BHEEMA CEMENTS LIMITED

Manufacturers of

BHEEMA CEMENTS

SUPER GRADE

43 & 53 Grade

39th Annual General Meeting

Annual Report 2017-18

CONTENTS

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies Act. As per the Section 101 read with Rule 18 of Companies (Management and Administration) Rules, 2014 of Companies Act, 2013. A member of Company can receive notice in electronic mode via email. Your Company has decided to join the MCA in its environment friendly initiative. Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at: complianceofficer@bheemacements.co.in

We solicit your valuable co-operation and support in our endeavors to contribute our bit to the environment.

CORPORATE INFORMATION

M/s BHEEMA CEMENTS LIMITED
(CIN - L26942TG1978PLC002315)

RESOLUTIONAL PROFESSIONAL

Sri G Madhusudhan Rao	Resolution Professional (appointed by Hon'ble NCLT Hyderabad on 9th July 2018)

BOARD OF DIRECTORS

Sri S. Chandra Mohan	Executive Chairman
Sri S.Kishore Chandra	Managing Director
Smt. Ameeta Trehan	Independent Director
Sri M.H.S.P.Prasad	Independent Director
Sri S.Karthik Sarath Chandra	Joint Managing Director and Chief Executive Officer
Sri Josyula Ramu	Whole Time Director (till 28th May 2018)

AUDITORS	M/s Sastri & Shah Chartered Accountants "Saileela", 7-1-24/2, Begumpet, Hyderabad – 500016
BANKERS / FINANCIAL INSTITUTIONS	JM Financial Asset Reconstruction Company Ltd, Mumbai Corporation Bank
REGISTRAR & SHARE TRANSFER AGENT	Bigshare Services Private Limited 306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500082.
REGISTERED OFFICE	D.No. 6-3-652/C/A, Flat 5A, "Kautilya", Amrutha Estates, Opp. Vijaya Bank, Somajiguda, Hyderabad – 500082, Telangana, India
WORKS	Ramapuram, Mellacheruvu Mandal, Suryapet District, Telangana - 508246

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting (AGM) of the Members of **BHEEMA CEMENTS LIMITED** (CIN: L26942TG1978PLC002315) will be held on 10th Day of December 2018 at 10:30 AM at , Hotel NKM's Grand, 6-3-563/31/1, Off Taj Deccan Road Erramanzil, Somajiguda, Hyderabad – 500082, Telangana, India to transact the following business.

ORDINARY BUSINESS

1. **To receive, consider and adopt the financial statements of the company for the year ended 31st March, 2018, along with the reports of the Board of Directors and Auditors thereon**

2. **To Re-Appoint Sri S Kishore Chandra (DIN: 00974625) as a director, who retires by rotation, and being eligible offers himself for Re-Appointment**

SPECIAL BUSINESS

3. **APPOINTMENT OF SRI S CHANDRA MOHAN (DIN: 00974855) AS THE EXECUTIVE CHAIRMAN CUM WHOLE TIME DIRECTOR OF THE COMPANY.**

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 196, 197 & 203 read with other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the consent of the of the members of the Company be and is hereby accorded in supersession of any earlier members approval to the appointment of Sri S Chandra Mohan, (DIN: 00974855), as the Executive Chairman cum Whole Time Director of the Company for a period of 5 (five) years with effect from 1st April 2018 with no remuneration during the Corporate Insolvency Resolution Process as the company is not in operations.

RESOLVED FURTHER THAT Board be and is hereby authorized to revise the remuneration of the Executive Chairman with the mutual consult between the Board and Sri S Chandra Mohan provided that the remuneration payable shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT Any Director of the Company be and is hereby authorized to file the requisite form and documents to the statutory authorities by applying his Digital Signature thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

For BHEEMA CEMENTS LIMITED

Sd/-
S Chandra Mohan
Executive Chairman

Sd/-
G Madhsudhan Rao
Resolution Professional
IBBI Reg No. IBBI/IPA-001/IP-P00181/2017-2018/10360

Place: Hyderabad
Date: 31st Oct 2018

NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, is annexed hereto.
2. **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.**
3. The Register of members and Share Transfer Books of the Company shall remain closed from 3rd December 2018 to 10th December 2018 (both days inclusive)
4. A person can act as proxy on behalf of Members of not exceeding fifty (50) and holding in the aggregating not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the company carrying voting rights then such proxy shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable.
5. Members desiring any information are requested to write to the Company at its Registered Office, 6-3-652/C/A, Flat 5A, Kautilya, Amrutha Estates, Somajiguda, Hyderabad - 500082 at least one week prior to the date of the Annual General Meeting to enable the Management to keep the information ready.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The annual report is available on Company's website www.bheemacements.net. The annual report has been sent to all the members. If any of the member who has not received the Annual Report can send a request to the Company at 6-3-652/C/A, Flat 5A, Kautilya, Amrutha Estates, Somajiguda, Hyderabad – 500082.
8. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.
9. Members/Beneficial Owners are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the meeting.
10. Brief details of the directors, who are being appointed / re-appointed, are annexed hereto as per the requirements of Regulation 36(3) of SEBI (LODR) Regulations, 2015.
11. The shares of the Company listed on BSE Limited but trading suspended.
12. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are **BIGSHARE SERVICES PRIVATE LIMITED** having their Registered Office at 306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500082.
13. **VOTING THROUGH ELECTRONIC MEANS**
    i. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015 the company is pleased to provide Members` facility to exercise their right to vote at the 39th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It may be noted that using of this e-voting facility is optional.

    ii. P. Surya Prakash, Whole Time Practicing Secretary, R&A Associates (ACS: 18803, C.P.No.11142), has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

    iii. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 3rd December 2018

    iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 3rd December 2018 only shall be entitled to avail the facility of remote e-voting and voting at AGM through polling paper.

v. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 16th November, 2018, may obtain the User ID and password by writing to Bigshare at bsshyd1@bigshareonline.com or contact 040-40144582. However, if the person is already registered for remote e-voting then the existing user ID and password can be used for casting vote.

vi. The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.

vii. The remote e-voting facility will be available during the following period:

COMMENCEMENT OF REMOTE E-VOTING : FROM 9.00 A.M. (IST) ON 7th December, 2018

END OF REMOTE E-VOTING: UP TO 5.00 P.M. (IST) ON 9th December, 2018

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by CDSL upon expiry of aforesaid period.

viii. The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot first and thereafter through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall simultaneously be communicated to BSE Limited.

ix. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 10th December 2018.

INSTRUCTION FOR E-VOTING

(i) The voting period begins on 7th December 2018 at 9:00 AM (IST) and ends on 9th December 2018 at 5:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID
a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in

Details **OR** Date of Birth (DOB)	your Demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(i) Click on the EVSN for the relevant <BHEEMA CEMENTS LIMITED> on which you choose to vote.

(ii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(iii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to

(iv) change your vote, click on "CANCEL" and accordingly modify your vote.

(v) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(vi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(vii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(viii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(ix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

14. All documents referred to in the accompanying notice and statement pursuant to Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 39th AGM of the Company.

15. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office of the Company).

For BHEEMA CEMENTS LIMITED

Sd/-
S Chandra Mohan
Executive Chairman

Sd/-
G Madhsudhan Rao
Resolution Professional
IBBI Reg No. IBBI/IPA-001/IP-P00181/2017-2018/10360

Place: Hyderabad
Date: 31st Oct 2018

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Special Business under the accompanying Notice dated 31st Oct 2018.

IN RESPECT TO ITEM NO. 3:

Executive Chairman is re-appointed w.e.f from 1st April 2018.

IN TERMS OF THE REQUIREMENTS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA, ROUTE MAP FOR THE LOCATION OF THE VENUE OF THE 39TH ANNUAL GENERAL MEETING IS GIVEN BELOW:

Map Information:
Source/Author: Google Maps
Copyright Date: 2018
Title of Map: Hotel NKM's Grand
Map Type: Street Map
URL: https://goo.gl/maps/abi5V3cNA8F2

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are presenting the 39th Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March 2018

1. FINANCIAL RESULTS:

The Financial highlights for the year under review are given below:

(Rs. in lakhs)

Particulars	FY 2017-18	FY 2016-17
Sales and Other Income	0.30	10.68
EBIDTA	-3,396.83	-2,278.43
Interest	116.07	152.71
Depreciation	1,416.76	1,225.33
Profit Before Tax	-3,396.83	2,278.43
Provision for Tax*	0	0
Profit After Tax	-3,396.83	2,278.43
Net Worth	-3,883.67	241.48

2. OPERATIONS :

There were no plant operations and hence no production and sales were recorded. There were only expenditure incurred during this period for the up keeping of the plant & company as a whole.

3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

As per the requirements Section 134(3) (I) of the Companies Act, 2013, we declare that, there are below significant material changes and commitments affecting financial position of the Company between 31st March, 2018 and the date of Board's Report.

There are ongoing legal cases between JMFARC and Bheema Cements Limited at DRT and NCLT.

On 9th July 2018, Hon'ble NCLT Hyderabad passed orders admitting the company into CIRP process wherein Interim Resolution Professional was appointed and CIRP process shall take 180 days' time.

4. CHANGE IN THE NATURE OF BUSINESS:

As per the requirements Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014, we want to declare that, there is no significant change in the nature of business of the Company during the last financial year.

5. SHARE CAPITAL AND CLASSIFICATION OF COMPANY:

The authorized capital of the Company as on 31st March, 2018 was Rs. 78,00,00,000/- divided into 4,20,00,000 equity shares of Rs.10/- each and 36,00,000 preferential shares of Rs. 100 each.

The Subscribed, Issued and Paid-up capital of the Company as on 31st March, 2018 was Rs.55,70,35,600/- divided into 5,57,03,560 equity shares of Rs. 10/- each.

6. DIVIDEND

Our directors express their inability to recommend any dividend for the financial year 2017-2018 due to no operation in the business.

7. FIXED DEPOSITS:

Your Company has not accepted/invited any deposits from the public for the year under review as per Section 73 of the Companies Act, 2013 and the rules made there under.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. RETIREMENT BY ROTATION:

Pursuant to provisions of the Companies Act, 2013, Sri S Kishore Chandra (DIN: 00974625) Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

B. **APPOINTMENT**:
- Sri Josyula Ramu as Whole Times Director of the Company*
- Sri S Chandra Mohan as Executive Chairman of the Company

** appointed by the Board of Director in its Meeting held on 17th August 2017*

C. **CESSATION**:
- Sri Josyula Ramu has resigned as Whole Time Director of the Company w.e.f. 28th May 2018 citing personal reasons.

D. **FAMILIARIZATION PROGRAM**:
No new Independent Director inducted into the Board

E. **EVALUATION OF THE BOARD'S PERFORMANCE**:
As per provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR) Regulations, 2015, The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual directors which includes criteria for performance evaluation of executive and non-executive director.

The Directors were overall satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

F. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**:
Management's Discussion and Analysis Report for the year under review, in terms of the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, presented in a separate section forming part of the Annual Report. *Annexure I*

G. **REMUNERATION POLICY**:
The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is attached to this report as *Annexure II*.

H. **DECLARATION BY INDEPENDENT DIRECTORS**:
In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed to the Company that he or she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b)of the SEBI (LODR) Regulations, 2015..

I. **DIRECTORS' RESPONSIBILITY STATEMENT:**
To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) **THAT** in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) **THAT** the directors had selected such accounting policies and applied them consistently 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) **THAT** the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) **THAT** the directors had prepared the annual accounts on a going concern basis;

(e) **THAT** the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) **THAT** the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

J. **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Board of Directors of the Company have adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees to raise concerns and to access the Audit Committee in good faith, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

There were no complaints received during the year 2017-18.

9. **AUDITORS & AUDITORS' REPORT:**

A. **STATUTORY AUDITORS**:

The Statutory Auditors' Report contain the below qualifications:

The Statutory Audit report for the financial year 2017-18 is annexed herewith as *Annexure III* to this Report. Management reply to the Qualifications of the Auditor are mentioned below.

a) Note Nos. 25 (2) which explains the circumstances that lead to accumulated losses and the reasons based on which the accounts have been prepared on Going Concern Basis. The lenders have initiated CIR Proceeding against the company on account of default in payment of their dues under the Insolvency and Bankruptcy Code, 2016 ("Code"), which was admitted by the The Hon'ble National Company Law Tribunal, Hyderabad ("NCLT"). The corporate insolvency resolution process shall be completed within an initial period of One hundred and eighty days, subject to permitted grace period if any required thereafter, falling which, the company will be liquidated. There is a material uncertainty as the ability of the company to continue as going concern, which would depend upon future outcome of the CIR Proceeding. Notwithstanding the fact that the company has not been operating since 2014, has been incurring losses and has not been able to service its debts including interests during the current year as well as during the previous years, company's negative net worth, the financial statements of the Company have been prepared on Going Concern Basis. In our opinion, this will have an effect on the Going Concern Status of the Company. *Management Reply:* *The management is of the opinion that the CIRP process would bring a positive outcome as there shall be a resolution plan to revive the unit in this fiscal year, hence the financials still be considered as Going Concern basis.*
b) Note No.25 (2) (b) which explains the role of Resolution Professional in admitting the claims as per the insolvency code, the consequential impact of which on their carrying amounts is yet to be ascertained/determined and hence, has not been considered in the preparation of the Financial Statements. *Management Reply: After the claims submitted are scrutinized and confirmed then the actual impact would be known.*
c) Note No.25 (2) (c) which explains the role of Resolution Professional in determining the realizable value of the Company Assets, the consequential impact of which on their carrying costs is yet to be ascertained/determined and hence, has not been considered in the preparation of the Financial Statements.

Management Reply: After the valuation report is prepared by the external agency the realizable value of the Company Assets, the consequential impact could be determined.
d) Note No. 25 3 (a) which explains the circumstances leading to non-provision of the interest on cumulative borrowings (from banks including those assigned to ARC) comprising of term loans and working capital dues. We are of the opinion that the interest on the cumulative bank borrowings should have been provided on accrual basis of accounting till the time a formal communication is received from the lender banks / ARC (the assignor), fixing the final liability agreed for settlement. Based on the information provided to us, the amount of such interest not provided in the accounts works out to Rs.5779.16 Lakhs for the current year (previous year Rs.5,187.53 Lakhs). We are also of the opinion that the Company should have provided for the interest on the loans assigned to the ARC from the cut-off date till 31st March 2018, as per the terms and conditions provided in the sanction letter issued by ARC. The impact of non-provision of interest on the loans assigned to the ARC (based on the sanction letter issued by ARC) is that the loss for the year is understated by the above referred amount and the Liabilities are lower to that extent. Based on information provided and explanations offered to us, such liabilities should have been accounted at Rs.46,145.69 lakhs instead of Rs.20,758.09 lakhs. As a result, the loss of the company is understated by Rs.25,387.60 Lakhs (previous year Rs.19,608.53 Lakhs) and the liabilities have been understated on this account by 25,387.60 Lakhs (previous year Rs.19,608.53 Lakhs). *Management Reply: JMFARC has settled the banks for the amounts mentioned in the sanction letter given earlier. Even though the sanction letter was withdrawn by JMFARC, there has been no schedule of payment given by JMFARC, also during the past 2 years there were several instances of discussions of revival via raising working capital through banks, JMFARC providing additional loan by way of 3rd party collateral, etc. Also, there have been discussions on EXIT PLAN for secured lenders and that the amount payable to them would be substantially lower hence the lower amount has been considered.*
e) Note No.25 3 (b) which explains the circumstances in which Dividend on 6% CRPS Capital of Company has not been provided for the current financial year and the previous financial years. Consequent to transition to Ind AS and its applicability in preparation and presentation of financial statements, Company is obligated under Ind AS 32 to treat any fixed dividend payable on mandatorily redeemable preference shares as a liability. However, the Company has not carried out this treatment. The consequential impact of its non-recognition in books of account is that the liability and corresponding loss stands understated for the year by Rs.74.82 lacs and cumulatively by Rs.472.78 lacs. *Management Reply: Management Reply: The 6% CRPS Capital allotment by the Company to agreed lender banks is a consequence of CDR. Company believes that the obligation to pay the dividend arises only in the case of distributable profits. However, the Company's operations stand suspended and Company continues to report operating losses. Company intends to recognize the obligation at the time of EXIT PLAN for its stressed bank outstandings, currently assigned to JMFARC.*
f) Note No.25 (6) (c) which explains the circumstances in which the Deferred Tax Liability has not been provided for the current financial year and the previous financial year. In the absence of adequate information we are not able to quantify the effect of such non provision for the current year. *Management Reply: As there have been no operations of the company during the past 4 years, the management is of the opinion that the deferred tax liability should not be provided for the years FY14-15, FY15-16. FY16-17 & FY17-18.*
g) Note No.25 (14) regarding non-provision of gratuity and provision for leave encashment, the impact of which is not ascertainable in the absence of adequate information. *Management Reply: During the CIR Process, provision for gratuity and leave encashment shall be made. At present it is not ascertainable for want of details.*
h) Note No.25 (23) which explains that the balances of Sundry Debtors, Sundry Creditors, Loans including

deposits and advances are subject to confirmation from and reconciliation with the relevant parties as on the date of balance sheet date. We are not in a position to certify the amounts at which such balances are receivable and payable. *Management Reply: The various balances of Sundry Debtors, Creditors & loans are mainly carry forwarded entries from FY13-14 as the plant was not operational since then. Since past 4 years there have been some funds brought in by the Promoters for revival, upkeeping and safety of the plant.*
i) While framing our qualified opinion as above, we were unable to ascertain/determine the consequential impact of outcome of CIR Proceedings on the following aspects/elements of Financial Statements viz. 1. Recognition of and Provision for Impairment in the value of assets (fixed assets, intangibles, other non-current assets and financial assets), since determination of fair values/liquidation values by approved/register valuers is under process. 2. Recognition of Deferred Tax Assets (DTA), in view of the current non-availability of estimates regarding future realizability of benefits from unabsorbed losses and depreciation and consequent recognition or otherwise of Deferred Tax Assets (DTA). 3. Recognition of claims of operational and financial creditors, since their acceptance and determination of carrying amounts by Resolution Professional is still under process. 4. Accounting for reductions in liabilities (comprising of principle and interest portions) of lenders, on account of impending haircuts and their consequential write backs by way of credits to profit and loss statement. As a result of the matters specified as above, we are unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded assets and liabilities in Balance Sheet and the corresponding elements making up The Statement of Profit and Loss, and Cash Flow Statement. *Management Reply: The management is of the opinion that the above elements are dependent on the outcome of CIRP process, which is still underway, pending outcome. Management continues to be hopeful of a positive outcome as there shall be a resolution plan to revive the unit in this fiscal year. Management accordingly proposes to ascertain, determine and recognize impact of the above in accounts, after the outcome of CIRP process.*

B. SECRETARIAL AUDITOR:

The Company has appointed P. Surya Prakash, Whole Time Practicing Secretary, R&A Associates (ACS: 18803, C.P.No.11142) as Secretarial Auditor. The Secretarial Audit Report (SAR) for the financial year 2017-18 is annexed herewith as *Annexure IV* to this Report.

