax/Income Tax/Wealth Tax/Customs Duty/Excise Duty/Cess to be deposited on account of any dispute;
- (x) In our opinion, based on the explanation offered to us, the accumulated losses of the company are less than fifty percent of its net worth and it has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- (xi) Based on the information provided and explanations given to us, in our opinion, pursuant to implementation of a Debt Restructuring Package, the company has not defaulted in repayment of dues to its lending bankers and hence the sub-clause (xi) is not applicable to the company for the year.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

- (xiv) In our opinion, the Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- (xv) As per the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and based on the explanations given to us, the Term Loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that the funds raised on short-term basis have not been used specifically for long-term investments.
- (xviii) In our opinion and based on the information provided and explanations offered, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Companies Act, 1956 and hence sub-clause (xviii) of the order is not applicable to the company for the year.
- (xix) The Company has not issued any debentures and not created any securities or charges in respect of any debentures.
- (xx) In our opinion and based on the explanations given to us, the Company has not raised any money by Public issue during the year.
- (xxi) In our opinion and according to the information provided and explanations offered to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For A. RAMACHANDRA RAO & CO.,**

Chartered Accountants

ICAI FRN: 002857S

Sd/-

**(A. RAMACHANDRA RAO)**

Partner

Membership No. 9750

Place: Hyderabad,

Date: 30.05.2012.

**BHEEMA CEMENTS LTD**
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

		As at 31-03-2012 (Rs in Lakhs)		As at 31-03-2011 (Rs in Lakhs)	
<b>I EQUITY AND LIABILITIES</b>					
	<b>Note No.</b>				
(1) Share Holder's Funds					
(a) Share Capital	1	4,640.65		2,648.06	
(b) Reserves and Surplus	2	10,373.61		10,552.55	
			<b>15,014.26</b>		<b>13,200.61</b>
(2) Share Application Money Pending Allotment	3		<b>4,825.16</b>		<b>4,141.66</b>
(3) Non Current Liabilities					
(a) Long Term Borrowings	4	17,386.92		16,480.79	
(b) Deferred Tax Liability (Net)		1,382.06		1,435.01	
(c) Other Long Term Liabilities	5	4,688.43		4,112.11	
(d) Long-Term Provisions	6	41.41		33.31	
			<b>23,498.82</b>		<b>22,061.22</b>
(4) Current Liabilities					
(a) Short - Term Borrowings	7	4,582.68		4,374.73	
(b) Trade Payables	8	1,597.39		2,091.81	
(c) Other Current Liabilities	9	1,539.48		2,423.80	
			<b>7,719.55</b>		<b>8,890.34</b>
<b>TOTAL</b>			<b>51,057.79</b>		<b>48,293.83</b>
<b>II. ASSETS</b>					
(1) Non-Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets (Net)		17,393.09		18,294.93	
(ii) Intangible Assets (Net)		2,200.06		2,346.73	
(iii) Capital Work In Progress		21,899.80		19,265.32	
Total Assets		41,492.95		39,906.98	
(b) Long Term Loans & Advances	11	281.21		215.87	
			<b>41,774.16</b>		<b>40,122.85</b>
(2) Current Assets					
(a) Inventories	12	3,132.00		4,329.34	
(b) Trade Receivables	13	4,031.49		3,225.19	
(c) Cash and Cash Equivalents	14	415.01		181.77	
(d) Short Term Loans and Advances	15	1,691.84		428.50	
(e) Other Current Assets	16	13.29		6.18	
			<b>9,283.63</b>		<b>8,170.98</b>
<b>TOTAL</b>			<b>51,057.79</b>		<b>48,293.83</b>
Significant Accounting Policies	25				
Notes To Accounts	26				

**As per our Report Attached**
**For A. RAMACHANDRA RAO & CO.,**

 Chartered Accountants  
 ICAI FRN : 002857S

Sd/-

**A. RAMACHANDRA RAO**

 Partner  
 Membership No. 9750

**For and on behalf of the Board**

Sd/-

**S. CHANDRA MOHAN**

Chairman

Sd/-

**S.R.B. RAMESH CHANDRA**

Managing Director

Sd/-

**K.A.N. SUBBA RAO**

Company Secretary

Place : Hyderabad

Date : 30.05.2012

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

	Note No	For the year ended <b>31-03-2012</b> (Rs in Lakhs)	For the year ended <b>31-03-2011</b> (Rs in Lakhs)
I Revenue from operations (Net of Excise Duty)	17	14,507.76	8,245.68
II Other Income	18	16.03	46.67
<b>III Total Revenue (I + II)</b>		<b>14,523.79</b>	<b>8,292.35</b>
<b>IV Expenses</b>			
Cost of material consumed	19	2,754.96	2,803.89
Changes in Inventory of Finished Goods & Work - In - Progress	20	1,076.36	(842.69)
Employees Benefit Expenses	21	1,043.38	1,336.48
Finance Cost	22	1,173.03	1,178.18
Depreciation and Amortization Expenses	23	427.14	428.07
Other Expenses	24	8,610.42	5,548.22
<b>Total Expenses</b>		<b>15,085.29</b>	<b>10,452.15</b>
V Profit / (Loss) before Exceptional and Extraordinary items and tax (III - IV)		(561.50)	(2,159.80)
VI Exceptional Items		0.00	0.00
<b>VII Profit / (Loss) before Extraordinary items and tax (V - VI)</b>		<b>(561.50)</b>	<b>(2,159.80)</b>
VIII Extraordinary Items		0.00	0.00
IX Profit / (Loss) before tax (VII - VIII)		(561.50)	(2,159.80)
<b>X Tax Expenses</b>			
(1) Current Tax		0.00	0.00
(2) Deferred Tax Liability /(Asset)		(52.95)	(3.85)
(3) Earlier Year's Income Tax		0.81	1.06
XI Profit/(Loss) for the period from continuing operations (IX - X)		(509.36)	(2,157.01)
Net Surplus / (Loss) brought forward from the previous year		(945.43)	1211.58
Net Surplus / (Loss) transferred to Balance sheet		(1,454.79)	(945.43)
<b>XII Earnings per Equity Share</b>			
(1) Basic		(1.83)	(8.15)
(2) Diluted		(1.83)	(8.15)
(Refer note of NOTE NO 26 -VII)			
Significant Accounting Policies	25		
Notes To Accounts	26		

**As per our Report Attached**
**For A. RAMACHANDRA RAO & CO.,**

Chartered Accountants

ICAI FRN : 002857S

Sd/-

**A. RAMACHANDRA RAO**

Partner

Membership No. 9750

Place : Hyderabad

Date : 30.05.2012

**For and on behalf of the Board**

Sd/-

**S. CHANDRA MOHAN**

Chairman

Sd/-

**S.R.B. RAMESH CHANDRA**

Managing Director

Sd/-

**K.A.N. SUBBA RAO**

Company Secretary

<b>NOTE NO "1"</b> <b>SHARE CAPITAL</b>	<b>As at</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>As at</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
<b>AUTHORISED</b>		
4,20,00,000 Equity Shares of Rs. 10/- each (Previous year 3,30,00,000 Equity Shares of Rs. 10/- each)	<b>4,200.00</b>	3,300.00
36,00,000 Preference Shares of Rs. 100/- each (Previous year 4,50,000 Preference Shares of Rs. 100/- each)	<b>3,600.00</b>	450.00
	<b>7,800.00</b>	<b>3,750.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES</b>		
2,78,37,969 (Previous year 2,64,80,617) Equity Shares of Rs. 10/- each. Of the above 1,41,80,617 (Previous Year 1,41,80,617) Equity Shares of Rs. 10/- each were allotted as fully paid-up by way of bonus shares by capitalising free reserves and 13,57,352 Equity Shares of Rs. 10/- Each with a premium of Rs. 78/- each were allotted as fully paid-up pursuant to contract with out payment being received in cash	2,783.80	2,648.06
<b>PREFERENCE SHARES</b>		
<b>6% Cumulative Redeemable Preference Shares</b> 12,47,000 (Previous Year Nil) 6% Cumulative Redeemable Preference Shares of Rs.100/- each were allotted as fully paid-up pursuant to contract with out payment being received in cash	1,247.00	-
<b>0% Cumulative Redeemable Preference Shares</b> 6,09,851 (Previous Year Nil) 0% Cumulative Redeemable Preference Shares of Rs. 100/- each were allotted as fully paid-up pursuant to contract with out payment being received in cash	609.85	-
	<b>4,640.65</b>	<b>2,648.06</b>
<b>a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>		
	<b>31-03-2012</b>	<b>31-03-2011</b>
<b>(i) Equity Shares :</b>		
No of shares at the beginning of the year	2,64,80,617	2,64,80,617
Issued during the year	13,57,352	-
<b>Outstanding at the end of the year</b>	<b>2,78,37,969</b>	<b>2,64,80,617</b>
<b>(ii) 6% Cumulative Redeemable Preference Shares</b>		
No of shares at the beginning of the year	-	-
Issued during the year	12,47,000	-
<b>Outstanding at the end of the year</b>	<b>12,47,000</b>	-
<b>(iii) 0% Cumulative Redeemable Preference Shares</b>		
No of shares at the beginning of the year	-	-
Issued during the year	6,09,851	-
<b>Outstanding at the end of the year</b>	<b>6,09,851</b>	-

(b) Details of shares Holders holding more than 5% shares in the company	31-03-12		31-03-2011	
	No. of Shares	% Holding in the Class	No. of Shares	% Holding in the class
<b>(i) Equity</b>				
Vinsri Cement Industries Pvt Ltd	1728266	6.21%	-	-
S. Chandra Mohan	4733927	17.01%	4715559	17.81%
S.R.B. Ramesh Chandra	4733927	17.01%	5382768	20.33%
S. Kishore Chandra	4733927	17.01%	5540806	20.92%
<b>(ii) 6% Cumulative Redeemable Preference Shares</b>				
Axis Bank Ltd	381744	30.62%	-	-
Karnataka Bank Ltd	327147	26.23%	-	-
State Bank of Hyderabad	538109	43.15%	-	-
<b>(iii) 0% Cumulative Redeemable Preference Shares</b>				
Axis Bank Ltd	201716	33.08%	-	-
Karnataka Bank Ltd	119457	19.59%	-	-
State Bank of Hyderabad	285810	46.87%	-	-
<b>NOTE NO "2"</b>				
<b>RESERVES &amp; SURPLUS</b>		<b>As at 31-03-2012 (Rs. in Lakhs)</b>	<b>As at 31-03-2011 (Rs. in Lakhs)</b>	
Central Subsidy		15.00		15.00
Housing Subsidy		10.75		10.75
Capital Reserve		480.00		480.00
Security Premium		1,058.74		-
<b>Mineral Capitalization Reserve</b>				
As per last Balance Sheet	10,745.70		11,474.02	
Add: Capitalization during the period	-		-	
	<b>10,745.70</b>		<b>11,474.02</b>	
Less : Transferred to Profit & Loss Account	<u>728.32</u>	10,017.38	<u>728.32</u>	10,745.70
<b>General Reserve</b>				
As per last Balance Sheet	246.53		246.53	
Add: Amount transferred from Profit and Loss Account	-	246.53	-	246.53
<b>Profit &amp; Loss Account</b>				
		<b>(1,454.79)</b>		<b>(945.43)</b>
<b>TOTAL</b>		<b>10,373.61</b>		<b>10,552.55</b>