The board took note of the qualifications in the SAR. The board is reforming the existing internal control systems and compliance team of the company in order to ensure foremost compliance of the applicable rules, law and regulations applicable to the company. Management is taking necessary steps to regularize the violations including filing of application with BSE Ltd for revocation of suspension of trading.

10. TRANSFER TO RESERVES:

The Company is not required to transfer any amount to the General Reserve.

11. HUMAN RESOURCES :

The Company has suspended the operations with effect from March 2014 and in view of the long period of suspension of operations there has been higher attrition of human resources and there are still some key employees in each department at factory and head office working towards revival of the unit.

12. CORPORATE GOVERNANCE:

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance is annexed to the Report on Corporate Governance.

The Company has complied with the requirements about code of conduct for Board members and Senior Management Personnel.

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015 the declaration signed by the Managing Director affirming compliance of the Code of Conduct by the Directors and Senior Management personnel of the Company for the financial year 2017-18 is annexed and forms part of the Corporate Governance Report *Annexure V*.

13. CORPORATE SOCIAL RESPONSIBILITY :

The Company was not required to constitute a CSR Committee as the Company has not met any of the thresholds mentioned in Section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about policy on Corporate Social Responsibility and the initiatives taken are not applicable to the Company. Company is running a School at the factory premises for 250 students.

14. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is enclosed herewith in separate section *Annexure - VI*.

No employee was in receipt of remuneration exceeding Rs. 1,02,00,000/- or more per annum or Rs. 8,50,000/- or more per month as the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel)Rules, 2014 and hence the disclosure as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

15. RELATED PARTY TRANSACTIONS:

The company has provided for remuneration to the Chairman, Managing Director, and Whole Time Director among the key management personnel of Rs.24.00 Lacs each as approved by members. In addition, the Company has provided Rs.4.50 Lacs (Previous Year Rs.5.06 Lacs) as Directors Sitting fee to all the Independent Directors.

Further, the Company has provided for remuneration during the year was Rs 12 Lacs (including last year pending dues) to one relatives of Key Management Personnel.

Further the Promoters have given the following amounts as loans (interest free) to the company during the past several years for the revival of the unit and keeping the unit as an On going concern.

S.Chandra Mohan	– Rs 404.21 Lakhs
S.Kishore Chandra	– Rs 182.79 Lakhs
S.Karthik Sarath Chandra	– Rs 188.36 Lakhs
S.Sasi Rekha	– Rs 3.50 Lakhs

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made any loan, given guarantee, provided security or made investments pursuant to the provisions of Section 186 of Companies Act, 2013 other than the normal course of business.

17. DISCLOSURES:

A. EXTRACT OF ANNUAL RETURN:
Extract of Annual Return of the Company is annexed herewith as *Annexure IX* to this Report.

B. COMPOSITION OF AUDIT COMMITTEE:
The Audit Committee comprises of Sri M H S P Prasad (Chairman), Smt Ameeta Trehan and Sri S. Chandra Mohan as members.

All the recommendations made by the Audit Committee were accepted by the Board.

C. NUMBER OF BOARD MEETINGS:
The Board of Directors of the Company met 5 (Five) times during the year. For further details, please refer report on Corporate Governance.

D. LISTING OF SHARES:
The equity share of the Company is listed with Bombay Stock Exchange (BSE). Listing fees was paid for the financial year 2017-18. Share Trading is suspended. The company with the financial support of JMFARC is in the process of completion of revocation of suspension of the shares in BSE.

On September 2, 2015, Securities & Exchange Board of India issued SEBI (LODR), Regulations 2015 streamlining the provisions of the Listing Agreement for different segments of Capital markets to ensure better enforcement, hence enforcing the Companies to enter into fresh Listing Agreement with the stock exchanges where the shares are listed.

18. RISK MANAGEMENT:
The Board of your company has formulated a risk management policy in connection with the risk that the organization faces in its day to day business such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory etc.

The board reviews the policy in regular interval.

19. FRAUD REPORTING:
Pursuant to Companies Amendment Bill, 2014 there was no case of fraud that has been reported to the Audit Committee or Board during the year.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:
The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, is not applicable since there is no such activity at present being pursued by the Company. *Annexure X*

21. GENERAL:
Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a. The Company has no subsidiaries, joint ventures or associate companies.
b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future. Even though Hon'ble NCLT admitted the case and appointed Insolvency Professional, the Insolvency Process would approve the resolution plan submitted by the bidders for revival of the unit.
c. The Company has in place adequate internal financial controls with reference to financial statements. These controls ensure the accuracy and completeness of the accounting records and preparation of reliable financial statements.

22. POLICY ON SEXUAL HARASSMENT:
There were no complaints/cases pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. ACKNOWLEDGEMENTS :

Your Directors wish to take this opportunity to express their grateful appreciation and deep sense of gratitude to secured lenders & various Departments of Central and State Governments and Statutory Auditors, & 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, Vendors, 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 BHEEMA CEMENTS LIMITED

Sd/-

Place: Hyderabad
S Chandra Mohan

Date: 31st Oct 2018
Executive Chairman

ANNEXURE - I

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments:

Cement is indispensable for nation building and has a direct linkage with the nation's health and growth. The Indian economy has certainly performed creditably compared to most developed and emerging markets of the world in the past year. With a current production capacity of around 366 million tonnes (MT), India is the second largest producer of cement in the world and fueled by growth in the infrastructure sector, the capacity is expected to increase. Even as the economy has made progress, this has yet to show a positive impact on significant demand revival and improved corporate earnings.

Overview & Operations of the Company:

Your Company is primarily engaged in manufacture and sale of Cement including Ordinary Portland Cement and Portland Pozolana Cement. In the domestic market the company operates through a network of dealers and agents for sale of its products. Its major markets include Telangana, Andhra Pradesh, Tamilnadu, Orissa, Kerala, Chhattisgarh, Karnataka, Pondicherry, Andaman & Nicobar and other nearby states. The word "BHEEMA" has captured a sizeable market place in the country.

Opportunities and Threats:

Cement consumption and demand in India has been growing during the last few years due to Government's continuous thrust on infrastructure development. Increase in construction activities of buildings for housing, institutions, and factories; and infrastructure development is key to drive the growth in demand for cement and construction materials. The construction activities are bound to pick up the pace based on the government focus on "Industrial Corridors" and "Industrial Townships" etc., New capital city in A.P, Polavaram Dam Project & Satellite cities across India which will lead to increased infrastructure development activities – New Express highways, new projects in private sector like IT.

The threats of the Industry arise from rising input costs, restricted availability of coal from domestic market, restricted wagon availability and increase in logistics costs due to increase in fuel cost and railway freight.

Future Outlook:

While the Government's commitment of fiscal conservatism and higher expenditure on salaries on account of Pay Commission may likely to have an impact on capital expenditure, it is also expected to lead to demand generation. India has to remain competitive and be able to pass on the benefits to its domestic audience for inclusive and sustained growth. The Government's focus on infrastructure and 'Make in India' are well-placed and the planned expenditure/initiatives will surely benefit the cement industry. Investments in education, training, manufacturing and infrastructure are the need of the hour. We expect much of this incremental demand to come from Government-backed projects. Concretization of roads, dedicated freight corridors, development of Smart Cities, Metro Rail projects, construction of toilets under 'Swachh Bharat Abhiyan' are major thrust areas which can drive cement consumption. Given the enormous need for infrastructure and housing, which require large quantities of cement as a basic building material, the prospect of industry over the medium term is bright. Consistent increase in demand should absorb the excess supply and also improve the utilization of the industry.

Risks and Concerns:

Risk management has always been an integral part of the corporate strategy which complements the organizational capabilities with business opportunities, robust planning and execution. The market conditions, the selling price has picked up nicely during the year under review and at present the price has come down by a margin. The series of recent increase in interest rates, fuel prices and key raw materials are the major constraining factors for increase in demand and have significant impact on the profitability margins of the industry. The threats of the Industry arise from rising input costs, restricted availability of coal from domestic market, restricted wagon availability and increase in logistics costs due to increase in fuel cost and railway freight.

Internal Control Systems and their adequacy:
The Company has adequate system of Internal Financial Controls in place. It had adopted policies pick and procedures regarding financial and operating functions for ensuring the orderly and efficient conduct of its business including adherence to Company's assets, prevention & detection of frauds and errors and timely preparation of reliable financial information

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 labor negotiations.

ANNEXURE- II

REMUNERATION POLICY

1. INTRODUCTION:

Bheema Cements Limited (BCL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. SCOPE AND EXCLUSION:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:
"Director" means a director appointed to the Board of the Company.
"Key Managerial Personnel" means:

(i) the Chief Executive Officer or the Managing Director or the manager;
(ii) the Company secretary;
(iii) the Whole-time director;
(iv) the Chief Financial Officer; and
(v) such other officer as may be prescribed under the Companies Act, 2013

"Nomination and Remuneration Committee" means the committee constituted by BCL Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

4. **POLICY:**

A. Criteria for Appointment of Non-Executive Directors & Independent Directors

a) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
b) In case of appointment of Independent Directors, the Nomination & Remuneration (N&R) Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
c) The N&R committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Companies Act 2013.
d) In case of re-appointment of Non-Executive Directors & Independent Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration of Non-Executive Directors & Independent Directors

i. A Non-Executive Director & Independent Director shall be entitled to receive sitting fees, travelling expenses and incidental expenses for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any amendment or modification thereto as may be in force;

ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

B. Criteria for Appointment of Executive Directors and Key Managerial Personnel (KMP)

For the purpose of appointment of any Executive Director and Key Managerial Personnel (KMP), the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee shall also ensure that the incumbent fulfils such other criteria as laid down under the Companies Act, 2013 read with Rules made there under or other applicable laws.

Remuneration of Executive Directors & KMP

The Board, on the recommendation of the Nomination and Remuneration (N&R) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits prescribed under Companies Act, 2013 including any statutory modification or amendment thereto as may be in force, subject to approval by the shareholders in General Meeting.

i. The Board, on the recommendation of the N&R Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
ii. The remuneration of the Executive Directors and KMP may be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.

C. Remuneration to Other Employees:

i. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.
ii. The remuneration maybe divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus.

ANNEXURE- III

Independent Auditors' Report

Independent Auditors' Report
To The Members of
Bheema Cements Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Bheema Cements Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information, (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis:

Note No.25 (2) (a) to the Financial Statements , wherein it is stated that Corporate Insolvency Resolution Process has been Initiated in case of the Company vide an order of the Hon'ble National Company Law Tribunal, Hyderabad ("NCLT") dated 09/07/2018 under the Provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Pursuant to the order, the management of the Affairs of the company and powers of the board of directors of the company are now vested with the Resolution Professional, who is appointed by Committee of Creditors and Hon'ble NCLT, Hyderabad.

Accordingly, these Financial Statements have been prepared by the Management of the Company and Considered by Resolution Professional.

Basis for Qualified Opinion:

We draw attention to

a) Note Nos. 25 (2) which explains the circumstances that lead to accumulated losses and the reasons based on which the accounts have been prepared on Going Concern Basis.

The lenders have initiated CIR Proceeding against the company on account of default in payment of their dues under the Insolvency and Bankruptcy Code, 2016 ("Code"), which was admitted by the The Hon'ble National Company Law Tribunal, Hyderabad ("NCLT"). The corporate insolvency resolution process shall be completed within an initial period of One hundred and eighty days, subject to permitted grace period if any required thereafter, falling which, the company will be liquidated. There is a material uncertainty as to ability of the company to continue as going concern, which would depend upon future outcome of the CIR Proceeding.

Notwithstanding the fact that the company has not been operating since 2014, has been incurring losses and has not been able to service its debts including interests during the current year as well as during the previous years, company's negative net worth, the financial statements of the Company have been prepared on Going Concern Basis. In our opinion, this will have an effect on the Going Concern Status of the Company.

b) Note No.25 (2) (b) which explains the role of Resolution Professional in admitting the claims as per the insolvency code, the consequential impact of which on their carrying amounts is yet to be ascertained/determined and hence, has not been considered in the preparation of the Financial Statements.

c) Note No.25 (2) (c) which explains the role of Resolution Professional in determining the realizable value of the Company Assets, the consequential impact of which on their carrying costs is yet to be ascertained/determined and hence, has not been considered in the preparation of the Financial Statements.

d) Note No. 25 3 (a) which explains the circumstances leading to non-provision of the interest on cumulative borrowings (from banks including those assigned to ARC) comprising of term loans and working capital dues. We are of the opinion that the interest on the cumulative bank borrowings should have been provided on accrual basis of accounting till the time a formal communication is received from the lender banks / ARC (the assignor), fixing the final liability agreed for settlement. Based on the information provided to us, the amount of such interest not provided in the accounts works out to Rs.5779.16 Lakhs for the current year (previous year Rs.5,187.53 Lakhs).

We are also of the opinion that the Company should have provided for the interest on the loans assigned to the ARC from the cut-off date till 31st March 2018, as per the terms and conditions provided in the sanction letter issued by ARC. The impact of non-provision of interest on the loans assigned to the ARC (based on the sanction letter issued by ARC) is that the loss for the year is understated by the above referred amount and the Liabilities are lower to that extent.

Based on information provided and explanations offered to us, such liabilities should have been accounted at Rs.46,145.69 lakhs instead of Rs.20,758.09 lakhs. As a result, the loss of the company is understated by Rs.25,387.60 Lakhs (previous year Rs.19,608.53 Lakhs) and the liabilities have been understated on this account by 25,387.60 Lakhs (previous year Rs.19,608.53 Lakhs).

e) Note No.25 3 (b) which explains the circumstances in which Dividend on 6% CRPS Capital of Company has not been provided for the current financial year and the previous financial years. Consequent to transition to Ind AS and its applicability in preparation and presentation of financial statements, Company is obligated under Ind AS 32 to treat any fixed dividend payable on mandatorily redeemable preference shares as a liability. However, the Company has not carried out this treatment. The consequential impact of its non recognition in books of account is that the liability and corresponding loss stands understated for the year by Rs.74.82 lacs and cumulatively by Rs.472.78 lacs.

f) Note No.25 (6) (c) which explains the circumstances in which the Deferred Tax Liability has not been provided for the current financial year and the previous financial year. In the absence of adequate information we are not able to quantify the effect of such non provision for the current year.

g) Note No.25 (14) regarding non-provision of gratuity and provision for leave encashment, the impact of which is not ascertainable in the absence of adequate information.

h) Note No.25 (23) which explains that the balances of Sundry Debtors, Sundry Creditors, Loans including deposits and advances are subject to confirmation from and reconciliation with the relevant parties as on the date of balance sheet date. We are not in a position to certify the amounts at which such balances are receivable and payable.

i) While framing our qualified opinion as above, we were unable to ascertain/determine the consequential impact of outcome of CIR Proceedings on the following aspects/elements of Financial Statements viz.

1. Recognition of and Provision for Impairment in the value of assets (fixed assets, intangibles, other non-current assets and financial assets), since determination of fair values/liquidation values by approved/register valuers is under process.

2. Recognition of Deferred Tax Assets (DTA), in view of the current non-availability of estimates regarding future realizability of benefits from unabsorbed losses and depreciation and consequent recognition or otherwise of Deferred Tax Assets (DTA).

3. Recognition of claims of operational and financial creditors, since their acceptance and determination of carrying amounts by Resolution Professional is still under process.

4. Accounting for reductions in liabilities (comprising of principle and interest portions) of lenders, on account of impending haircuts and their consequential write backs by way of credits to profit and loss statement.

As a result of the matters specified as above, we are unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded assets and liabilities in Balance Sheet and the corresponding elements making up The Statement of Profit and Loss, and Cash Flow Statement.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, consequent to the possible effect of the matters described in the basis for qualified opinion, the aforesaid financial statements give the information required by the Act in the manner so required and ***give a true and fair view*** in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that, Except for the matters as stated in 'basis of qualification' paragraph:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure A'.** Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 25 (24) to the financial statements;

ii. Based on the information provided to us, The Company has not entered into any long-term contracts including derivative contracts, and accordingly, the requirement of making provision under the applicable law or accounting standards, for material foreseeable losses, is not applicable.

iii. No amount is outstanding/pending and required to be transferred to the Investor Education and Protection Fund by the Company, as on the date of the financial statements.

2.As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in **'Annexure B'** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sastri & Shah
Chartered Accountants
FRN: 003642S
Sd/-
(C. Pavan Kumar)
Managing Partner
M.N0.205896

Place: Hyderabad
Date: 05/09/2018

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Bheema Cements Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Bheema Cements Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors/Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information provided to us and explanations offered to us, the Company has suspended operations since March 2014 and most of the employees have left the company. The Company is running skeletal operations ever since. In view of this, the Company is exposed to material weakness* and does not have an appropriate internal control system in the financial reporting because of which the operations were conducted without following established processes / procedures.

A material weakness is a deficiency or a combination of deficiencies, in internal Financial Control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion and to the best of our information and according to the explanations given to us, and consequent to the possible effect of the matters described in the basis for qualified opinion, the Company is exposed to material weakness, and in all material respects, does not have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sastri & Shah
Chartered Accountants
FRN: 003642S

Sd/-
(C. Pavan Kumar)
Managing Partner
M.N0.205896

Place: Hyderabad
Date: 05/09/2018

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Bheema Cements Limited of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of the Company's fixed assets:

a) Based on the information provided explanations offered to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information

b) As explained to us, the physical verification of fixed assets could not be carried out during the year, as the factory and operations of the Company have been suspended since March 2014. Based on the information provided and explanations offered to us, the Company has maintained proper records of fixed assets and we are not in a position to comment whether any material discrepancies noticed as the verification could not be taken up during the year. We have been explained that the physical verification will be taken up afresh after resumption of operations and thereupon the effect, if needed, for any material discrepancies will be given in the books of account;

c) According to the information provided to us and explanations offered to us, as the title deeds of the immovable properties are in the custody of the ARC (JM Financial Asset Reconstruction Company Private Limited) on the takeover of the dues from the Banks and we are unable to verify the same, as the same could not be made available to us.

(ii) As explained to us, physical verification of inventories could not be carried out during the year, as the factory and operations of the company have been suspended since March, 2014. Based on the information provided and explanations offered to us, the Company has maintained proper records of inventories and we are not in a position to comment whether any material discrepancies noticed as the verification could not be taken up during the year. We have been explained that the physical verification will be taken up afresh after resumption of operations and thereupon the effect, if needed, for any material discrepancies will be given in the books of account;

(iii) Based on the information and explanations provided to us, the company has not granted unsecured loans, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained u/s Sec. 189 of the Companies Act, 2013 and hence clauses 3(iii) (a) (b) and (c) are not applicable to the Company for the year.

(iv) Based on the information and explanations provided to us, the Company has not granted / taken loans, investments, guarantees, nor offered security / taken security from parties covered under Section 185 and 186 of the Companies Act, 2013 and hence clauses 3(iv) is not applicable to the Company for the year.

(v) Based on the information and explanations provided to us, the Company has not accepted deposits from the public during the year and hence, in our opinion, clause 3(v) of the Order is not applicable to the Company for the year.

(vi) The Central Government has prescribed the maintenance of Cost Records under the Companies (Cost Records and Audit) Rules, 2014 under Section148 (1)(d) of the Companies Act, 2013 and the since the operations of the company have been suspended for more than two years, we are unable to verify whether the cost records as prescribed have been have been maintained by the Company.

(vii) In respect of statutory dues:

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, VAT, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise and other statutory dues have not been regularly deposited with the appropriate authorities. According to the information provided and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as of March 31, 2018 for a period of more than six months from the date of they becoming payable except to the extent shown below:

Sl No	Name of the Statute	Nature of Dues	Amount - Rs	Period to which it relates
1	Central Excise Act	Excise Duty	2,60,20,374	March 2013 and April 2013
2	Central Excise Act	Service Tax	90,00,493	From 1.4.2013 onwards
3	Income Tax Act	TDS	21,655,455	1/4/2013 to 31/3/2018
4	EPF Act	Provident Fund	25,005,831	Oct-13 to 31-03-2018
5	Professional Tax Act	Professional Tax	1,055,150	1/12/2013 to 31/3/2018
6	ESI Act	ESI	2,268,160	November 2013 to March 2018
7	Mines & Mineral Development Act	Royalty on Limestone	4,63,12,194	01/08/2012 to 31/3/2018
8	APVAT Act	VAT	15,93,09,830	01/08/2012 to 31/3/2018
9	Central Sales Tax Act	CST	2,37,10,534	01/08/2012 to 31/3/2018
10	Karnataka VAT Act	VAT	2,68,925	01/08/2012 to 31/3/2018
11	Maharashtra VAT Act	VAT	14,77,845	01/08/2012 to 31/3/2018
12	Orissa VAT Act	VAT	1,17,487	01/08/2012 to 31/3/2018

(b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, VAT which have not been deposited as on 31st March 2018 on account of disputes are as given below:

Sl No	Name of the Statute	Nature of Dues	Amount Rs	Period to which it relates	Forum where the dispute is pending
1	Central Excise Act	Excise Duty	4,12,88,113/-	04/06 to 9/10	CESTAT Bangalore
2	Customs Act	Customs Duty	50,48,700/-	17-3-12 to 28-02-13	Commissioner, C&CE Guntur
3	Income Tax Act	Income Tax	31,56,000	AY 1994-95	Hon'ble High Court of Andhra Pradesh

(viii) Based on the information provided and explanation given to us, we are of the opinion that the Company has defaulted in repayment of dues to Banks or Financial Institutions/ARC, as per details given below:

Name of the Bank	Total amounts Payable as on 31.03.2018 Rs Lacs	Period
Cumulative outstandings payable on Demand		
JMFARC - ICICI Bank	5,543.53	Up to 31.03.2018
JMFARC - Axis Bank	7,354.31	
JMFARC – Karnataka Bank	9,150.80	
JMFARC - State Bank of Hyderabad	8,547.20	
JMFARC - United Bank of India	8,455.58	
JMFARC - Oriental Bank of Commerce	2,081.91	
Corporation Bank	5,012.36	
Grand Total	**46,145.69**	

(ix) Based on the information provided and explanations offered to us, the Company has not raised monies by way of Initial Public Officer or Further Public Offer, Including debt instruments, during the current year, and accordingly clause 3(ix) of the Order is not applicable to the Company for the year.

(x) Based on the information provided and explanations offered to us, in our opinion, no material fraud on or by the Company by its Officers or employees has been noticed or reported during the year.

(xi) Based on the information provided and explanations offered to us, in our opinion the Company has provided for managerial remuneration in accordance with provisions of Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

(xii) Based on the information provided and explanations offered to us,the Company is not Nidhi Company in terms of the Nidhi Rules, 2014 and hence clause 3(xii) of the Order is not applicable to the Company for the year.

(xiii) Based on the information provided and explanations offered to us, the transactions with related parties are in compliance of Section 177 and 188 of the Companies Act, 2013 wherever applicable and the disclosures required under the relevant Accounting Standards have been made in the Financial Statements.

(xiv) Based on the information provided and explanations offered to us, the Company has not made any preferential allotment / private placement of shares or fully / partly convertible debentures during the year under review and hence clause 3(xiv) of the Order is not applicable to the Company for the year.

(xv) Based on the information provided and explanations offered to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the period under review and hence clause No. 3(xv) of the Order is not applicable to the Company for the year.

(xvi) Based on the information provided and explanations offered to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3 (xvi) of the Order is not applicable to the Company for the year.

For Sastri & Shah
Chartered Accountants
FRN: 003642S

Sd/-
(C. Pavan Kumar)
Managing Partner
M.N0.205896

Place: Hyderabad
Date: 05/09/2018

ANNEXURE- IV

SECRETARIAL AUDIT REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Bheema Cements Limited
6-3-652/C/A, FLAT 5A
Kautilya, Amrutha Estates, Somajiguda
Hyderabad-500082, Telangana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bheema Cements Limited (hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings. (*Not applicable to the Company during the Audit Period*);
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (*Not applicable to the Company during the Audit Period*).
  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (*Not applicable to the Company during the Audit Period*).
  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (*Not applicable to the Company during the Audit Period*).
  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*Not applicable to the Company during the Audit Period*).
  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (*Not applicable to the Company during the Audit Period*). and
  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

a) The Company has not convened any meeting of Independent Directors exclusively during the financial year 2017-18 as required under Section 149 of the Companies Act, 2013 read with Schedule IV (Code for Independent Directors).

b) *Company has not appointed any Internal Auditor for the Company as required under provisions of Section 138 of the Companies Act, 2013.*

c) *As per the provisions of Section 178 of the Companies Act, 2013 Nomination and Remuneration Committee shall consist of 3 or more Non - executive Directors out of which not less than one - half shall be independent Directors. However, the composition of the committee is not as per the requirement of the provisions.*

d) *The Company has failed to appoint a Company Secretary (CS) and Chief Financial Officer (CFO) as required under Section 203 of the Companies Act, 2013.*

e) *The Company has not filed MGT-14 for adoption for annual financial statement and board report as required under section 117 of the Companies Act, 2013 read with Section 179.*

f) *The Company has not convened the annual general meeting (AGM) for the financial year 2016-17 within due date and therefore the required post AGM compliances such as filing of e-form AOC-4 XBRL(Form for Form for filing XBRL document in respect of financial statement and other documents with the Registrar),e-form MGT-7 (*Form for filing annual return by a company.*), form e-form MGT-15 (Form for filing Report on Annual General Meeting) with the registrar of Companies under Companies Act, 2013, intimations to stock exchange in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not complied during Audit Period under review.*

g) *The records of the Company are not maintained and updated as required under section 118 of the Companies Act, 2013 read with the secretarial standards- 1 & 2 issued by the Institute of Company Secretaries of India.*

h) The Company has delayed in filing required documents/information with BSE Limited under Regulation 7(3), 13(3), 19, 27(2), 29,30,31,33, 40(9) & 46 of SEBI (LODR) Regulations, 2015 during the reporting period under review.

i) The Company has failed to comply with the requirement under Depositories Act, 1996 during the reporting period as follows:

- *Regulation 55A: The Company has delayed in submission of Reconciliation of Share Capital Audit Report during the Audit period under review.*

The Board of Directors of the Company is not duly constituted with proper balance of executive and non-executive directors as required in compliance with the provisions of the Act.

Notice was given to Directors to schedule the Board Meeting. Agenda and detailed notes on agenda were sent and the system for seeking and obtaining further information need's improvement.

We further report that there are no adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as there are no operations in the Company.

Trading of shares suspended with BSE Limited due to non-compliances of certain clauses of the Listing Agreement with effect from 1st December, 2014.

This report is to be read with my letter of even date which is annexed as Annexure – A and forms an integral part of this report.

For R & A Associates

Sd/-

Place : Hyderabad
Date : 12-09.2018

(P Surya Prakash)
Company Secretary in Practice
FCS.No.# 9072, C.P. # 11142

"Annexure – A"

To,
The Members
Bheema Cements Limited,
6-3-652/C/A, FLAT 5A,
Kautilya, Amrutha Estates, Somajiguda,
Hyderabad-500082, Telangana

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of Bheema Cements Limited, **("the Company").** Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. With regards to various submission(s) of information / document and compliance thereof made by the company with the stock exchanges, the reporting of compliance was made based upon the information / documents available. However, some of the information and documents were not available for verification.

For R & A Associates

Sd/-

Place : Hyderabad
Date : 12-09.2018

(P Surya Prakash)
Company Secretary in Practice
FCS.No.# 9072, C.P. # 11142

ANNEXURE – V

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Company submits the Corporate Governance Report for the year ended 31st March 2018

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Bheema Cements Limited's (BCL) philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

BCL is committed to learn and adopt the best practices of Corporate Governance.

2. BOARD OF DIRECTORS:

The Board of Directors along with the Committees of the Board, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The Board of the Company is represented by well- known people from different walks of life. They are reputed and successful professionals, businessmen having expert knowledge of finance and industry.

They are well recognized in the society for their contributions and achievements in their respective fields of expertise.

a) Composition:

As on 31st March 2018, the Board of the Company consisted of five directors, of whom three were executive (Chairman, Managing Director and Whole Time Director), two non-executive independent. The Board has no institutional nominee director. The Company has an Executive Chairman. According to regulation 17(1)(b) of SEBI (LODR) Regulations, 2015, where the chairperson of the Board is a executive director, at least half of the Board of directors shall comprise of independent directors.

BCL has not complied with the said requirement at the end of the period under review however subsequent to the end of the financial year under review Management identified suitable person to be appointed as Independent Director and woman director.

b) Number of Meetings of the Board:

During the financial year 2017-18, the Board met five times (details provided in Table 1) and the gap between any two meetings has been less than one hundred and twenty days.

Attendance record of Directors: TABLE 1

Name of the Director	Category and Position	No. of Board Meetings		Whether attended last AGM	No. of Committees		No. of other Directorship held
		Held	Attended		Chairmanship	Member	
S.Chandra Mohan	Executive Chairman	5	5	Yes	-	4	-
S.Kishore Chandra	Managing Director	5	5	Yes	-	1	-
S Karthik Sarath Chandra	Jt. Managing Director	5	5	Yes	-	-	-
Ameeta Trehan	Independent Director	5	2	No	0	3	
MHSP Prasad	Independent Director	5	5	No	3	3	

c) **Disclosure of relationship between directors inter-se:** No non-executive directors have any material pecuniary relationship or transactions with the company, its promoters or its management, which in the judgment of the board may affect independence of judgment of the director.

d) **Risk Management:** The implementation of the risk assessment and minimization procedure containing the project/potential risk areas, its intensity, its effects, causes and measures taken by the Company are reviewed by the committee periodically.

e) Committees of the Board

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters.

At present, the Company has the following Board Level Committees, namely:

A) Audit Committee
B) Nomination & Remuneration Committee
C) Shareholders/Investor's Grievance Committee

- The Compliance officer acts as the Secretary of all the aforementioned Committees.
- The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / noting.

3. AUDIT COMMITTEE:

The Company had set up its Audit Committee under erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement 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.

The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, SEBI Listing Regulations, 2015.

a. Constitution & Composition:

In compliance with Companies Act, 2013 and regulation 18(1)(c) of SEBI Listing Regulations, 2015, three members of the Audit Committee, viz. Sri. MHSP Prasad (Chairman), Smt Ameeta Trehan are independent directors and Sri S. Chandra Mohan, Executive Director.

All the members of the Audit Committee are 'financially literate'

b. Meetings and attendance:

During 2017-18, the Audit Committee met four times viz. (i) 27th May 2017 (ii) 17th August 2017 (iii) 6th November 2017 (iv) 9th February 2018

Composition of Audit Committee and attendance record of members for 2017-18

S.No.	Name of the Director	Category	Meetings Held	Meetings Attended
1	Sri. M H S P Prasad	Independent	4	4
2	Smt Ameeta Trehan	Independent	4	4
3	Sri S. Chandra Mohan	Promoter Director/Executive	4	4

4. **NOMINATION & REMUNERATION COMMITTEE:**

BCL constituted the Remuneration Committee of the Board 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.

During the year under review, the Committee met three times viz. (i) 27th May 2017 (ii) 17th August 2017 and (iii) 6th November 2017

Composition of the Nomination and Remuneration Committee and attendance record of members for 2017-18:

S.No.	Name of the Director	Category	Meetings Held	Meetings Attended
1	Sri S. Chandra Mohan	Promoter Director/Executive	3	3
2	Sri MHSP Prasad	Independent	3	3
3	Smt Ameeta Trehan	Independent	3	3

Remuneration Policy as per *Annexure-II*

It is further informed that as per the provisions of Section 178 of the Companies Act, 2013 Nomination and Remuneration Committee shall consist of 3 or more Non - executive Directors out of which not less than one - half shall be independent Directors. However, the composition of the committee is not as per the requirement of the provisions

5. **DETAILS OF REMUNERATION:**

The details of remuneration paid to the Board of Directors forms part of the *Annexure VIII* (Extract of Annual Return i.e. MGT-9)

6. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Board of Directors of the Company constituted its Shareholders' and Investors' Grievance Committee under erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement. This Committee was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc.