<b>NOTE NO "3"</b>	<b>As at</b>	<b>As at</b>
<b>SHARE APPLICLICATION MONEY PENDING FOR ALLOTMENT</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>(Rs in Lakhs)</b>	<b>(Rs in Lakhs)</b>
Share Applilcation Money Pending for Allotment	4,825.16	4,141.66
<b>TOTAL</b>	<b>4,825.16</b>	<b>4,141.66</b>
<b>NOTE NO "4"</b>	<b>As at</b>	<b>As at</b>
<b>LONG TERM BORROWINGS</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>(Rs in Lakhs)</b>	<b>(Rs in Lakhs)</b>
(a) TERM LOAN		
From Banks (Secured)(1)	17,326.41	16,471.43
(b) Long Term Finance Lease Obligation (Secured)(2)	60.51	9.36
<b>TOTAL</b>	<b>17,386.92</b>	<b>16,480.79</b>
<p>1) The Term Loans from banks, of Rs.17,326.41 lakhs, out of which Rs.14,430.17 Lakhs carries an interest rate @ 13.25% (Part of the interest @ 9% per annum till 31-03-2013 and @ 10% per annum during 01-04-2013 to 31-03-2016 would be paid on due dates on cash basis and the balance of 4.25% per annum up to 31-03-2013 and 3.25% per annum of interest from 01-04-2013 to 31-03-2016 will be capitalized into equity shares in case of ICICI Bank and United Bank of India and other lenders CRPS (Zero Coupon) will be allocated and be redeemable after 2020) and the loan is repayable in 31 structured quarterly installments commencing from 30-09-2012 to 31-03-2020 with moratorium of two years from 01-07-2010 to 30-06-2012 and balance of Rs. 2,896.24 Lakhs carries an interest rate of @ 13.25% (Part of the interest @ 10% per annum during 01-04-2011 to 31-03-2016 would be paid on due dates on cash basis and the balance of 3.25% per annum up to 31-03-2016 will be capitalized into CRPS (Zero Coupon) will be allocated and be redeemable after 2020) and the loan is repayable in 28 structured quarterly installments commencing from 30.06.2013 to 31-03-2020 with a moratorium from the date of disbursement to 31-03-2013.</p> <p>All the aforementioned term loans are secured by equitable mortgage by deposit of title deeds by creating First Pari-Passu charge on immovable properties and second Pari-Passu charge by hypothecation of all current assets both present and future subject to First Pari-Passu charge on current assets infavour of companies bankers for working capital and also guaranteed by Promoter Directors in their individual capacities and also by pledge of 1,27,01,781 shares belonging to promoters as additional security.</p>		
<p>2. Finance lease is secured by hypothecation of specific assets.</p>		
<b>NOTE NO "5"</b>	<b>As at</b>	<b>As at</b>
<b>OTHER LONG TERM LIABILITIES</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>(Rs in Lakhs)</b>	<b>(Rs in Lakhs)</b>
<b>UNSECURED LOANS</b>		
From Promoters & Associates	35.09	35.09
Security Deposits from Dealers, Contractors & Others	4,653.34	4,077.02
<b>TOTAL</b>	<b>4,688.43</b>	<b>4,112.11</b>

<b>NOTE NO "6"</b>	<b>As at</b>	<b>As at</b>
<b>LONG TERM PROVISIONS</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>(Rs in Lakhs)</b>	<b>(Rs in Lakhs)</b>
a) Provision for Gratuity	14.84	13.54
b) Provision for Leave Encashment	26.57	19.77
<b>TOTAL</b>	<b>41.41</b>	<b>33.31</b>
<b>NOTE NO "7"</b>	<b>As at</b>	<b>As at</b>
<b>SHORT TERM BORROWINGS</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>(Rs in Lakhs)</b>	<b>(Rs in Lakhs)</b>
<b>Loans Payable on Demand (Secured)</b>		
From Banks	4,582.68	4,374.73
<b>TOTAL</b>	<b>4,582.68</b>	<b>4,374.73</b>
Cash Credits from the aforementioned banks is secured by First Pari-passu charge on Current Assets and Second Pari-Passu charge on Fixed Assets of the Company, and is guaranteed by promoter directors in their individual capacities and also by pledge of 1,27,01,781 shares belonging to promoters as an additional security.		
<b>NOTE NO "8"</b>	<b>As at</b>	<b>As at</b>
<b>TRADE PAYABLES</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>(Rs in Lakhs)</b>	<b>(Rs in Lakhs)</b>
a) For Materials	1,597.39	2,091.81
<b>TOTAL</b>	<b>1,597.39</b>	<b>2,091.81</b>
<b>NOTE NO "9"</b>	<b>As at</b>	<b>As at</b>
<b>OTHER CURRENT LIABILITIES</b>	<b>31-03-2012</b>	<b>31-03-2011</b>
	<b>(Rs in Lakhs)</b>	<b>(Rs in Lakhs)</b>
a) Current Maturities of Long Term Debt	601.26	0.00
(b) Current Maturities of finance lease obligation		
(i) From Banks	32.10	31.33
(ii) From Others	9.96	42.06
(c) Interest accrued and due on borrowings	186.17	12.47
(d) For Expenses	43.20	0.00
(e) For Other Payables	584.73	570.25
(f) For Capital Projects	82.06	541.78
<b>TOTAL</b>	<b>1,539.48</b>	<b>1,267.97</b>
		<b>2,423.80</b>



NOTE NO "10"

(Rs.in Lakhs)