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations, 2015 the Board renamed the Committee as 'Stakeholders Relationship Committee' .

Composition of the Stakeholders Relationship Committee is as follows:

S.No.	Name of the Director	Category
1	Sri S. Chandra Mohan	Promoter Director/Executive
2	Sri MHSP Prasad	Independent
3	Smt Ameeta Trehan	Independent

There were no complaints received from the shareholders during the year ended 31st March, 2018.

The Company ensures that the investor's correspondence is attended expeditiously and endeavor is made to send a satisfactory reply within ten days of receipt, except in cases that are constrained by disputes or legal impediments.

There are no pending share transfer complaints as on 31st March, 2018.

FUNCTIONS:

The functions of the committee are as follows:

- Share Transfer with in stipulated time
- Non-receipt of Dividends, if any
- To consider Replacement of lost/ stolen/ mutilated share certificates
- Non-receipt of rights/ bonus / share certificates

As on 31^{st} March, 2018, (89.69%) Equity Shares are in Demat accounts with National Securities Depository Ltd (NSDL), (7.37%) Equity Shares are in Demat accounts with Central Depository Services (India) Limited.

7. GENERAL BODY MEETINGS:

a. Location & time for last 3 Annual General Meetings of the Company:

AGM	FY	Day/ Date	Time	Venue	Special Resolutions
38^{th}	2016-17	21.08.2018	10.00 AM	Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana	
37^{th}	2015-16	28.09.2016	9 A.M.	Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana	
36^{th}	2014-15	24.05.2016	4 P.M	Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana	Debt Restructuring Scheme Conversion of Debt into Equity Shares and Issue of Equity Shares Resolution for borrowing power Secure the new Borrowing limits: Mortgage or Charge Creation

b. Postal Ballot Resolution

No Postal ballot resolution was passed during the year ended 31^{st} March, 2018. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

c. Details of Extra-Ordinary General Meetings held during the year: Nil

8. MEANS OF COMMUNICATION:

The company's website address is: www.bheemacements.co.in. The website contains basic information about the company. The company ensures periodical updation of its website. The company has designated the email-id: complianceofficer@bheemacements.co.in in order to enable the shareholders to register their grievances.

- The Company has 2,448 shareholders as on 31^{st} March, 2018. The Company mainly communicates with its shareholders through Annual Report, which includes the Director's Report, Management Discussion and Analysis Report, Report on Corporate Governance.
- No presentations have been made to institutional investors or to analysts

9. GENERAL SHAREHOLDER INFORMATION:

a) **39^{th} Annual General Meeting:**

Date: 10^{th} December 2018

Time: 10:30 AM

Venue: Hotel NKM's Grand, 6-3-563/31/1, Off Taj Deccan Road Erramanzil, Somajiguda, Hyderabad – 500082, Telangana, India

Financial Year : 1^{st} April, 2017 to 31^{st} March, 2018

b) **Date of Book Closure** : 3^{rd} December 2018 to 10^{th} December 2018 (both days inclusive)

c) **Dividend Payment Date** : NA

d) **Financial Calendar** : For the FY 2017-18

Financial Results	Cut-off Date
Unaudited first quarter financial results	On or before August 14,2017
Unaudited second quarter financial results	On or before November 14,2017
Unaudited third quarter financial results	On or before February 14,2018
Approval of audited annual results for year ending 31 March, 2018	On or before May 30,2018

e) **Listing on Stock Exchange:**

Name of the Stock Exchange	Address	Scrip Code/Scrip ID
Bombay Stock Exchange Limited (BSE)	25th Floor, P.J. Towers, Dalal Street, Mumbai -400001	518017 BHEEMACEM

The Company has paid listing fees to BSE for the year 2017-18.

f) **ISI Number for NSDL & CDSL :** INE333H01012

g) **Depositories**

i. **Central Depository Services (India) Ltd.,**

Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400023.

ii. **National Securities Depository Ltd,**

Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai-400013

h) **Market Price Data :**

The Company's shares are not being traded in BSE Limited. Hence, information regarding the market price could not be provided.

i) **Registrar & Share Transfer Agent:**

For lodgement of transfer deeds and other documents or for any grievances/complaints, investors may contact the Company's Registrar and Share Transfer Agent at the following address:

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

j) **Share Transfer System:**

The Board of Directors of the Company has delegated the powers of share transfers, splitting, consolidation of share certificates and issue of duplicate shares, re-materialisation of shares etc. to Share Transfer Committee. The board attends the share transfer formalities at least once in a fortnight. The Registrar and Share Transfer Agents register the shares received for transfer in physical mode, within 15 days from the date of lodgement, if documents are complete in all respects.

k) **Shareholding Pattern as on 31st March, 2018:**

S. No.	Category	No. of share holders	No. of Shares held	Percentage to Total issued shares
1	Clearing Member	1	3,006	0.01%
2	Corporate Bodies	33	2,62,225	0.93%
3	Financial Institutions	3	18,27,353	6.46%
4	Non Resident Indians	12	40,269	0.14%
5	Promoters/Directors	13	1,76,14,586	62.22%
6	Others - Public	2386	85,60,531	30.24%
Total		2,448	2,83,07,970	100%

l) **Dematerialization of Shares & Liquidity:**

The Company's shares are available for trading in the depository systems with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Ltd (NSDL)

As on 31st March, 2018, (89.69%) Equity Shares are in Demat accounts with National Securities Depository Ltd (NSDL), (7.37%) Equity Shares are in Demat accounts with Central Depository Services (India) Limited.

m) **Reconciliation of Share Capital Audit:**

The Reconciliation of Share Capital Audit was carried out by Practicing Company Secretary for each of the quarters in the financial year 2017-18, to reconcile the admitted capital with Central Depository Services (India) Limited (CDSL) and National Securities Depository Ltd (NSDL) and total issued and listed capital. The audit reports confirm that the total issued/paid-up capital is an agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

n) **Outstanding GDRs/ADRs/Warrant or any convertible instruments:**

The Company has not issued any GDRs/ADRs, Warrants or any convertible instruments.

o) **Commodity price risk or foreign exchange risk and hedging activities:**

The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends / projections in India. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.

p) **Address for Correspondence:**

For queries relating to financial statements, please write to:

BHEEMA CEMENTS LIMITED,
Regd. Office: 6-3-652/C/A, Flat 5A,
Kautilya, Amrutha Estates, Somajiguda,
Hyderabad - 500082
E-mail ID: complianceofficer@bheemacements.co.in

q) **Plant Location of the Company:** Ramapuram Village, Mellachervu Mandal, Suryapeta District - 508246, Telangana.

10. DISCLOSURES

i. **RELATED PARTY TRANSACTIONS:**

The company has provided for remuneration to the Chairman, Managing Director, and Whole Time Director among the key management personnel of Rs.24.00 Lacs each as approved by members. In addition, the Company has provided Rs.4.50 Lacs (Previous Year Rs.5.06 Lacs) as Directors Sitting fee to all the Independent Directors.

Further, the Company has provided for remuneration during the year was Rs 12.00 Lacs (includes last year pending dues) to one relatives of Key Management Personnel.

ii. **COMPLIANCE OF VARIOUS LAWS:**

i. Environment Protection Act, 1986 and other environmental laws;
ii. Factories Act, 1948;
iii. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
iv. Explosive Substances Act, 1908.
v. The Mines and Mineral Act 1952
vi. Mines safety and inspection act 1994

vii. Indian Electricity Act 2003

iii. **DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**
Your Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, in preparation of its financial statements.

iv. **CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations.

11. DISCRETIONARY REQUIREMENTS:

The Company is complying with the following discretionary requirements prescribed under Schedule II Part E of the SEBI (LODR) Regulations, 2015:

1. Separate posts of Chairman and Managing Director: The Company already has separate persons to the post of Chairman and Managing Director. Sri S. Chandra Mohan is the Executive Chairman and Sri S. Kishore Chandra is the Managing Director.
2. Reporting of Internal Auditor: The Internal Auditor of the company directly reports to the Audit Committee. As there are no operations in the company hence there is no internal auditor.
3. Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director
4. The statutory financial statements of the company are qualified.

ANNEXURE VI

PARTICULARS OF EMPLOYEES

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(Amount in Rs.)

Name of Director & Designation	Remuneration FY 17-18	Remuneration in FY 16-17	% of increase in remuneration	Ratio of remuneration to	
				Revenues FY 16-17	Net Profit FY 16-17
S Chandra Mohan, Executive Chairman	Rs. 24,00,000 /-	**Rs. 24,00,000 /-**	NA*	Nil	Nil
S Kishore Chandra, Whole Time Director/Managing Director	Rs. 24,00,000 /-	**Rs. 24,00,000 /-**	NA*	Nil	Nil
S Karthik Sarath Chandra, Jt. Managing Director	Rs. 24,00,000 /-	**Rs. 24,00,000 /-**	NA*	Nil	Nil

1) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
2) It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

ANNEXURE VII

COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Regulation 34(3) of SEBI (LODR), 2015)]

To
The Members
Bheema Cements Limited

We have examined the compliance of conditions of Corporate Governance by Bheema Cements Limited for the year ended 31st March, 2018, as stipulated in the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

In our opinion and to the best of our information to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned in Part E of Schedule V of SEBI (LODR) Regulations, 2015 except the following: -

1. Constitution of the Board.
2. Constitution of the Committee's.
3. Quarterly/Half yearly Submissions: There has been instances wherein Company has failed to comply with the timely submissions of documents and reports to stock exchange as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For R & A Associates

Place: Hyderabad
Date: 12th September 2018

Sd/-
P. Surya Prakash
Company Secretary in Practice
FCS: 9072, C.P. No 11142

ANNEXURE VIII

DECLARATION FOR CODE OF CONDUCT

As required under Part D of Schedule V of SEBI (LODR) Regulations, 2015, 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 ended on 31st March, 2018.

Place: Hyderabad
Date: 31st October 2018

For BHEEMA CEMENTS LIMITED

Sd/-
S Chandra Mohan
Executive Chairman

ANNEXURE-IX

FORM NO.MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L26942TG1978PLC002315
(ii)	Registration date	21/06/1978
(iii)	Name of the company	BHEEMA CEMENTS LIMITED
(iv)	Category Sub-category of the company	Company Limited by Shares/Indian Non-Government Company
(v)	Address of the Registered office and contact details	6-3-652/C/A, FLAT 5A,KAUTILYA AMRUTHA ESTATES, SOMAJI GUDA,HYDERABAD, Telangana-500082
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer agent, if any	M/s. Bigshare Services Private Limited 306, Right wing, 3rd floor, Amrutha Ville, Opp. Yashoda Hospital, Raj bhavan Road, Hyderabad - 500 082 Tel: +91-40-2337 4967 Fax: +91-40-2337 0295 Email id: bsshyd1@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S.No.	Name and description of main products/services	NIC Code of the Product/service	% to total turnover of the company for current year
1	Cement (43 Grade, 53 Grade, PPC)*		NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

The Company does not have any Subsidiary, Joint venture or Associate Company during the year ended on 31st March, 2018

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A.Promoters									
(1) Indian									
a) Individual/HUF	17614586	-	1,76,14,586	**62.22**	17614586	-	17614586	62.22	No Change
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d)Bodies Corporate	-	-	-	-	-	-	-	-	-
e)Bank/FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):-	**17614586**	**-**	**1,76,14,586**	**62.22**	**17614586**	**-**	**1,76,14,586**	62.22	No Change
(2) Foreign									
a) NRI's-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	-	-	-	-	-	-	-	-	-
d)Bank/FI's	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**
Total Shareholding of Promoter (A)=									
(A)(1)+(A)(2)	**1,76,14,586**	**-**	**1,76,14,586**	**62.22**	**1,76,14,586**	**-**	**1,76,14,586**	62.22	No Change

B) Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-		-	-	-		-
b) Banks/FI's	18,27,353	-	18,27,353	**6.46**	1827353	-	1827353	6.46	No Change
c) Central Govt.	-	-	-		-	-	-		-
d) State Govt.	-	-	-		-	-	-		-
e) Ventrure Capital Funds	-	-	-		-	-	-		-
f) Insurance Companies	-	-	-		-	-	-		-
g) FII's	-	-	-		-	-	-		-
h) Foreiegn Venture Capital	-	-	-		-	-	-		-
i)Others (Specify)	-	-	-		-	-	-		-
Sub-Total (B)(1):-	**18,27,353**	-	**18,27,353**	6.46	**18,27,353**	-	**18,27,353**	6.46	No Change
2. Non-Institutions									
a) Bodies Corporate	286897	12,303	2,99,200	**1.06**	2,49,922	12,303	2,62,225	0.93	(0.13)
i) Indian	-	-	-	.	-	-	-	-	-
ii) Overseas	-	-	-		-	-	-	-	-
b) Individuals	-	-	-		-	-	-	-	-
i) Individual Shareholders holding nominal share capital in upto of Rs. 1 Lakh	15,07,845	4,59,499	19,67,344	**6.95**	1529906	4,59,224	19,89,130	7.03	0.08
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	61,89,193	3,57,500	65,46,693	**23.13**	62,13,901	3,57,500	65,71,401	23.21	0.09
c) Others									-
Trusts	0	-	-	-		-	-	-	-
Clearing members	3,006	-	3,006	**0.01**	3,006	-	3,006	0.01	No Change
Non-Resident Indians NRI	11,000	-	11,000	**0.04**	11,000	-	1,000	0.00	(0.04)
Non-Resident Indians REPAT	30,658	-	30,658	**0.11**	30,658	-	30,658	0.11	
Non-Resident Indians NON REPAT	8,130	-	8,130	**0.03**	8611	-	8,611	0.03	
EIPF	-	-	-	0					No Change
Sub-Total (B)(2):-	**80,36,729**	**8,29,302**	**88,66,031**	**31.32**	**80,37,004**	**8,29,027**	**88,66,031**	31.32	No Change
Total Public Shareholding (B)=(B)(1)+(B)(2)	**96,95,042**	**8,29,302**	**1,05,24,344**	**37.18**	**96,95,317**	**8,29,027**	**1,05,24,344**	**37.78**	No Change
C. Shares held by Custodians for ADR's & GDR's									-
Grand Total (A+B+C)	**2,74,77,468**	**8,30,502**	**2,83,07,970**	**100**	**2,74,77,468**	**8,30,502**	**2,83,07,970**	**100**	No Change

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	% change in share holding during the year
1	S Chandra Mohan	4738927	16.74%	14.96%	4738927	16.74%	14.96%	-
2	S Chandra Mohan - HUF	500000	1.77%	-	500000	1.77%	-	-
3	S Lakshmi Mohan	100000	0.35%	-	100000	0.35%	-	-
4	S R B Ramesh Chandra	4733927	16.72%	14.96%	4733927	16.72%	14.96%	-
5	S R B Ramesh Chandra - HUF	527325	1.86%	-	527325	1.86%	-	-
6	S Vimala Kumari	100000	0.35%	-	100000	0.35%	-	-
7	S Kishore Chandra	4733927	16.72%	14.96%	4733927	16.72%	14.96%	-
8	S Kishore Chandra - HUF	537462	1.90%	-	537462	1.90%	-	-
9	S Sasi Rekha	414548	1.46%	-	414548	1.46%	-	-
10	S Karthik Sharat Chandra	620200	2.19%	-	620200	2.19%	-	-
11	S Chatur Swaroop Chandra	383238	1.35%	-	383238	1.35%	-	-
12	S Dharani	136127	0.48%	-	136127	0.48%	-	-
13	S Deepathi Sunethri	88,905	0.31%	-	88,905	0.31%	-	-
	Total	**1,76,14,586**	**62.22%**	-	**1,76,14,586**	62.22%	-	-

(i) Change in Promoters' Shareholding (Please specify, if there is no change)

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding at the ending of the year	
1		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year	**17614586**	**62.22%**	**17614586**	**62.22%**
2	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
3	At the end of the year	**17614586**	**62.22%**	**17614586**	**62.22%**

(ii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

1	**Venkata Vasudev**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	3029599	10.70	3029599	10.70
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	3029599	10.70	3029599	10.70
	Total				
2	**Preeti Tammineedi**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	160000	0.57	160000	0.57
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	160000	0.57	160000	0.57
	Total				
3	**Pratap Gupta Satrasala**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	139761	0.49	139761	0.49
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	139761	0.49	139761	0.49
	Total				
4	**Om Prakash Kovuri**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	116251	**0.41**	116251	0.41
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	116251	**0.41**	116251	0.41
	Total				
5	**Kasamasetty Ramprasad**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	127651	0.45	127651	**0.45**
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	**-**
	At the end of the year	127651	0.45	127651	**0.45**
	Total				
6	**P Srinivasa Rao**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	136782	0.48	136782	0.48
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	136782	0.48	136782	0.48
	Total				
7	**United Bank of India**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	91757	0.32	91757	0.32
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	91757	0.32	91757	0.32
	Total				
8	**S Venkateswarlu**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	88000	0.31	88000	0.31

	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	88000	0.31	88000	0.31
	Total				
9	**MRKR Constructions Private Limited**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	85000	0.30	85000	0.30
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	85000	0.30	85000	0.30
	Total				
10	**Nayudamma Yarlagadda**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	80000	0.28	80000	0.28
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	80000	0.28	80000	0.28
	Total				
11	**ICICI Bank**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	77283	0.27	77283	0.27
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	77283	0.27	77283	0.27
	Total				
12	**JM Financial Asset Reconstruction Company Pvt. Ltd.**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	16,58,313	5.85	16,58,313	5.85
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	16,58,313	5.85	16,58,313	5.85
	Total				

(iii) Shareholding of Directors and Key Managerial Personnel

S.No.	**Shareholder's Name**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
1	**S Chandra Mohan**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	47,38,927	16.74	47,38,927	16.74
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	47,38,927	16.74	47,38,927	16.74

2	**S Kishore Chandra**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	47,33,927	16.72	47,33,927	16.72
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	47,33,927	16.72	47,33,927	16.72

3	**S Karthik Sarath Chandra**	**No. of Shares**	**% of Total Shares of the Company**	**No. of Shares**	**% of Total Shares of the Company**
	At the beginning of the year	6,20,200	2.19	6,20,200	2.19
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	6,20,200	2.19	6,20,200	2.19

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

	Secured loans excluding deposits	Unsecured loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	20758.09	2130.36	-	22888.45
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**20758.09**	**2130.36**	**-**	**22888.45**
Change in Indebtedness during the financial year				
Addition	-	712.37	-	712.37
-	-	-	-	-
Net Change	**-**	**2842.73**	**-**	**2842.73**
Indebtedness at the end of the financial year				
(i) Principal Amount	20758.09	2842.73	-	23600.82
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**20758.09**	**2842.73**	**-**	**23600.82**

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S.No.	Particulars of Remuneration	Name			
		S Chandra Mohan	S Kishore Chandra	S Karthik Sarath Chandra	Total Amount
1	Gross salary	**24,00,000**	**2400000**	**2400000**	72,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity Shares				
4	Commission				
	- as %				
	-others				
5	Others				
	Total (A)	**24,00,000**	**24,00,000**	**24,00,000**	**72,00,000**
	Ceiling as per the Act	**24,00,000**	**24,00,000**	**24,00,000**	**72,00,000**

S.No.	Particulars of Remuneration	Name of Director		
		Ameeta Trehan	**M H S P Prasad**	**Total Amount**
1	Independent Directors	**2,00,000**	**2,50,000**	**4,50,000**
	• Fee for attending Board Committee Meetings			
	• Commission			
	• Others			
	Total (1)	**2,00,000**	**2,50,000**	**4,50,000**
2	Other Non-Executive Directors			
	• Fee for attending Board Committee Meetings			
	• Commission			
	• Others			
	Total (2)			
	Total (B)(1)+(2)			
	Total Managerial Remuneration (A + B)			
	Overall Ceiling as per the Act			

C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD

S.No.	Particulars of Remuneration	Name of Key Managerial Person	Total Amount
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	**Stock Option**		
3	**Sweat Equity Shares**		
4	**Commission**		
	- as %		
	-others		
5	Others		
	Total		

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences during the financial year ended on 31st March, 2018.

ANNEXURE X

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

Information on Conservation of Energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules, 2014 is not applicable since there is no such activity at present being pursued by the Company.

A. CONSERVATION OF ENERGY:

1	The steps taken or impact on conservation of energy
2	The steps taken by the Company for utilizing alternate sources of energy
3	The capital investment on energy conservation equipment

B. TECHNOLOGY ABSORPTION:

1.	The efforts made towards technology absorption
2.	The benefits derived like product improvement, cost reduction, product development or import substitution
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
	a. The details of technology imported
	b. The year of import
	c. Whether the technology been fully absorbed
	d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof and
4.	The expenditure incurred on Research and Development

Management Reply: As there were no operations during this financial year, Company has not made any developments in this regard. When the company comes back to the operations, Company will take necessary steps to improve the current production rate and also the quality even more while also reducing the pollution and waste generation through the implementation of various innovative techniques recommended by the technical personnel working at the plant as well as technical consultants.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2017-18	2016-17
i) Foreign Exchange Earned:	NIL	NIL
FOB value of exports		
CIF value of exports		
ii) Foreign Exchange used:	NIL	NIL
Commission on Exports		
Foreign Travel Expenses		
Spare parts		

ANNEXURE XI

CERTIFICATION BY MD / CFO / RESOLUTION PROFESSIONAL OF THE COMPANY

(Regulation 17(8) of SEBI (LODR) Regulations, 2015 read with PART B of Schedule II)

We, S.Kishore Chandra, Managing Director & G. Madhusudhan Rao, Resolution Professional of Bheema Cements Limited, to the best of my knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss, its notes to the accounts and Cash Flow Statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) these statements together present a true and fair view of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

2. We also certify that, based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:

a) significant changes in internal control during the year;

b) significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and

c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For BHEEMA CEMENTS LIMITED

Sd/-
S Kishore Chandra
Managing Director

Sd/-
G Madhsudhan Rao
Resolution Professional
IBBI Reg No. IBBI/IPA-001/IP-P00181/2017-2018/10360

Place: Hyderabad
Date: 31st October 2018

FORM - A		
(See Rule - 2)		
FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY		
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased	-	-
Units (Nos.)	-	-
Amount (Rs.)	-	-
Rate/Unit (Rs.)	-	-
b. Own Generation		
i) Through Diesel generator (Unit/Nos.)	-	-
Units per Ltr. Of Diesel Oil		
Cost/Unit (Rs.)	-	-
ii) Through Steam Turbine Generator Unit per Ltr. Of fuel Oil/Gas Cost/Unit (Rs.)	-	-
2. Fuel		
Coal used in Kiln	-	-
Quantity (MTs)	-	-
Total Cost (Rs.)	-	-
Average Rate (Rs.)	-	-
3.Furnace Oil	-	-
4.Others/Internal Generation	-	-
B.CONSUMPTION PER UNIT OF PRODUCTION		
Standard Production (with details)	-	-
Electricity (Units/Ton of Cement)	-	-
Coal (% on Clinker)	-	-

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

RESEARCH AND DEVELOPMENT (R&D):
The plant is not in operation from March 2014 onwards for the entire period of the financial year. Hence, R&D is not taken up during this year.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:
The plant is not in operation from March 2014 onwards for the entire period of the financial year. Hence, no technological Absorption, Adaption and Innovation could be taken up.

(COMPANY UNDER CORPORARATE INSOLVENCY RESOLUTION PROCESS)

Resolution Professional's Report

In the matter of M/s Bheema Cements Limited which has been admitted into Corporate Insolvency Resolution (CIRP) by Hon'ble National Company Law Tribunal, Hyderabad vide CP(IP)No.97/7HDB/2018 date 9th July 2018

The enclosed Financial Statement comprising of Balance Sheet as at 31-03-2018 the Profit & Loss Statement, the Cash Flow Statement for the year ended 31-03-2018

M/s. Bheema Cements Limited (which is under Insolvency Resolution Process in term of The Insolvency and Bankruptcy code 2016) are based on Books of accounts of the company which has been prepared/ directed by the Managing Director and Other Directors of the Corporate Debtor only and that the provisions of Accounting Standards issued by the Institute of Chartered Accountants of lndia have been duly complied with by the company and verified by the Statutory Auditors of the company.

These financial statements should be read in conjunction with the Significant Accounting Policies, Note; forming part of the Account and Report of the Statutory Auditors.

It is to be noted that the Insolvency Resolution Process as commenced on and from 9th July 1 2018. And accordingly the Resolution Professional (RP) is not in a position to authenticate the financial transactions prior to his engagement and accordingly it rests on the Management of the Corporate Debtor only.

RP is not taking any responsibly about its authenticity nor shoulders any responsibility in this regard:

Sd/-
G. Madhsudhan Rao
IP Registration No-
IBBI/IPA-001/IP-P00181/2017-18/10360
Resolution Professional
Bheema Cements Ltd
(A Company under Corporate Insolvency Resolution Process
by NCLT Order dated July 9, 2018)

Date : 5th Sep 2018

Bheema Cements Limited
Balance Sheet as at 31.03.2018

(Rs. in Lakhs)

	Particulars	NOTE	As At Mar 31 '2018	As At Mar 31 '2017	As At April 1 '2016
	ASSETS				
1	**Non-current assets**				
	a) Property, plant and equipment	2	34,527.76	36,527.38	38,543.46
	b) Capital work in progress	3	8.09	8.09	8.09
	c) Investment Property		-	-	-
	d) Goodwill		-	-	-
	e) Other intangible assets	4	1,320.04	1,466.71	1,613.38
	f) Intangible assets under development		-	-	-
	g) Biological Assets other than bearer plants		-	-	-
	h) Financial assets				
	i) Investments		-	-	-
	ii)Trade Receivables		-	-	-
	iii)Loans		-	-	-
	iv)Others		-	-	-
	i) Deferred tax assets (net)		-	-	-
	j) Other non-current assets		-	-	-
			35,855.89	**38,002.18**	**40,164.93**
2	**Current assets**				
	a) Inventories	5	413.68	413.82	430.07
	b) Financial assets				
	i) Investments				-
	ii) Trade receivables	6	-	751.16	750.48
	iii) Cash and cash equivalents	7	23.15	24.85	25.79
	iv) Other Bank Balances		-	-	-
	v) Loans		-	-	-
	vi) Others		-	-	-
	c) Current Tax Assets		-	-	-
	d) Other current assets	8	1,052.75	1,495.38	1,520.77
			1,489.58	**2,685.21**	**2,727.11**
	TOTAL ASSETS		**37,345.47**	**40,687.39**	**42,892.04**

	EQUITY AND LIABILITIES				
	Equity				
	a) Equity share capital	9	5,570.36	5,570.36	5,570.36
	b) Other equity	10	(9,454.03)	(5,328.88)	(2,322.13)
			(3,883.67)	**241.48**	**3,248.23**
1	**Liabilities**				
	Non-current liabilities				
	a) Financial liabilities				
	i) Borrowings	11	-	-	12,634.10
	ii) Trade payables				
	iii) Other financial liabilities			-	-
	b) Provisions	12	25.19	25.19	25.19
	c) Deferred tax liabilities (Net)	13	3,257.92	3,257.92	3,257.92
	d) Other non-current liabilities	14	2,842.73	2,130.36	2,077.47
			6,125.84	**5,413.47**	**17,994.68**
2	**Current liabilities**				
	a) Financial liabilities				
	i) Borrowings	15	20,758.09	20,758.09	4,581.10
	ii) Trade payables	16	4,477.27	4,470.12	4,417.06
	iii) Other financial liabilities	17	-	-	3,542.89
	b) Other current liabilities	18	9,867.94	9,804.23	9,108.08
	c) Provisions		-	-	-
	d) Current tax liabilities (Net)		-	-	-
			35,103.30	**35,032.44**	**21,649.13**
	TOTAL LIABILITIES		**41,229.14**	**40,445.91**	**39,643.81**
	TOTAL EQUITY AND LIABILITIES		**37,345.47**	**40,687.39**	**42,892.04**

As per our report of even date attached

Sd/-
Gonugunta Madhusudhan Rao
IP Registration No-
Resolution Professional
Bheema Cements Limited
(A Company under Corporate Insolvency Resolution Process
by NCLT Order dated July 9, 2018)

For Sastri & Shah
Chartered Accountants
Firm Registration Number: 003642S
.
Sd/-
C.Pavan Kumar
Partner
Membership Number: 205896

Sd/-	Sd/-	Sd/-
S.Chandra Mohan	S.Kishore Chandra	S.Karthik Sarath Chandra
Executive Chairman	Managing Director	Jt. Managing Director
DIN: 00974855	DIN: 00974625	DIN: 07337078

Date: September 5, 2018

Bheema Cements Limited
Statement of Profit and Loss

(Rs. in Lakhs)

S.No	Particulars	Note	For the year ended 31-Mar-18	For the year ended 31-Mar-17
	Discontinued Operations			
I	Revenue from operations		-	-
II	Other income	19	0.30	10.68
III	**Total income**		**0.30**	**10.68**
IV	**Expenses**			
	Cost of materials consumed		-	-
	Employee benefits expense	20	480.99	495.22
	Finance costs	21	116.07	152.71
	Depreciation and amortization expense	22	1,416.76	1,225.33
	Other expenses	23	1,383.31	415.85
	Total expenses		**3,397.13**	**2,289.11**
V	**Profit / (Loss) before Exceptional items and tax**		**(3,396.83)**	**(2,278.43)**
VI	Exceptional Items			
VII	**Profit / (Loss) before tax**		(3,396.83)	(2,278.43)
VIII	**Tax expense:**			
	Current tax		-	-
	Tax/(credit) in respect to earlier years		-	-
	Deferred tax		-	-
IX	**Profit (Loss) for the period from continuing operations**		-	-
	Profit/(loss) from discontinued operations		(3,396.83)	(2,278.43)
	Tax expense of discontinued operations			
	Profit/(loss) from Discontinued operations (after tax)		(3,396.83)	(2,278.43)
X	**Profit/(loss) for the period**		**(3,396.83)**	**(2,278.43)**
	Other comprehensive income			
	A) (i) Items that will not be reclassified to profit or loss		-	-
	Remeasurements of the defined benefit liabilities / (asset) (net of tax)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total other comprehensive income		-	-
	Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(3,396.83)**	**(2,278.43)**
	Earnings per equity share (for continuing operation):			
	Basic	24	-	-
	Diluted		-	-
	Earnings per equity share (for discontinued operation):			
	Basic		(12.00)	(8.05)
	Diluted		(12.00)	(8.05)
	Earnings per equity share (for discontinued and continuing operations):			
	Basic		(12.00)	(8.05)
	Diluted		(12.00)	(8.05)

See accompanying notes to the financial statements 25
Summary of Significant Accounting policies 1

As per our report of even date attached

Sd/-
Gonugunta Madhusudhan Rao
IP Registration No-
Resolution Professional
Bheema Cements Limited
(A Company under Corporate Insolvency Resolution Process by NCLT Order dated July 9, 2018)

For Sastri & Shah
Chartered Accountants
Firm Registration Number: 003642S
.