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As at 01-04-2011	Additions During the Year 01-04-2011 31-03-2012	Sales / Adj During the Year 01-04-2011 31-03-2012	As at 31-03-2012	As at 01.04.2011	For the Year 01-04-2011 31-03-2012	Adjustment During the Year 01-04-2011 31-03-2012	As at 31-03-2012	As at 31-03-2011
<b>TANGIBLE ASSETS</b>									
1. LAND	474.88	0.42	-	475.30	-	-	-	475.30	474.88
2. BUILDINGS	1,164.49	1.06	-	1,165.55	201.71	29.45	-	934.39	962.78
3. PLANT & MACHINERY	9,345.42	-	-	9,345.42	1,364.85	342.04	-	7,638.53	7,980.57
4. ELECTRICAL INSTALLATION	341.77	-	-	341.77	221.04	12.51	-	108.22	120.73
5. FURNITURE & FIXTURES	246.32	12.55	-	258.87	124.65	16.78	-	117.44	121.67
6. LABORATORY EQUIPMENT	44.21	-	-	44.21	11.97	2.34	-	29.90	32.24
7. VEHICLES	275.89	124.97	48.32	352.54	72.81	24.02	16.27	271.98	203.08
8. MINING DEPOSITS	10,725.59	-	-	10,725.59	2,326.61	581.65	-	7,817.33	8,398.98
<b>SUB TOTAL - I</b>	<b>22,618.57</b>	<b>139.00</b>	<b>48.32</b>	<b>22,709.25</b>	<b>4,323.64</b>	<b>1,008.79</b>	<b>16.27</b>	<b>5,316.16</b>	<b>17,393.09</b>
<b>INTANGIBLE ASSETS</b>									
MINING LEASE RIGHTS	2,933.41	-	-	2,933.41	586.68	146.67	-	2,200.06	2,346.73
<b>SUB TOTAL - II</b>	<b>2,933.41</b>	<b>-</b>	<b>-</b>	<b>2,933.41</b>	<b>586.68</b>	<b>146.67</b>	<b>-</b>	<b>2,200.06</b>	<b>2,346.73</b>
<b>TOTAL</b>	<b>25,551.98</b>	<b>139.00</b>	<b>48.32</b>	<b>25,642.66</b>	<b>4,910.32</b>	<b>1,155.46</b>	<b>16.27</b>	<b>6,049.51</b>	<b>20,641.66</b>
Capital work in progress	19,265.32	2,634.48	-	21,899.80	-	-	-	21,899.80	19,265.32
	<b>44,817.30</b>	<b>2,773.48</b>	<b>48.32</b>	<b>47,542.46</b>	<b>4,910.32</b>	<b>1,155.46</b>	<b>16.27</b>	<b>6,049.51</b>	<b>39,906.98</b>
Previsous Year	40,198.27	4,707.52	88.49	44,817.30	3,759.81	1,156.39	5.87	4,910.33	39,906.98



<b>NOTE NO "11"</b>	<b>As at 31-03-2012 (Rs in Lakhs)</b>	<b>As at 31-03-2011 (Rs in Lakhs)</b>
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
(Advances recoverable in cash or for value to be received)		
a) Earnest Money Deposit	7.40	11.12
b) Deposits	273.81	204.75
<b>TOTAL</b>	<b>281.21</b>	<b>215.87</b>
<b>NOTE NO "12"</b>	<b>As at 31-03-2012 (Rs in Lakhs)</b>	<b>As at 31-03-2011 (Rs in Lakhs)</b>
(Valued and Certified by Management)		
a) Raw Materials (at Cost)	275.11	178.06
b) Work-in-Process (at Cost)	744.54	1,818.87
c) Finished Goods (at Cost or realisable value) which ever is less	12.63	14.66
d) Stores, Spares and Consumables (at Cost)	2,099.72	2,317.75
<b>TOTAL</b>	<b>3,132.00</b>	<b>4,329.34</b>
<b>NOTE NO "13"</b>	<b>As at 31-03-2012 (Rs in Lakhs)</b>	<b>As at 31-03-2011 (Rs in Lakhs)</b>
<b>TRADE RECEIVABLES</b>		
(Unsecured, Considered good)		
(Receivables recoverable in cash or for value to be received)		
Out standing for over six months from due date	-	-
Other Debts	4,031.49	3,225.19
<b>TOTAL</b>	<b>4,031.49</b>	<b>3,225.19</b>
<b>NOTE NO "14"</b>	<b>As at 31-03-2012 (Rs in Lakhs)</b>	<b>As at 31-03-2011 (Rs in Lakhs)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash Balance on Hand	7.28	11.06
Balance With Banks		
i) In Current Accounts	235.24	36.66
ii) Earmarked Balances with Banks	61.81	60.39
iii) In Fixed Deposit Accounts With Banks	110.68	73.66
<b>TOTAL</b>	<b>415.01</b>	<b>181.77</b>



<b>NOTE NO "15"</b> <b>SHORT TERM LOANS &amp; ADVANCES</b>	<b>As at</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>As at</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered good)		
(Advances recoverable in cash or kind for value to be received)		
a) Advances For Materials etc.,	119.75	70.24
b) Advances For Capital Goods	1,308.58	24.54
c) Advances For Others	115.07	80.82
d) Balance wiht Central Excise	148.44	252.90
<b>TOTAL</b>	<b>1,691.84</b>	<b>428.50</b>
<b>NOTE NO "16"</b> <b>OTHER CURRENT ASSETS</b>		
	<b>As at</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>As at</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
Interest receivable	13.29	6.18
<b>TOTAL</b>	<b>13.29</b>	<b>6.18</b>
<b>NOTE NO "17"</b> <b>SALES</b>		
	<b>For the</b> <b>Year Ended</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
Sale of Cement	13,127.71	8,779.94
Sales of Clinker	3,252.50	468.42
Others	-	-
<b>Total</b>	<b>16,380.21</b>	<b>9,248.36</b>
Less: Excise Duty	1,872.45	1,002.68
<b>NET TOTAL</b>	<b>14,507.76</b>	<b>8,245.68</b>
<b>NOTE NO "18"</b> <b>OTHER INCOME</b>		
	<b>For the</b> <b>Year Ended</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
Sales of Scrap	0.81	36.45
Interest received	15.17	10.10
Miscellaneous Income	0.05	0.13
<b>TOTAL</b>	<b>16.03</b>	<b>46.67</b>
<b>NOTE NO "19"</b> <b>COST OF MATERIAL CONSUMED</b>		
	<b>For the</b> <b>Year Ended</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
Consumption of Raw Materials	1,603.12	1,966.33
Consumption of Stores & Spares	579.23	342.80
Consumption of Packing Material	572.61	494.76
<b>Total</b>	<b>2,754.96</b>	<b>2,803.89</b>