Sd/-

C.Pavan Kumar
Partner
Membership Number: 205896

Sd/-	Sd/-	Sd/-
S.Chandra Mohan	S.Kishore Chandra	S.Karthik Sarath Chandra
Executive Chairman	Managing Director	Jt. Managing Director
DIN: 00974855	DIN: 00974625	DIN: 07337078

Date: September 5, 2018

Bheema Cements Limited

Statement of Cash Flow (Rupees in Lakhs)

	For the Year ended	
	March 31'2018	**March 31'2017**
Cash flow from Operating Activities		
Profit for the Period	(3,396.83)	(2,278.43)
Adjustments for :		
Depreciation and amortization expense	1,416.76	1,225.33
Allowance for doubtful debt	1,197.27	0.15
Finance costs	116.07	152.71
Loss on disposal of property, plant and equipment	-	109.88
Loss on sale of Raw Materials		11.15
Changes in operating assets and liabilities		
Trade receivables	-	(0.81)
Inventories	0.13	16.25
Other assets	(3.47)	25.39
Trade payables	7.15	53.06
Other liabilities	63.71	696.15
Net cash provided by operating activities before taxes	**(599.21)**	**10.83**
Income taxes paid	-	-
Net cash provided by operating activities	**(599.21)**	**10.83**
Cash flow from investing activities		
Purchase of property, plant and equipment	-	(0.47)
Proceeds from sale of property, plant and equipment	1.21	83.42
Proceeds from sale Raw Materials		5.10
Net cash (used in)or provided by investing activities	**1.21**	**88.05**
Cash flow from financing activities		
Finance costs paid	(116.07)	(152.71)
Change in loans and borrowings		
Change in other NCL	712.37	52.89
Net cash used in financing activities	**596.30**	**(99.82)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	-
Net increase in cash and cash equivalents	(1.70)	(0.94)
Cash and cash equivalents at the beginning of the period	24.85	25.79
Cash and cash equivalents at the end of the period	**23.15**	**24.85**

See accompanying notes to the financial statements

As per our report of even date attached		
		Sd/-
		Gonugunta Madhusudhan Rao
For Sastri & Shah		IP Registration No-
Chartered Accountants		Resolution Professional
Firm Registration Number: 003642S		Bheema Cements Limited
.		(A Company under Corporate Insolvency Resolution Process
Sd/-		by NCLT Order dated July 9, 2018)
C.Pavan Kumar		
Partner		
Membership Number: 205896		
Sd/-	Sd/-	Sd/-
S.Chandra Mohan	S.Kishore Chandra	S.Karthik Sarath Chandra
Executive Chairman	Managing Director	Jt. Managing Director
DIN: 00974855	DIN: 00974625	DIN: 07337078
	.	
Date: September 5, 2018		

Bheema Cements Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2018
Amount (Rs. in Lakhs)
Property, Plant and Equipment **Note 2**

Particulars	Land	Buildings - Factory	Plant and machinery	Electrical installations	Furniture and fixtures	Laboratory Equipment	Vehicles	Mining Deposits	Total
Gross Block									
At March 31, 2016	475.30	2,752.28	33,234.71	2,596.05	321.53	89.93	209.83	10,725.59	50,405.22
Less:									
Accumulated Depreciation									
At March 31, 2016	-	(338.91)	(2,823.32)	(300.04)	(182.78)	(21.76)	(98.74)	4,071.57)	(7,837.12)
Net Block									
At March 31, 2016	475.30	2,413.37	30,411.39	2,296.01	138.75	68.17	111.09	6,654.02	42,568.10
Opening Gross Block (Before Ind AS Adjustments) At April 1, 2016	475.30	2,413.37	30,411.39	2,296.01	138.75	68.17	111.09	6,654.02	42,568.10
Less:									
(ii) Ind AS Transition Adjustments	-	(156.02)	(2,422.53)	(189.51)	(43.08)	(9.50)	(40.68)	1,163.31)	(4,024.63)
Equals:									
Gross carrying value (Deemed Cost) At April 1, 2016	475.30	2,257.35	27,988.86	2,106.50	95.67	58.67	70.41	5,490.71	38,543.47
Additions	-	-	-	-	0.47	-	-	-	0.47
Disposals / adjustments	-	-	(393.24)	-	(0.25)	-	(13.96)	-	(407.45)
At March 31, 2017	475.30	2,257.35	27,595.62	2,106.50	95.89	58.67	56.45	5,490.71	38,136.49
At April 1, 2017	475.30	2,257.35	27,595.62	2,106.50	95.89	58.67	56.45	5,490.71	38,136.49
Additions	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	(1.21)	-	-	-	(1.21)
At March 31, 2018	475.30	2,257.35	27,595.62	2,106.50	94.68	58.67	56.45	5,490.71	38,135.28
Accumulated depreciation									
At April 1, 2016	-	-	-	-	-	-	-	-	-
Depreciation expense	-	78.01	1,004.84	94.75	21.72	4.75	21.26	581.65	1,806.98
Disposals / adjustments	-	-	(193.87)	-	(0.06)	-	(3.94)	-	(197.87)
At March 31, 2017	-	78.01	810.97	94.75	21.66	4.75	17.32	581.65	1,609.11
At April 1, 2017	-	78.01	810.97	94.75	21.66	4.75	17.32	581.65	1,609.11
Depreciation expense	-	78.01	1,198.71	94.76	21.91	4.75	18.61	581.66	1,998.41
Disposals / adjustments	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	156.02	2,009.68	189.51	43.57	9.50	35.93	1,163.31	3,607.52
Net block March 31, 2018	475.30	2,101.33	25,585.94	1,916.99	51.11	49.17	20.52	4,327.40	34,527.76
Net block March 31, 2017	475.30	2,179.34	26,784.65	2,011.75	74.23	53.92	39.13	4,909.06	36,527.38
Net block April 01, 2016	475.30	2,257.35	27,988.86	2,106.50	95.67	58.67	70.41	5,490.71	38,543.46

Note: Refer Note No. 25(3)(a) for information on property, plant and equipment pledged as security by the company

Other equity

Amount (Rs. in Lacs)

Particulars	Share application money pending allotment	Reserves and Surplus (refer note 10)								Items of Other Comprehensive Income (refer note 10)						Total
		Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	Mineral Capitalization Reserve	Central Subsidy	Housing Subsidy	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income (specify nature)	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	
Balance as at April 1, 2016	-	2,529.49	246.53	1,425.34	-	(9,762.87)	8,560.73	15.00	10.75							3,024.97
Restated balance at the beginning of the reporting period	-	2,529.49	246.53	1,425.34	-	(13,653.33)	7,104.09	15.00	10.75							(2,322.13)
Total Comprehensive Income for the period comprising of:																-
(i) Profit for the period						(2,278.43)										(2,278.43)
Other Changes (Specified as under) :																
Issue of equity shares																
Reduction in corporate guarantee liability																-
Compensation cost related to employee share based payment																-
Share issued against share application money	-															-
Others							(728.32)									(728.32)
Balance as at March 31, 2017	-	2,529.49	246.53	1,425.34	-	(15,931.76)	6,375.77	15.00	10.75	-	-	-	-	-	-	(5,328.88)
Balance as at April 1, 2017	-	2,529.49	246.53	1,425.34	-	(15,931.76)	6,375.77	15.00	10.75							(5,328.88)
Changes in accounting policy or prior period errors																
Total Comprehensive Income for the period comprising of:																-
(i) Profit for the period						(3,396.83)										(3,396.83)
Other Changes (Specified as under) :																-
Issue of equity shares																-
Reduction in corporate guarantee liability																-
Compensation cost related to employee share based payment																-
Share issued against share application money																-
Others							(728.32)									(728.32)
Balance at the March 31, 2018	-	2,529.49	246.53	1,425.34	-	(19,328.59)	5,647.45	15.00	10.75	-	-	-	-	-	-	(9,454.03)

Bheema Cements Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2018
Amount (Rs. in Lakhs)

Note 3

BHEEMA CEMENTS LIMITED RAMAPURAM							
CAPITAL WORK IN PROGRESS AS ON 31.03.2018							
SL.NO	**DESCRIPTION**	**Opening Balance**	**Receipts**	**cwip -civil**	**Build Materials**	**Stores &Spares**	**TOTAL**
1	Fencing at Mines -2	0.14		0.41			**0.54**
2	VEPALA MADARAM Limestone Prospecting License etc.	1.19					**1.19**
3	Mines Over Head Line	0.14					**0.14**
4	11kv Line shifting work	1.84					**1.84**
	TOTAL	**3.30**	**0**	**0.41**	**0**	**0.00**	**3.70**
A	**CWIP-Civil**						**3.70**
B	Building Materials						0.89
C	Railway Siding						3.50
D	**CWIP as on 31.03.2018 (A+B+C)**						**8.09**

Bheema Cements Limited
Significant accounting policies and notes to the accounts

Amount (Rs. in Lakhs)

Note 4

Particulars	**Mining Lease Rights**
Gross Block	
At March 31, 2016	**2,933.41**
Less:	
Accumulated Depreciation	
At March 31, 2016	**(1,026.69)**
Equals	
Net Block	
At March 31, 2016	**1,906.72**
Opening Gross Block (Before Ind AS Adjustments) At April 1, 2016	**1,906.72**
Less:	
Ind AS Transition Adjustments	**(293.34)**
Equals:	
Gross carrying value (Deemed Cost) At April 1, 2016	**1,613.38**
Additions	-
Disposals / adjustments	-
At March 31, 2017	**1,613.38**
At April 1, 2017	**1,613.38**
Additions	-
Disposals / adjustments	-
At March 31, 2018	**1,613.38**
Accumulated depreciation	
At April 1, 2016	-
Amortisation expense	146.67
Disposals / adjustments	-
At March 31, 2017	**146.67**
At April 1, 2017	**146.67**
Amortisation expense	146.67
Disposals / adjustments	-
At March 31, 2018	**293.34**
Net block March 31, 2018	**1,320.04**
Net block March 31, 2017	**1,466.71**
Net block April 01, 2016	**1,613.38**

Bheema Cements Limited

Significant accounting policies and notes to the accounts

For the year ended March 31, 2018

Amount (Rs. in Lakhs)

Inventories **Note 5**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
Raw Materials	163.93	163.93	180.22
Work In Process	3.75	3.75	3.75
Finished Goods	15.71	15.71	15.71
Stores Spares and Consumables	230.29	230.43	230.39
Total	**413.68**	**413.82**	**430.07**

Financial Assets

Trade receivables **Note 6**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
(Unsecured)			
Considered good	-	751.16	750.48
Considered doubtful	2,325.16	1,574.00	1,573.85
Less: Allowance for doubtful debts	(2,325.16)	(1,574.00)	(1,573.85)
Total	**-**	**751.16**	**750.48**

Cash and cash equivalents **Note 7**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
Cash on hand	0.04	0.40	0.38
Balances with banks in current accounts	10.78	12.31	14.28
Balances with banks held as fixed deposits	0.72	0.72	0.68
Other bank balances	11.61	11.42	10.45
Cash and cash equivalents as per balance sheet	**23.15**	**24.85**	**25.79**
Book overdrafts used for cash management purposes	-	-	-
Cash and cash equivalents as per statement of cash flow	**23.15**	**24.85**	**25.79**

Other current assets **Note 8**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
Deposits	404.38	403.48	455.65
Earnest Money Deposit	7.40	7.40	7.40
Balance with Central Exercise	408.32	408.32	408.32
Others	0.59	0.55	0.55
Advances:			
Advances for materials	133.92	133.90	132.44
Advances for capital goods	24.54	24.54	24.54
Advances for others	739.70	737.19	711.87
Less: Provision for doubtful advances	(666.10)	(220.00)	(220.00)
Net Advances (considered good and recoverable)	232.06	675.63	648.85
Total 829 982 1,006	**1,052.75**	**1,495.38**	**1,520.77**

Bheema Cements Limited
Significant accounting policies and notes to the accounts
(Rupees in Lakhs, except share and per share data, unless otherwise stated
For the year ended March 31, 2018

Equity share capital **Note 9**

a)

Particulars	As at March 31'2018	As at March 31'2017	As at April 1' 2016
Authorised			
420,00,000 (March 31, 2017: 420,00,000 and April 1, 2016: 420,00,000) equity shares of Rs 10/- each	4200.00	4200.00	4200.00
36,00,000 (March 31, 2017: 36,00,000 and April 1, 2016: 36,00,000) Preference Shares of Rs 100/- each	3600.00	3600.00	3600.00
Issued, subscribed and paid-up capital			
EQUITY SHARES			
283,07,970 (Previous Year 283,07,970) Equity Shares of Rs.10/- each. Of the above 1,41,80,617 (PY 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 in earlier years; 18,27,353 (18,27,353) Equity Shares of Rs.10/- each with a premium of Rs.78/- each were alloted as fully paid -up against FITL as per CDR package, which have now been taken over by JM Financials (ARC) on assignment by the respective banks	2,830.80	2,830.80	2,830.80
PREFERENCE SHARES			
6% Cumulative Redeemable Preference Shares			
12,47,000 (Previous Year 12,47,000) 6%cumulative Redeemable preference Shares of Rs.100/-each were allotted as fully paid-up against FITL as per CDR package which are now transferred in the name of JM Financial (ARC) after assignment by the respective banks	1,247.00	1,247.00	1,247.00
0% Cumulative Redeemable Preference Shares			
14,92,559 (Previous Year 14,92,559) 0% Cumulative Redeemable Preference Shares of Rs.100/- each were allotted as fully paid-up against FITL as per CDR Package which are now transferred in the name of JM Financial (ARC) after assignment by the respective banks	1,492.56	1,492.56	1,492.56
TOTAL	**5,570.36**	**5,570.36**	**5,570.36**

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at March 31'2018		As at March 31'2017		As at April 1' 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
(i) EQUITY SHARES						
Number of shares outstanding at the beginning of the period	28307970	283079700	28307970	283079700	28307970	283079700
Add: Shares issued	0	0	0	0	0	0
Add: Shares issued on preferential allotment	0	0	0	0	0	0
Add: Shares issued on exercise of employee stock options	0	0	0	0	0	0
Add: Bonus shares issued	0	0	0	0	0	0
Number of shares outstanding at the end of the period	28307970	283079700	28307970	283079700	28307970	283079700
(ii) 6% Cumulative Redeemable Preference Shares						
Number of shares outstanding at the beginning of the period	1247000	124700000	1247000	124700000	1247000	124700000
Add: Shares issued	0	0	0	0	0	0
Add: Shares issued on preferential allotment	0	0	0		0	0
Add: Shares issued on exercise of employee stock options	0	0	0	0	0	0

Add: Bonus shares issued	0	0	0	0	0	0
Number of shares outstanding at the end of the period	1247000	124700000	1247000	124700000	1247000	124700000
(iii) 0% Cumulative Redeemable Preference Shares						
Number of shares outstanding at the beginning of the period	1492559	149255900	1492559	149255900	1492559	149255900
Add: Shares issued	0	0	0	0	0	0
Add: Shares issued on preferential allotment	0	0	0	0	0	0
Add: Shares issued on exercise of employee stock options	0	0	0	0	0	0
Add: Bonus shares issued		0	0		0	0
Number of shares outstanding at the end of the period	1492559	149255900	1492559	149255900	1492559	149255900

c) 1. Movements in equity share capital:

During the year, the Company has neither issued nor bought back any shares.

2.Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

3.Dividends:

Dividend on 6% CRPS Capital of Company : Consequent to transition to Ind AS and its applicability in preparation and presentation of financial statements, Company is obligated under Ind AS 32 to treat any fixed dividend payable on mandatorily redeemable preference shares as a liability. However, the Company has not carried out this treatment. The consequential impact of its non recognition in books of account is that the liability and corresponding loss stands understated for the year by Rs.74.82 lacs and cumulatively by Rs.472.78 lacs.

d) Details of shareholders holding more than 5% shares in the Company

	As at March 31'2018		As at March 31'2017		As at April 1'2016	
	No of shares	% Holding	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*						
(i) Equity						
S. Chandra Mohan	47,38,927	16.74%	47,38,927	16.74%	47,38,927	16.74%
SRB Ramesh Chandra	47,33,927	16.72%	47,33,927	16.72%	47,33,927	16.72%
S Kishore Chandra	47,33,927	16.72%	47,33,927	16.72%	47,33,927	16.72%
Venkat Vasudev	30,29,599	10.70%	30,29,599	10.70%	30,29,599	10.70%
JM Financial Asset Reconstruction Company Private Limited (JMFARC Pvt Ltd)	16,58,313	5.85%	16,58,313	5.85%	16,58,313	5.85%
(ii) 6% Cumulative Redeemable Preference Shares						
JMFARC - Axis Bank Ltd	3,81,744	30.62%	3,81,744	30.62%	3,81,744	30.62%
JMFARC - Karnataka Bank Ltd	3,27,147	26.23%	3,27,147	26.23%	3,27,147	26.23%
JMFARC - State Bank of Hyderabad	5,38,109	43.15%	5,38,109	43.15%	5,38,109	43.15%
(iii) 0% Cumulative Redeemable Preference Shares						
JMFARC - Axis Bank Ltd	4,38,890	31.50%	4,38,890	31.50%	4,38,890	31.50%
JMFARC - Karnataka Bank Ltd	3,36,277	24.14%	3,36,277	24.14%	3,36,277	24.14%
JMFARC - State Bank of Hyderabad	6,17,918	44.36%	6,17,918	44.36%	6,17,918	44.36%

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members

e) In the period of five years immediately preceding March 31, 2018:

i) The Company has not allotted any bonus shares

ii) The Company has not bought back any equity shares.

iii) The Company has not allotted any equity shares as fully paid up without payment being received in cash

Other equity As per Ind AS **Note** **10**

Other equity	As at March 31'2018	As at March 31'2017	As at April 1' 2016
a) Capital reserve			
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	2529.49	2529.49	2529.49
b) Security premium			
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium. It is utilised for bonus issue.	1425.34	1425.34	1425.34
c) General reserve			
This represents appropriation of profit by the Company.	246.53	246.53	246.53
d) Retained earnings (Profit & Loss Account)			
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	-19328.59	-15931.76	-13653.33
e) Share option outstanding account			
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees in case of forfeiture corresponding balance is transferred to general reserve.	0.00	0.00	0.00
f) Share application money pending allotment			
	0.00	0.00	0.00
g) Mineral Capitalization Reserve			
	5647.45	6375.77	7104.09
h) Central Subsidy			
	15.00	15.00	15.00
i) Housing Subsidy			
	10.75	10.75	10.75
j) Other Equity			
	0.00	0.00	0.00
Total	**-9454.03**	**-5328.88**	**-2322.13**

NOTE:

RESTATED Retained earnings (Profit & Loss Account) RECONCILIATION:			
LOSS AS PER PREVIOUS GAAP AFS	-11269.14	-10641.65	-9762.87
LESS			
Depn on PPE (Excl Min Deposits & reserves) Understated : Rs.1435.74 lacs 2014-15 + Rs.1442.90 lacs -17.31 lacs (on Deletions) 2015-16			2861.33
Reversal Adj of Write back of Excess Power Bills of earlier years during 2015-16			381.55
Def Tax Liability - Reversal 14-15 Rs.196.09 lacs + Non Provision 15-16 Rs.198.19 lacs			394.28
Salaries Payment below contracted rates			253.30
Understatement/loss of Secured Loans			0
Total			3890.46
GRAND TOTAL (RESTATED)			**-13653.33**
Opening Balance Restated		-13653.33	
Net Loss as per Statement of Profit and Loss		-2278.43	
GRAND TOTAL (RESTATED)		**-15931.76**	
Opening Balance Restated	-15931.76		
Net Loss as per Statement of Profit and Loss	-3396.83		
GRAND TOTAL (RESTATED)	**-19328.59**		

RESTATED Mineral Capitalization Reserve : RECONCILIATION			
Opening Balance (As on 31.03.2016) : Previous GAAP			8560.73
Less:			
Depreciation on MDMR for FY 2014-15 Omitted to be accounted earlier and now recognised/accounted and Transferred to Profit & Loss Account			728.32
Depreciation on MDMR for FY 2015-16 Omitted to be accounted earlier and now recognised/accounted and Transferred to Profit & Loss Account			728.32
Restated Opening Balance Under Ind AS As on 01.04.2016			7104.09
Opening Balance	6375.77	7104.09	
Add: Capitalization during the period	0.00	0.00	-
Less: Transferred to Profit & Loss Account	728.32	728.32	-
Closing Balance	5647.45	6375.77	-

Bheema Cements Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2018
Amount (Rs. in Lakhs)
Non- current liabilities
Financial liabilities

Borrowings **Note** **11**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
(Long Term and Secured)			
Term Loans			
a) From Banks	0.00	0.00	12634.10
b) Others			
Total	**0.00**	**0.00**	**12634.10**

Provisions **Note** **12**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
Leave Encashment	25.19	25.19	25.19
Total	**25.19**	**25.19**	**25.19**

Deferred Tax Liabilities **Note** **13**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
Deferred tax liabilities	3257.92	3257.92	3257.92
Total	**3,257.92**	**3,257.92**	**3,257.92**

Other non-current liabilities **Note** **14**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
Unsecured Loans from Promoters & Associates	658.87	-	-
Security Deposits from Dealers, Contractors & Others	2,183.86	2,130.36	2,077.47
Total	**2,842.73**	**2,130.36**	**2,077.47**

Bheema Cements Limited

Significant accounting policies and notes to the accounts

For the year ended March 31, 2018

Amount (Rs. in Lakhs)

Current liabilities

Financial liabilities

Borrowings **Note** **15**

Particulars	**As at March 31'2018**	**As at March 31'2017**	**As at April 1 '2016**
(Short Term and Secured)			
Loans Payable on Demand			
JMFARC - Axis Bank Limited	130.78	130.78	130.78
JMFARC - ICICI Bank			
JMFARC - Karnataka Bank	1,297.17	1,297.17	1,297.17
JMFARC - Oriental Bank of Commerce	1,126.43	1,126.43	1,126.43
JMFARC - State Bank of Hyderabad			
JMFARC - United Bank of India			
Sub Total	**2,554.38**	**2,554.38**	**2,554.38**
Corporation Bank	2,026.72	2,026.72	2,026.72
Sub Total	**2,026.72**	**2,026.72**	**2,026.72**
Grand Total	**4,581.10**	**4,581.10**	**4,581.10**

Cash Credits from the aformentioned 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.

Trade Payables **Note** **16**

Particulars	As at March 31'2018	As at March 31'2017	As at April 1 '2016
Trade Payables for Materials	4,477.27	4,470.12	4,417.06
Total	**4,477.27**	**4,470.12**	**4,417.06**

* Company has no information on amount due to Micro, Small and Medium Enterprises under Section 22 of Micro, Small & Medium Enterprises Development Act 2006(MSMED Act)

Other financial liabilities **Note** **17**

Particulars	As at March 31'2018	As at March 31'2017	As at April 1 '2016
Current maturities of long-term debt*	16,176.99	16,176.99	3,542.89
Total	**16,176.99**	**16,176.99**	**3,542.89**

* Refer observations in Note.25 (3) (a)

Other current liabilities **Note** **18**

Particulars	As at March 31'2018	As at March 31'2017	As at April 1 '2016
Others**	7,168.58	7,563.08	6,742.88
Expenses payable	2,369.86	2,066.95	1,730.35
Employee dues payable	329.50	174.20	634.85
Total other current liabilities	**9,867.94**	**9,804.23**	**9,108.08**

Bheema Cements Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2018
Amount (Rs. in Lakhs)

Other income **Note** **19**

Particulars	For the year ended	
	March 31,2018	March 31,2017
Interest received	0.22	10.67
Miscellaneous Income	0.08	0.01
Total	**0.30**	**10.68**

Employee benefits expense **Note** **20**

Particulars	For the year ended	
	March 31,2018	March 31,2017
Salaries, Wages and Bonus	444.88	449.61
Contribution to Provident Fund	8.60	20.62
Contribution to ESI	7.50	2.12
Workmen & Staff Welfare Expenses	20.01	22.87
Total	**480.99**	**495.22**

Finance costs **Note** **21**

Particulars	For the year ended	
	March 31,2018	March 31,2017
Interest expense	-	-
Other finance charges	116.07	152.71
Total	**116.07**	**152.71**

Depreciation and amortization expense **Note** **22**

Particulars	For the year ended	
	March 31,2018	March 31,2017
On property, plant and equipment	1,998.41	1806.98
On other intangible assets	146.67	146.67
Equals:	2,145.08	1,953.65
Gross Amount as per Note No. 2 & 4	2,145.08	1,953.65
Less: Transfer from Mining Revaluation Reserve	728.32	728.32
Total	1,416.76	1,225.33

Other expenses **Note 23**

Particulars	For the year ended	
	March 31,2018	March 31,2017
Manufacturing Expenses		
Power Consumed	47.34	127.67
Repairs & Maintenance		
Machinery	4.02	8.70
Buildings	0.22	0.22
Other Fixed Assets	1.53	1.53
Administrative Expenses		
Rent	29.52	28.02
Rates & Taxes	3.44	1.20
Insurance	0.28	0.10
Bank Charges	0.78	0.69
Miscellaneous Expenses	79.06	101.36
Directors Sitting Fees	4.50	5.06
Cost Audit Fee	0.30	-
Loss on Sale of Fixed Assets	-	109.88
Loss on Sale of Raw Materials	-	11.15
Auditors Remuneration:		
Statutory Audit Fee	8.00	5.92
Sales Expenses		
Bad & Doubtful Debts	751.16	-
Bad & Doubtful Advances	446.11	
Other Sales Expenses	7.05	14.35
Total	**1,383.31**	**415.85**

Note 1: Company Information and Significant Accounting Policies

A. Reporting entity

Bheema Cements Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: L26942TG1978PLC002315).

The shares of the Company are publicly traded on the BSE Limited. The address of the Company's registered office is 6-3-652/C/A, Flat 5A, "Kautilya", Amrutha Estates, Somajiguda, Hyderabad – 500082, Telangana, India.

The Company is primarily involved in Cement manufacturing.

The Company shut down its operations and not in to active production since 2014 onwards.

B. Basis of preparation

1. Statement of Compliance

These standalone financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), and applicable provisions of the Companies Act, 1956, to the extent applicable.

These are the Company's first Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

For all the periods up to and including 31 March 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable), and applicable provisions of the Companies Act, 1956, to the extent applicable.

The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz. 1 April 2016. Some of the Company's Ind AS accounting policies used in the opening Balance Sheet are different from its previous GAAP policies applied as at 31 March 2016, and accordingly the adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2016. This is the effect of the general rule of Ind AS 101 which is to apply Ind AS retrospectively.

An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 25 (1).

These financial statements were authorized for issue by Resolution Professional on 21 August 2018.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments). The methods used to measure fair values are discussed further in notes to financial statements.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakh (up to two decimals), except as stated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets, (subject to their appropriate restatement if any found required) as per the previous GAAP as at 1st April'2016, i.e., the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

Items of property, plant and equipment are initially recognized at acquisition cost (net of taxes which are claimed as input credits). Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes installation and expenditure during construction period (including interest on borrowings till the date of capitalization), that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The mineral deposits and mining rights are stated at the estimated realizable value, based on valuation by an independent valuer.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

1.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

1.5. Depreciation/amortization

Depreciation on Property, plant and equipment other than those mentioned hereunder is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, as estimated by the Management / specified in Schedule II of the Companies Act, 2013

Items of property, plant and equipment costing less than 0.05 Lacs are depreciated fully in the year of acquisition.

Depreciation on the mineral deposits and mineral rights is 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.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation by Management:

S. No	Asset Description	Estimated Useful Life
a)	Factory Buildings Owned	24 years
b)	Non Factory Buildings	54 years
c)	Plant & Machinery, Electrical Equipment	26 Years
d)	Furniture, Fixtures and Office Equipment	11 Years
e)	Vehicles	6 Years
f)	Computer Equipment	4 Years
g)	Mineral Deposits	13/15/20 Years
h)	Mining Rights	40 Years

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

3.1. Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost.

Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses.

Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.3. Amortization

Other intangible assets are amortized on straight line method over the period of legal right to use or life of the related plant, whichever is less.

4. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as an expense in the year in which they are incurred.

5. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

6. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

7. Government grants

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset.

Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

8. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts.

These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

9. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant & equipment recognized up to 31 March 2017 are adjusted to carrying cost of property, plant & equipment.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

10. Revenue

Company's revenues arise primarily from sale of goods, apart from nominal other income.

Revenue from other income comprises interest from banks, employees, contractors etc., dividend from investments, sale of scrap, other miscellaneous income, etc.

10.1. Revenue from sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable.

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement, and the amount of revenue can be measured reliably.

Revenue from sale of goods includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue.

10.2. Revenue from services

Revenue from services if any, rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective consultancy contracts. Claims for reimbursement of expenses are recognized as other income, as per the terms of the consultancy service contracts.

10.3. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Scrap is accounted for as and when sold.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income is included in other income in the statement of profit and loss.

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

11. Employee Benefits

The Company has the following employee benefit plans:

11.1) Provident fund:

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

11.2) Gratuity

The Company has a scheme for payment of gratuity to all its employees as per provisions of the Payment of Gratuity Act 1972. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under gratuity plan are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur.

11.3) Leave Encashment

The Company has a scheme for payment of leave encashment to all eligible employees. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under leave encashment is charged to the statement of profit and loss, on year to year basis.

12. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

13. Leases

13.1. As lessee

Accounting for finance leases

Leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Accounting for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

13.2. As lessor

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for finance leases

Where the Company determines a long term PPA to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned. The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as finance lease receivables, at the amount of the net investment in the lease.

Accounting for operating leases

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease. For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement.

14. Impairment of non-financial assets

The carrying amounts of the Company’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 ‘Impairment of Assets’. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

15. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments.

Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

16. Dividends

Dividends and interim dividends payable to a Company's equity shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

Dividends payable on Compulsorily Redeemable Preference Shares is recognized as a liability in accordance with applicability of Ind AS 32.

17. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

18. Earnings per share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.

19. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

20.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments are measured at amortized cost/FVTOCI/FVTPL, in accordance with Ind AS 109.

Equity investments in entities other than subsidiaries and joint ventures are measured at fair value (either FVTPL or FVTOCI, in accordance with principles enshrined in Ind AS 109.

Equity investments in subsidiaries and joint ventures are measured at cost.

De Recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables under Ind AS 18.

(e) Loan commitments which are not measured as at FVTPL.

(f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

20.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities are subsequently measured either at amortized cost or fair value through profit or loss, in accordance with principles enshrined in Ind AS 109.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

21. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

a. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets is determined in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

b. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

c. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any change in these assumptions may have a material impact on the resulting calculations.

d. Revenues

The Company records revenue from sale of goods as per principles enunciated under Ind AS 18.

e. Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17 'Determining whether an arrangement contains a lease'. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements to conclude whether the arrangement needs the criteria under Appendix C to Ind AS 17.

f. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non Current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

g. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

h. Impairment test of non-financial assets

The recoverable amount of investment in joint ventures is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Sd/-
Gonugunta Madhusudhan Rao
Place: Hyderabad IP
Registration No-
Date: September 5, 2018 IBBI/IPA-001/IP-P00181/2017-
18/10360

Resolution Professional
Bheema Cements Limited

(A Company under Corporate Insolvency Resolution Process by NCLT Order dated July 9, 2018)

Sd/-	Sd/-	Sd/-
S. Chandra Mohan	S.Kishore Chandra	S.Karthik Sarath Chandra
Executive Chairman	Managing Director	Jt. Managing Director

NOTE NO "25" :
NOTES TO ACCOUNTS

1. Transition to Ind AS and First-time adoption of Ind AS
These are the Company's first financial statements in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2016 (the date of transition to Ind AS).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2016 (the Company's date of transition).

According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2018, the date of first-time preparation of financial statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS financial statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2016 compared with those presented in the previous GAAP Balance Sheet as of 31 March 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the notes.

Optional exemptions availed and mandatory exceptions

In the Ind AS Opening Balance Sheet as at 1 April 2016, the carrying amounts of assets and liabilities from the previous GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect as on 31 March 2018.

However, for certain individual cases, Ind AS 101 provides for optional exemptions and mandatory exemptions to the general principles of retrospective application of Ind AS.

I. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

i) Property, plant and equipment & Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.
Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, duly adjusted to Depreciation/ Amortization, as required to be provided in books of accounts.

ii) Borrowings
Ind AS 101 permits that if it is impracticable for an entity to apply retrospectively the effective interest method in Ind AS 109 'Financial Instruments', the fair value of the financial liability at the date of transition to Ind AS shall be the new amortized cost of that financial liability at the date of transition to Ind AS.
iii) Arrangements containing a lease
Appendix C, Ind AS 17 requires an entity to assess whether an arrangement contains a lease at its inception. However, Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS. The Company has elected to apply this exemption for such contracts/ arrangements.

iv) Estimates
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: Impairment of financial assets based on expected credit loss model.

v) Classification and measurement of financial assets
The Company has also elected the option under Ind AS 101 by not applying the requirement of Ind AS 109 in case of employee loans which requires that these shall be recognized initially at fair value and subsequently at amortized cost. As per the exemption, if an entity finds impracticable to apply retrospectively effective interest method, the fair value of the financial asset at the date of transition to Ind AS shall be the new amortized cost of that financial asset at the date of transition to Ind AS.

II. Reconciliation of equity as at 1 April 2016 and as at 31 March 2017

(a) Equity share capital	**Amount (Rs. in Lacs)**
Balance at the April 1, 2016	5,570.36
Add: Shares issued	-
Add: Shares issued on exercise of employee stock options.	-
Balance at the March 31, 2017	**5,570.36**
Balance as at April 1, 2017	**5,570.36**
Add: Shares issued on exercise of employee stock options.	-

Add: Bonus Shares issued	-
Balance at the March 31, 2018	**5,570.36**

* Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

III. Reconciliation of Profit and Loss Statement for the year ended 31 March 2017

Particulars	Year ended 31-March-2017 – Rs. in Lacs			
	As per Indian GAAP	**Effect of IND AS transition**	**Reclassification**	**As per Ind AS**
Income				
Revenue from operations	-			-
Other Income	10.68			10.68
Total Revenue	**10.68**	**-**		**10.68**
Expenses:				
Cost of materials consumed	-			-
Employee benefit expense	321.02	174.20		495.22
Financial costs	152.71			152.71
Depreciation and amortization expense	-	1,225.33		1,225.33
Other expenses	415.85			415.85
Total Expenses	**889.58**	**1,399.53**		**2,289.11**
Profit / (Loss) before taxes	**(878.90)**	**(1,399.53)**		**(2,278.43)**
Tax expense:				
Current tax	-	-		-
Deferred tax	-			-
Taxes Prior Period	-	-		-
Profit / Loss for the period**	**(878.90)**	**(1,399.53)**		**(2,278.43)**

* Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.
** from discontinued Operations

IV. Reconciliation of Other equity as at 1 April 2016 and 31 March 2017.

(a). Reserves and Surplus:
Refer Attachment A for details
Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

(b). Other comprehensive income
Under previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income include retained earnings restatement/adjustments. Accordingly, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Annexure A to Note 25(1)(IV)(a)

Other equity

Amount (Rs. in Lacs)

Particulars	Share application money pending allotment	Reserves and Surplus (refer note 10)								Items of Other Comprehensive Income (refer note 10)						Total
		Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	Mineral Capitalization Reserve	Central Subsidy	Housing Subsidy	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income (specify nature)	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	
Balance as at April 1, 2016	-	2,529.49	246.53	1,425.34	-	(9,762.87)	8,560.73	15.00	10.75							3,024.97
Restated balance at the beginning of the reporting period	-	2,529.49	246.53	1,425.34	-	(13,653.33)	7,104.09	15.00	10.75							(2,322.13)
Total Comprehensive Income for the period comprising of:																-
(i) Profit for the period						(2,278.43)										(2,278.43)
Other Changes (Specified as under) :																
Issue of equity shares																
Reduction in corporate guarantee liability																-
Compensation cost related to employee share based payment																-
Share issued against share application money	-															-
Others							(728.32)									(728.32)
Balance as at March 31, 2017	-	2,529.49	246.53	1,425.34	-	(15,931.76)	6,375.77	15.00	10.75	-	-	-	-	-	-	(5,328.88)
Balance as at April 1, 2017	-	2,529.49	246.53	1,425.34	-	(15,931.76)	6,375.77	15.00	10.75							(5,328.88)
Changes in accounting policy or prior period errors																
Total Comprehensive Income for the period comprising of:																-
(i) Profit for the period						(3,396.83)										(3,396.83)
Other Changes (Specified as under) :																-
Issue of equity shares																-
Reduction in corporate guarantee liability																-
Compensation cost related to employee share based payment																-
Share issued against share application money																-
Others							(728.32)									(728.32)
Balance at the March 31, 2018	-	2,529.49	246.53	1,425.34	-	(19,328.59)	5,647.45	15.00	10.75	-	-	-	-	-	-	(9,454.03)

V. **Reconciliation of Balance Sheet figures viz. Assets, Equity and Liabilities as at 1 April 2016 and 31 March 2017.**

Refer Attachment B for details

VI. Impact of Ind AS adoption on the Statement of Cash Flows for the previous year ended 31 March 2017:

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	-101.11	111.94	10.83
Net cash flow from investing activities	99.24	-11.19	88.05
Net cash flow from financing activities	0.94	-100.76	-99.82
Net increase/ (decrease) in cash and cash equivalents during the year	-0.93	-0.01	-0.94
Cash and cash equivalents at the beginning of the year	25.79	25.79	25.79
Effect of exchange rate changes on cash and cash equivalent held in foreign currency	0.00	0.00	0.00
Cash and cash equivalent at the end of the year	24.85	24.85	24.85

Note: Cash flow from operating activities under Ind AS has increased mainly due to reclassification of cash flow from operating activities as a result of recognition of financial costs and other liabilities forming part of changes in operating assets and liabilities and reclassification of cash flow from investing activities as a result of recognition of sale proceeds of certain property, plant & equipment. Further, cash flow from financing activities increased mainly due to reclassification/changes in Non Current Liabilities.