<b>NOTE NO "20"</b> <b>INCREASE/(DECREASE) IN STOCKS</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
<b>(a) Work in Process :</b>		
Opening Stock	1,818.87	975.10
Closing Stock	<u>744.54</u>	<u>1,818.87</u>
	(1,074.33)	843.77
<b>(b) Finished Goods</b>		
Opening Stock	14.66	15.74
Closing Stock	<u>12.63</u>	<u>14.66</u>
	(2.03)	(1.08)
<b>TOTAL</b>	<b><u>(1,076.36)</u></b>	<b><u>842.69</u></b>
<b>NOTE NO "21"</b> <b>EMPLOYEES' BENEFIT EXPENSES</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
Salaries, Wages & Bonus	966.28	1,221.66
Contribution To Provident Fund	21.64	39.26
Contribution To ESI	7.47	2.52
Gratuity	4.62	32.20
Workmen & Staff Welfare Expenses	43.37	40.84
<b>TOTAL</b>	<b><u>1,043.38</u></b>	<b><u>1,336.48</u></b>
<b>NOTE NO "22"</b> <b>FINANCE COST</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
Interest On Working Capital	394.77	383.41
Interest On Term Loan	109.14	173.72
Funded Interest on Term Loan	514.60	463.26
Other Finance Charges	154.52	157.79
<b>TOTAL</b>	<b><u>1,173.03</u></b>	<b><u>1,178.18</u></b>
<b>NOTE NO " 23"</b> <b>DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2012</b> <b>(Rs in Lakhs)</b>	<b>For the</b> <b>Year Ended</b> <b>31-03-2011</b> <b>(Rs in Lakhs)</b>
<b>Depreciation</b>		
Gross Amount as per Note No - 10	1,155.46	1,156.39
Less: Transfer from Mining Revaluation Reserve	<u>728.32</u>	<u>728.32</u>
<b>TOTAL</b>	<b><u>427.14</u></b>	<b><u>428.07</u></b>



NOTE NO "24" OTHER EXPENSES	For the Year Ended 31-03-2012 (Rs in Lakhs)		For the Year Ended 31-03-2011 (Rs in Lakhs)	
<b>Manufacturing Expenses</b>				
Power Consumed	1,215.47		1,167.64	
Coal Consumed	3,696.48	4,911.95	1,835.20	3,002.84
<b>Repairs &amp; Maintenance</b>				
Machinery	221.38		148.50	
Buildings	9.07		6.06	
Other Fixed Assets	22.03	252.48	25.65	180.21
<b>Administrative Expenses</b>				
Rent	70.31		67.56	
Rates & Taxes	11.33		11.50	
Insurance	59.31		43.27	
Bank Charges	61.63		60.90	
Miscellaneous Expenses	360.49		399.57	
Directors Sitting Fees	1.44		0.84	
Cost Audit Fee	0.73		0.66	
Loss on Sale of Fixed Assets	11.84		3.58	
<b>Auditor's Remuneration :</b>				
Statutory Audit Fee	2.21		2.21	
Tax Audit Fee	1.10		1.10	
Reimbursement of Expenses	0.07	580.46	0.07	591.26
<b>Sales Expenses</b>				
Transport Charges & Others	276.71		341.68	
Handling and Delivery Charges	39.08		41.93	
Advertisement & Publicity	281.58		17.61	
Other Sales Expenses	292.65		234.88	
Sales Tax	1,975.51	2,865.53	1,137.81	1,773.91
<b>Total</b>		<b>8,610.42</b>		<b>5,548.22</b>

**NOTE NO "25"****SIGNIFICANT ACCOUNTING POLICIES:****(Rs in lakhs)****I. BASIS OF PREPARATION:**

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles and generally accepted in India and comply with mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 1956, except in respect of mineral deposits and rights which are recorded at estimated realizable value.

**II. USE OF ESTIMATES:**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**III. FIXED ASSETS:**

Fixed Assets are stated at acquisition cost (net of taxes which are claimed as input credits) less depreciation. Capital work-in-progress is stated at Cost. Cost includes installation and expenditure during construction period including interest on borrowings till the date of capitalization. The mineral deposits and mining rights are stated at the estimated realizable value, based on a valuation by an independent valuer.

Depreciation on fixed assets other than those mentioned hereunder has been calculated using the straight-line method at the rates arrived on the basis of useful lives of the assets as estimated by the Management. Assets costing less than Rs. 0.05 are depreciated fully in the year of acquisition.

Depreciation on the mineral deposits and mineral rights has been provided, based on the estimated present value of the consumption over the remaining estimated useful period, at an equated amount of the total consumption so arrived at.

Management estimates the useful life of various assets as follows:

Factory Buildings Owned	28 years
Non-factory Buildings	58 years
Plant & Machinery, Electrical Equipment	26 years
Furniture, Fixtures and Office Equipment	15 years
Vehicles	10 years
Computer Equipment	6 years
Mineral Deposits	13/15/20 years
Mining Rights	13/15/20 years

#### IV. INVENTORIES:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of Stores and Spares and Raw materials are arrived on FIFO basis.

#### V. INVESTMENTS

Investments are classified into Long Term and are carried at cost. Provision for diminution, if any, in the value of each Long Term Investment is made only if such a decline is other than temporary in nature in the opinion of the management.

#### VI. EMPLOYEE BENEFITS:

The Company contributes to the funds administered by the Regional Provident Fund Commissioner towards Provident Fund. Contributions payable to an approved Gratuity Fund (a defined benefit plan), determined by an independent actuary at the Balance Sheet date, are charged to the Profit & Loss Account. Provision for leave encashment cost is made on the basis of actuarial valuation at the Balance Sheet date, carried out by an independent actuary.

#### VI. FOREIGN EXCHANGE TRANSACTIONS:

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on the foreign currency transactions settled during the year are recognized in the profit & Loss A/c except that the exchange differences related to acquisition of fixed assets from a country outside India are adjusted in the carrying amount of the related fixed assets.

#### VIII. REVENUE RECOGNITION:

- i) All income and expenditure are accounted on accrual basis, except other wise stated.



- ii) In respect of derivative contracts, gain/loss is recognized on actual settlement of respective contracts.

Internal Consumption of the Company's end product, which is other wise marketable, is accounted for at a transfer price and is included under sales.

#### **IX. IMPAIRMENT OF ASSETS:**

An Asset is treated as Impaired when the carrying of cost of Assets exceeds its receivable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss received in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **X. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving Substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **XI. DEFERRED INCOME TAXES:**

Deferred Tax charge or credit reflects that tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liability or asset are recognized using the tax rates that have been enacted or substantial enacted by the Balance Sheet date. Deferred Tax assets recognized only to that extent there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtual certainty (as the case may be) to be realized.

**NOTE NO "26"****(Rs in Lakhs)****NOTES TO ACCOUNTS**

- I. Contingent Liabilities not provided for:
  - a) Bank guarantees given for Rs.37.33 (Previous Year Rs. 50.70)
  - b) Estimated Amount of Contracts remaining to be executed on capital account and not provided for Rs.809.74 (Previous Year Rs.3,456.00)
  - c) Claims against the Company not acknowledged as debts: Rs. 31.56 (Previous Year Rs. 31.56)
  - d) Arrears of fixed cumulative Dividend is Rs23.86 (Previous Year Rs. NIL)
- II. Pursuant to sanctioning of a Debt Restructuring package in terms of CDR LOA during the previous year, the company has entered into a Master Restructuring Agreement (MRA) with all bankers during the current year. In terms of the MRA, the Bankers have restructured and rescheduled the existing term loans and other facilities and their terms of repayment. Further the company has also been sanctioned fresh term loans, a major portion of which has been released, to complete the expansion project. The breakup of such loans and the particulars of the term and conditions of payment of interest and repayment of loans are given in Note No. 4.

**III. REVALUATION AND ACCOUNTING OF MINERAL DEPOSITS AND RIGHTS:**

The management had revalued and accounted the value in respect of mineral deposits and mining rights, during the earlier financial year, based on an estimate of the mineral quantities by M/s. C.C.Geo Engineering Consultants (P) Ltd. and of the realizable value by M/s. G.S.Sekhar, Chartered Accountants. According to the accounting policy adopted in this regard, during that year, the amount so revalued and included in the Fixed Assets is Rs.10,725.59 on account of Mineral Deposits and Rs. 2,933.41 on account of Mining Rights totaling to Rs.13,659.00 During the year an amount of Rs.728.32 (previous year Rs.728.32) has been provided as depreciation and an amount equal to such depreciation has been with drawn from the Mineral Capitalization Reserve.

**IV. SEGMENT REPORTING:**

In terms of the Accounting Standard 17 relating to "Segment Reporting", the company operated only in Cement business segments during the year and operates only in one geographical segment viz. India. Considering the source and nature of risks and returns the business segment will be the primary segment for this purpose and there are no

secondary segments. Consequently, in view of the management based on control purposes, there are no reportable secondary segments in terms of the AS and hence the requirements there-under are not applicable to the company for the year.

**V. RELATED PARTY TRANSACTIONS:**

The Company has no related parties other than the key management personnel and relatives of such personnel in terms of Accounting Standard 18, in respect of the related party disclosure. The company paid remuneration to the Chairman, Managing Director and Whole time Director among the key management personnel of Rs. 24.00 each (Previous Year of Rs. 122.88 each) respectively. The company has no related party transactions with the relatives of key management personnel. In addition, the Company has paid Rs. 1.44 (Previous Year Rs.0.84) as Directors Sitting fee to all the Independent Directors.

**VI. DEFERRED TAXATION:**

Deferred Tax Liability included in the Balance Sheet comprises the following:

S.No	Particulars.	As at 31-03-2012 (Rs in Lakhs)	As at 31-03-2011 (Rs in Lakhs)
<b>A) Deferred Tax Assets</b>			
	Unabsorbed allowances	0.00	0.00
	Provision for expenses	52.95	3.85
		<u>52.95</u>	<u>3.85</u>
<b>B) Deferred Tax Liabilities</b>			
	Fixed Assets	1,435.01	1,438.86
<b>C) Deferred Tax Liability (Net) (A-B)</b>		<u>1,382.06</u>	<u>1,435.01</u>

**VII EARNINGS PER SHARE:**

The Computation of Earnings per Share is set out below:

	2011-2012	2010-2011
(a) Earnings (Amount in Rs. in Lakhs)	(509.35)	(2157.00)
(b) Weighted average number of equity shares outstanding during the year - Basic	2,78,37,969	2,64,80,617
(c) Weighted average Number of equity shares outstanding during the year - Diluted	2,78,37,969	2,64,80,617
Earnings per Share		
Basic (face value of Rs.10/-) (Rs.)	(1.83)	(8.15)
Diluted (face value of Rs.10/-) (Rs.)	(1.83)	(8.15)

**VIII. HOUSING SUBSIDY:**

The Company has received a sum of Rs.10.75 from Government of India during earlier years for the purpose of constructing 50 tenements for housing to its personnel in its Limestone Mines. The Company has entered into an agreement with Government of India for a period of 20 years.

IX. The company has not received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been made.

**X. REALIZATION OF ASSETS:**

The Board is of the opinion that the Assets other than Fixed Assets have a value on realization in the ordinary course of business at least to the amount at which they are stated.

XI. The following table set out the status of the gratuity plan as required under AS 15 (Revised).

**Reconciliation of opening and closing balances of the deferred benefit obligation:**

PARTICULARS	For the Year Ended 31.03.2012 (Rs. in Lakhs)	For the Year Ended 31.03.2011 (Rs. in Lakhs)
Opening defined benefit obligation	84.70	58.45
Current Service Cost	7.53	5.73
Interest Cost	6.78	4.68
Actuarial losses/ (gain)	-3.95	18.32
Benefits Paid	-1.90	-2.48
<b>Closing defined obligation</b>	<b>93.16</b>	<b>84.70</b>
<b>Change in the fair value of assets</b>		
Opening value of plan assets	98.25	67.42
Expected return on plan assets	9.04	6.41
Actuarial gains / (losses)	0.00	0.00
Contribution by employer	2.61	26.89
Benefits Paid	-1.90	-2.48
Closing balance of plan assets	<b>108.00</b>	<b>98.25</b>

PARTICULARS	For the Year Ended 31.03.2012 (Rs. in Lakhs)	For the Year Ended 31.03.2011 (Rs. in Lakhs)
<b>Amount recognized in the Balance Sheet :</b>		
Present Value of funded obligations	93.16	84.70
Fair value of plan assets	-108.00	-98.25
Net liability	-14.84	-13.54
Amounts in the balance sheet		
Provision for gratuity	14.84	13.54
<b>Net Liability/(asset)</b>	<b>14.84</b>	<b>13.54</b>
<b>Amount recognized in statement of Profit and Loss Account:</b>		
Current Service Cost	7.53	5.73
Interest on Defined Benefit Obligation	6.78	4.68
Expected return on plan assets	-9.04	-6.41
Net actuarial losses/ (gain) recognized in year	-3.95	18.32
Amount included in "Employee Benefit Expense"	1.32	22.32
Actual return on plan assets	<b>9.04</b>	<b>-6.41</b>
XII. Consumption of Raw Materials and value of Inventories includes Royalty and other levies paid to Government to the extent of Rs. 293.38 (previous year Rs. 233.57).		
<b>XIII. Raw Materials consumed during the year</b>	<b>2011-12 Value (Rs. in Lakhs)</b>	<b>2010-11 Value (Rs. in Lakhs)</b>
1. Lime Stone	822.64	578.49
2. Gypsum	119.02	118.91
3. Fly ash	467.34	382.49
4. Others	194.12	886.44
<b>Total</b>	<b>1,603.12</b>	<b>1,966.33</b>
<b>XIV Foreign Exchange transactions :</b>	<b>2011-12 Value (Rs. in Lakhs)</b>	<b>2010-11 Value (Rs. in Lakhs)</b>
1. Towards Capital Expenditure	20.22	NIL
2. Foreign Travel	NIL	NIL
<b>Total</b>	<b>20.22</b>	<b>NIL</b>

**XV. Value of imported and indigenous Raw Materials Consumption and percentage of each in total consumption.**

Si.	2011-12		2010-11	
	Value (Rs. in Lakhs)	% Of Consumption	Value (Rs. in Lakhs)	% Of Consumption
<b>1. Raw materials</b>				
a) Imported	0	-	0	-
b) Indigenous	<b>1,603.12</b>	<b>100%</b>	1,966.33	100%
<b>2. A. Consumables</b>				
a) Imported	1.58	0.27%	0	-
b) Indigenous	<b>577.65</b>	<b>99.73%</b>	342.80	100%
<b>B. Coal</b>				
a) Imported	0	-	0	-
b) Indigenous	<b>3,696.48</b>	<b>100%</b>	1,835.20	100%

XVI. Previous Year figures have been regrouped as per New Revised Schedule VI to conform to the groupings adopted in these accounts.

XVII. The amounts except the Share data and quantitative information have been rounded off to the nearest Lakh rupees and fraction thereof up to two decimals.

As per our Report Attached  
 For **A.RAMACHANDRA RAO & CO.,**  
 Chartered Accountants  
 ICAI FRN: 002857S  
 Sd/-  
**A.RAMACHANDRA RAO**  
 Partner  
 Membership No.9750

For and on behalf of the Board  
 Sd/-  
**S.CHANDRAMOHAN**  
 Chairman  
 Sd/-  
**S.R.B. RAMESH CHANDRA**  
 Managing Director

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

Place: Hyderabad  
 Date:30-05-2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

	For the Year Ended 31-03-2012 (Rs in Lakhs)	For the Year Ended 31-03-2011 (Rs in Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Exceptional and Extraordinary items and tax	(561.50)	(2,159.80)
Extraordinary items adjusted for :		
Interest	1,173.03	1,178.18
Depreciation	427.14	428.07
Earlier Year's Income Tax	(0.81)	(1.06)
(Profit) / Loss on sale of Fixed Assets & Investments	11.84	3.58
<b>Operating Profit before working Capital changes</b>	<b>1,049.70</b>	<b>(551.03)</b>
Adjusted for		
(Inc) / Dec. in Inventories	1,197.34	(1,330.98)
(Inc) / Dec. in Trade Receivables	(806.30)	(1,499.05)
(Inc) / Dec. in Short Term Loans and Advances	(1,263.34)	980.11
(Inc) / Dec. in Other Current Assets	(7.11)	(2.07)
(Inc) / Dec. in Long Term Loans and Advances	(65.34)	18.00
Inc / (Dec.) in Current Liabilities	(1,170.79)	4,708.12
<b>Cash Generated from Operations</b>	<b>(1,065.84)</b>	<b>2,323.10</b>
Less : Interest on Working Capital, Term Loan & Others	1,173.03	1,178.18
Less : Provision for Taxation	0.00	0.00
Less : Provision for proposed dividend and dividend tax	0.00	0.00
<b>Net Cash Flow from Operating Activities</b>	<b>(2,238.87)</b>	<b>1,144.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,773.48)	(4,641.27)
Sales of Fixed Assets & Investments	20.21	12.78
<b>Net Cash Flow from Investing Activities</b>	<b>(2,753.27)</b>	<b>(4,628.49)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

	For the Year Ended 31-03-2012 (Rs in Lakhs)	For the Year Ended 31-03-2011 (Rs in Lakhs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Forfeiture of Share Application Money-Convertible Warrants	0.00	480.00
Proceeds from Equity Deposit / Share Capital / Security Premium	3,734.83	1,221.36
Inc. / (Dec.) in Long Term Borrowings	906.13	513.63
Inc. / (Dec.) in Other Long Liabilities	576.32	1,049.23
Inc. / (Dec.) in Long Term Provisions	8.10	14.66
<b>Net cash Flow from Financing Activities</b>	<b>5,225.38</b>	<b>3,278.88</b>
<b>D. NET INCREASE IN CASH AND</b>		
<b>CASH EQUIVALENTS</b>	<b>233.24</b>	<b>(204.69)</b>
Cash and Cash Equivalents as at the Commencement of the year	181.77	386.46
Cash and Cash Equivalents as at the close of the year	<b>415.01</b>	<b>181.77</b>

As per our Report Attached

For **A.RAMACHANDRA RAO & CO.,**  
Chartered Accountants  
ICAI FRN: 002857S

Sd/-

**A.RAMACHANDRA RAO**

Partner

Membership No.9750

For and on behalf of the Board

Sd/-

**S.CHANDRA MOHAN**

Chairman

Sd/-

**S.R.B. RAMESH CHANDRA**

Managing Director

Sd/-

**K.A.N. SUBBARAO**

Company Secretary

Place: Hyderabad

Date: 30.05.2012



**ELECTRONIC CLEARING SERVICES (CREDIT CLEARING) MANDATE FORM  
FOR PAYMENT OF DIVIDEND**

To  
**BIG SHARE SERVICES PRIVATE LIMITED**  
 Unit: Bheema Cements Limited  
 G-10, Left Wing, Amrutha Ville,  
 Opp. Yashoda Hospital, Somajiguda  
 Rajbhavan Road  
 HYDERABAD - 500 082  
 Phone No: 040-23374967, Fax: 040-23370295  
 E.Mail ID: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

Share holder's authorization to receive Dividends through Electronic Credit Clearing Mechanism.

Registered Folio No.	ECS Ref. No. : (for Office use only)
Name of the first/sole share holder	
Bank Name	
Branch Address & Telephone NO. of Branch	
Bank Account Number (As appearing on the Cheque Book)	
9 Digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank (Please attach a blank cancelled cheque, or a photocopy of a cheque issued to you by your Bank, for verification of the above	
Account Type (Please tick the Option	<input type="checkbox"/> ★ Savings <input type="checkbox"/> ★ Current <input type="checkbox"/> ★ Cash Credit
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I, hereby declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Bheema Cements Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place:

Date:

Signature of the First Holder

Note:

- Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.  
 In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to NSDL/CDSL as the case may be, through their respective Depository Participants. Shareholders are also requested to note that changes, if any, intimated by the De-mat Account holders directly to the Company will not be considered.

**BHEEMA CEMENTS LTD**

Registered Office: 6-3-652/C/A, Flat 5A, 'Kautilya' Amrutha Estates,  
Somajiguda, Hyderabad - 500 082

**Admission Slip**

Folio No. / Client ID &amp; DP ID \_\_\_\_\_

No. of Shares Held: \_\_\_\_\_

(To be filled in by the  
Shareholder)

I declare that I am Registered Share Holder of the Company \_\_\_\_\_

(Signature of the Shareholder)

I hereby record my presence at the 33rd Annual General Meeting of the Company being held at the Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad - 500 082 on Saturday the 29th Day of September 2012 at 11.00 A.M. as a member / as a Proxy appointed by \_\_\_\_\_

- NOTE :
1. A member / Proxy attending the meeting must complete this admission slip and hand it over at the entrance.
  2. Member intending to appoint a Proxy, should complete the Proxy form below and deposit at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

**BHEEMA CEMENTS LTD**

Registered Office: 6-3-652/C/A, Flat 5A, 'Kautilya' Amrutha Estates,  
Somajiguda, Hyderabad - 500 082

**Proxy Form**

Folio No. / Client ID &amp; DP ID \_\_\_\_\_

No. of Shares Held: \_\_\_\_\_

(To be filled in by the Shareholder)

I / We \_\_\_\_\_ being a Member / Members of Bheema Cements Limited,  
hereby appoint in the District of \_\_\_\_\_ as my / our Proxy to vote for me / us  
on my / our behalf at the 33rd Annual General Meeting of the Company to be held on \_\_\_\_\_.

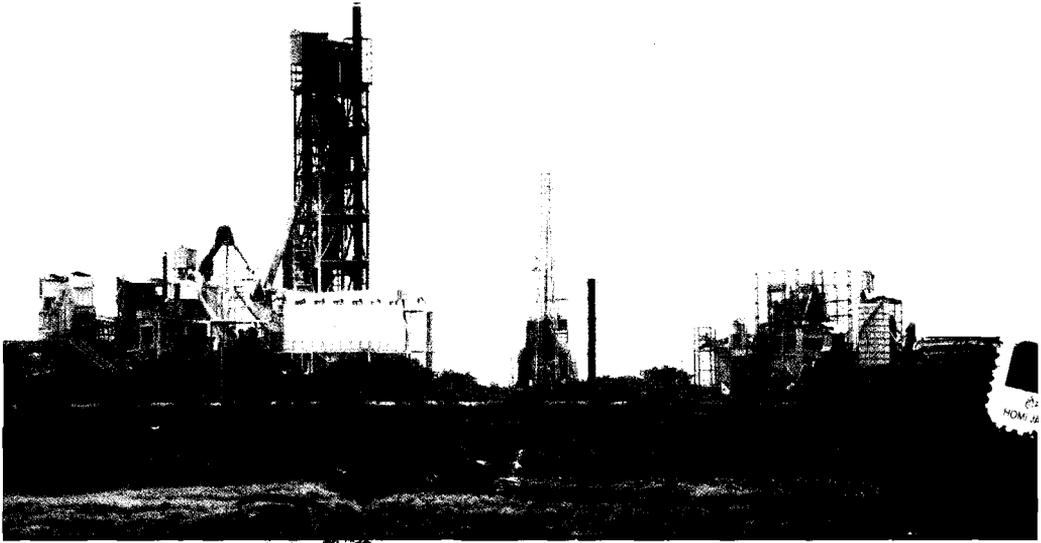
Signed this \_\_\_\_\_ of \_\_\_\_\_  
Name \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

N.B: The Proxy Form should be deposited at the Registered Office of the Company not later than 48 Hours before commencement of the Meeting.



BHEEMA CEMENTS LTD





If undelivered, please return to :

 **BHEEMA CEMENTS LTD**

No. 6-3-652/C/A, Flat 5 A, "KAUTILYA" Amrutha Estates,  
Beside Medinova, Somajiguda, Hyderabad - 500 082.  
E-mail : [info@bheemacements.co.in](mailto:info@bheemacements.co.in)  
[www.bheemacements.co.in](http://www.bheemacements.co.in)