Attachment B to Note 25(1)(V)

Bheema Cements Limited						
Significant accounting policies and notes to the accounts						
Reconciliation of equity : Restated Balance Sheet / Statement of Affairs						
						(Rs. in Lakhs)
	31-Mar-2017			**1-Apr-2016**		
PARTICULARS	**Amount as per previous GAAP**	**Cum Effect of transition to Ind AS**	**Ind AS**	**Amount as per previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
ASSETS						
<u>Non-current assets</u>						
Property, plant and equipment	42358.99	-5831.61	36527.38	42568.09	-4024.63	38543.46
Capital work in progress	8.09		8.09	8.09		8.09
Investment Property	0.00		0.00	0.00		0.00
Goodwill	0.00		0.00	0.00		0.00
Other intangible assets	1906.72	-440.01	1466.71	1906.72	-293.34	1613.38

Financial assets						
Investments	0.00		0.00	0.00		0.00
Trade Receivables	0.00		0.00	0.00		0.00
Loans	0.00		0.00	0.00		0.00
Other financial assets	0.00		0.00	0.00		0.00
Deferred tax assets (net)	0.00		0.00	0.00		0.00
Other non-current assets	0.00		0.00	0.00		0.00
	44273.80	-6271.62	38002.18	44482.90	-4317.97	40164.93
Current assets						
Inventories	413.82		413.82	430.07		430.07
Financial assets						
Investments	0.00		0.00	0.00		0.00
Trade receivables	751.16		751.16	750.48		750.48
Cash and cash equivalents	24.85		24.85	25.79		25.79
Loans	0.00		0.00	0.00		0.00
Other financial assets	0.00		0.00	0.00		0.00
Current Tax Assets	0.00		0.00	0.00		0.00
Other current assets	1495.38		1495.38	1520.77		1520.77
	2685.21	0.00	2685.21	2727.11		2727.11
TOTAL ASSETS	**46959.01**	**-6271.62**	**40687.39**	**47210.01**	**-4317.97**	**42892.04**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	5570.36	0.00	5570.36	5570.36		5570.36
Other equity	2146.19	-7475.07	-5328.88	3024.97	-5347.10	-2322.13
	7716.55		241.48	8595.33		3248.23
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	12582.15	-12582.15	0.00	12634.10		12634.10
Trade payables	0.00		0.00	0.00		0.00
Other financial liabilities	0.00		0.00	0.00		0.00
Provisions	25.19		25.19	25.19		25.19
Deferred tax liabilities (Net)	2863.64	394.28	3257.92	2863.64	394.28	3257.92
Other non-current liabilities	2130.36	0.00	2130.36	2077.47		2077.47

	17601.34	-12187.87	5413.47	17600.40	394.28	17994.68
<u>**Current liabilities**</u>						
Financial liabilities						0.00
Borrowings	4581.10	16176.99	20758.09	4581.10		4581.10
Trade payables	4470.12		4470.12	4417.06		4417.06
Other financial liabilities	3594.83	-3594.83	0.00	3542.89		3542.89
Other current liabilities	8995.07	809.16	9804.23	8473.23	634.85	9108.08
Provisions	0.00		0.00	0.00		0.00
Current tax liabilities (Net)	0.00		0.00	0.00		0.00
	21641.12	13391.32	35032.44	21014.28	634.85	21649.13
TOTAL LIABILITIES	**39242.46**	**1203.45**	**40445.91**	**38614.68**	**1029.13**	**39643.81**
TOTAL EQUITY AND LIABILITIES	**46959.01**	**1203.45**	**40687.39**	**47210.01**	**1029.13**	**42892.04**

VII. Reconciliation of PPE (and OITA) as at 1 April 2016, as at 31 March 2017 and as at 31 March 2018

Refer Note No.2 & Note No.4 forming part of accounts for details

2. GOING CONCERN

The Company has not been able to service the debts as per the restructuring package approved by the CDR LOA for the loans restructured in terms of the MRA. Further, since the past 3 financial years, the operations of the company have been affected on account of non-availability of working capital and the suspension of operations since March, 2014. During the year 2015, the company was informed by all the Banks (except Corporation Bank) that the debts of the Company due to the banks have been assigned to JM Financial Asset Reconstruction Company Private Limited (hereinafter called as "ARC: under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act)). Subsequently the Company had, on 9th March 2016, received an in principle sanction from the ARC detailing the terms of repayment of the debts taken over by ARC and also terms and conditions for sanction of fresh loan for working capital purposes.

However, in June 2016, the Company was informed by the ARC that sanction letter issued by the ARC in March, 2016 stands withdrawn and cancelled due to non-compliance of some of the sanction conditions especially the pre-disbursement conditions.

Further the ARC has issued 13/2 notice under SARFAESI to the Company for recovery of the Debt in May 2017 and the company has replied to the said notice 13/3 within the stipulated time frame. There has been a case filed by Corporation Bank for recovery of their dues at DRT.

Initiation of Proceedings under Section 7 of IBC [Insolvency and Bankruptcy Code, 2016], read with Rule 4 of IBC [Insolvency and Bankruptcy Application to Adjudicating Authority Rules, 2016]

In view of the continuing delay upon the Company in repayment of its overdues including interest, ARC [JM Financial Services] had filed an application against the Company with NCLT, Hyderabad under

CIRP, anticipating a time bound resolution process, in the failure of which the Company will go into liquidation.
Accordingly,
(a). Corporate Insolvency Resolution Process has been Initiated in case of the Company vide an order of the Hon'ble National Company Law Tribunal, Hyderabad ("NCLT") dated 09/07/2018 under the Provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Pursuant to the order, the management of the Affairs of the company and powers of the board of directors of the company are now vested with the Resolution Professional Mr.Gonugunta Madhusudhan Rao (IP Registration No. IBBI/IPA-001/IP-P00181/2017-18/10360), who is appointed by Committee of Creditors, effective 6th August 2018.

(b) As per insolvency and bankruptcy Code, 2016 ("Insolvency code"), the Resolution Professional has to receive, collect and admit all the claims submitted by the Creditors (Operational and Financial), employees and workmen of the company. Such claims can be submitted to the Resolution Professional during the Corporate Insolvency Resolution Process, within the prescribed time. The Resolution Professional is in the process of receiving, collating, and verifying such claims and shall subsequently admit verified claims as per the insolvency code.

(c). As per insolvency and bankruptcy Code, 2016 ("Insolvency code"), the Resolution Professional has to determine the realizable value of the assets of the Company and arrange for their valuations by approved valuers within stipulated time. The Resolution Professional is in the process of determining the realizable value of the Company assets.

(d). On 27 March 2018, the Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board Of India (Liquidation Process) (Amendment) Regulations, 2018 (Amendment). Section 4(II) of the Amendment, inter alia, amended Regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2018 ("Regulations"), empowering the liquidator to adopt a new methodology for the realization of assets namely "to sell the debtor as a going concern."

(e). Resolution Professional is in the process of inviting resolution plans, once a plan is submitted; it will be placed before COC and thereafter to NCLT for approval.

(f). Currently, the Management is making efforts to raise additional and alternative funds. It is also in advanced stage of negotiations for joint venture opportunities and other investors with a view to raise working capital for revival of the Company and as an alternative. It is hopeful that all these efforts would be successful and that the debt shall be cleared to the secured lenders.

The Management is further of the opinion that all the assets of the company have a realizable value at least to the extent reflected in the books of account and that the company will be able to meet its liabilities.

In these circumstances the accounts / Financial Statements of the Company have been continued to be prepared on Going Concern Basis.
3 (a). **NON PROVISION OF INTEREST ON TERM LOANS & WORKING CAPITAL BORROWINGS FROM BANKS/FIs:**

In view of the assignment of debts of the Banks (other than Corporation Bank) to the ARC and the issuance of sanction letter by ARC in the month of March, 2016 and since the dues finally settled (after take over by ARC) are substantially lower than the dues outstanding as per the accounts, the Company has not provided interest on the dues to the Banks up to the cut-off date i.e. the date when the debts were assigned to the ARC.

In respect of the loan dues to Corporation Bank, interest has not been provided in the accounts as the Company is in receipt of communication from the company that they are pursuing for One Time Settlement. In view of the ongoing negotiations between the company and Corporation Bank, which may result in settlement of dues at an amount substantially lower than the dues as per accounts, the Company considered it appropriate not to provide interest. However, the excess or shortfall, if any, in interest liability would be considered, determined and accounted in the period in which the final settlement is reached with ARC.

As per the sanction letter received from the ARC, the Company is liable to pay interest on the outstandings taken over by ARC from Banks from the cut-off date i.e. the date when the debts were assigned and taken over by the ARC. The Company has not provided for the interest accrued to the ARC from the date of takeover of debts (cut-off date) as the outstanding balance in the accounts of the loan liabilities is higher than the debts taken over by the ARC.

Despite the withdrawal of the sanction letter of March 2016 by the ARC, initiation of SARFAESI / Recall Notice in May'2017 and initiation of CIRP in June/July'2018, the Company has not affected changes in the accounts for the effect of the assignment of the debts to ARC and has not restated the term loans and working capital borrowings to the value accepted in the Sanction letter issued by ARC.

Current Status of Long Term Debt (as per Company Records): Amount Rs. in Lacs

Assignor Banks	**RESTRUCTURED DEBT 1**	**RESTRUCTURED DEBT 2**
	Principle O/s Amounts	**Interest accrued up to 31.3.2018**
JMFARC -Axis Bank Limited	2533.00	1327.00
JMFARC - Karnataka Bank Limited	3123.00	1631.00
JMFARC -ICICI Bank Ltd	1928.00	914.00
JMFARC -State Bank of Hyderabad	3004.00	1418.00
JMFARC -United Bank of India	2917.00	1242.00
JMFARC -Oriental Bank of Commerce	497.00	168.00
Total	**14002.00**	**6700.00**

Non Assignor Banks	**Principle O/s Amounts**	**Interest accrued up to 31.3.2018**
Corporation Bank	**2640.13**	**2372.22**
GRAND TOTAL	**16642.13**	**9072.22**

Recorded Dues as per Company:

Amount Rs. in Lacs

S. No	**Nature of Credit Exposure**	**Recorded O/s As on 31.03.2018**	**Remarks**
1	Term Loan from Banks – Long Term Maturities, originally recorded as NCL (until Recall Notice), reclassified as CL	12582.15	No change witnessed after 31.03.2015
2	Term Loan from Banks – Current Maturities of Long Term Debt, continuing to be	3594.83	No change witnessed after 31.03.2015

	classified as CL		
3	Short Term Borrowings, continuing to be classified as CL	4581.10	No change witnessed after 31.03.2015
	TOTAL	**20758.08**	

Dues Recognized & Reported by previous Statutory Auditors consequent to Qualifications in their Statutory Audit Report(s):

Amount Rs. in Lacs

S.No	Nature of Credit Exposure	2014-15	2015-16	2016-17
1	Term Loan from Banks – Long Term Maturities, originally recorded as NCL (until Recall Notice), reclassified as CL	14208.57	35179.00	38699.00
2	Term Loan from Banks – Current Maturities of Long Term Debt, continuing to be classified as CL	4026.82		
3	Short Term Borrowings, continuing to be classified as CL	5275.00		
	TOTAL	**23510.79**	**35179.00**	**38699.00**

DETAILS OF LOANS ACQUIRED BY ARC [JMF]:

Amount Rs. in Lacs

S.No	ASSIGNOR BANK	DUES ASSIGNED	ASSIGNMENT DATE	NPA DATE
1	Axis Bank Ltd.	5013.09	26.03.2015	28.09.2013
2	Karnataka Bank Ltd.	6179.61	18.03.2015	29.05.2014
3	ICICI Bank Ltd.	3815.13	31.05.2015	30.12.2010
4	State Bank of Hyderabad	5944.20	29.06.2015	30.09.2013
5	United Bank of India	5771.26	05.09.2015	30.09.2013
6	Oriental Bank of Commerce	1684.31	28.02.2016	30.06.2014
	TOTAL	**28407.60**		

ENFORCEABLE CLAIMS AS PER LENDERS/ARC (ON BEHALF OF ASSIGNOR BANKS) PLUS CORPORATION BANK

Amount Rs. in Lacs

S.No	LENDER	2015-16	2016-17	2017-18
1	JMFARC - Axis Bank Limited	5,484.36	6,297.76	7,354.31
2	JMFARC - ICICI Bank	4,173.78	4,859.13	5,543.53
3	JMFARC - Karnataka Bank	6,760.54	8,047.58	9,150.80
4	JMFARC - Oriental Bank of Commerce	1,842.65	1,880.89	2,081.91
5	JMFARC - State Bank of Hyderabad	6,503.00	7,491.96	8,547.20
6	JMFARC - United Bank of India	6,313.80	7,287.58	8,455.58
A	**Sub Total : A**	**31,078.14**	***35,864.90**	**41,133.33**
7	Corporation Bank	4,100.86	4,501.63	5,012.36
B	**Sub Total : B**	**4,100.86**	**4,501.63**	**5,012.36**
C	**Grand Total : A+B**	**35,179.00**	**40,366.53**	**46,145.69**

Notes: * As per SARFAESI Notice under Sec 13 (2) of Securitization Act.

Dues include un-realized interests in respective shadow accounts post NPA dates.

OFFER TERMS AS PER TERM SHEET OF ARC TO COMPANY DATED 21.11.2014

- Aggregate Overdues to Secured Lenders Rs.23593.00 Lacs (as on 30.06.2014)
- Salient terms of Proposed scheme : Cost of Scheme comprising of Payment of OTS Dues to Banks / FIs Rs.17500.00 Lacs Plus Funds for Restarting Operations Rs.7000.00 Lacs = Rs.24500.00 Lacs

- Actual amounts settled to Assignor Banks by ARC – Rs.14002.00 Lacs
- Additional Loan disbursement – Not done

  TERMS OF RESTRUCTURING OF DUES AND ADDITIONAL LOAN OF Rs.55 LACS VIDE ARC LETTER DATED MARCH 11 2016.

- Restructured Debt I – Rs.13505.00 Lacs Plus OBC Rs.497.00 Lacs = Rs.14002 Lacs
- Restructured Debt II – Rs.3437.00 Lacs Plus OBC Rs. NIL Lacs = Rs.3437.00 Lacs
- Conditional Waiver Clause: Entire RD II including Accumulated Interest thereon, shall be waived, provided RD I including Accumulated Interest thereon are paid as per terms envisaged in the sanctioned letter.
- However, in the event of any default, RD II including accumulated interest thereon shall be immediately payable.
- Additional Loan offer Rs.5500.00 Lacs – Not disbursed.

DETAILS OF EXISTING SECURITY COVERAGE

The Financial Assistance acquired from the lenders would be secured by the following:
Existing Security (Including hypothecation, mortgages, pledge of shares and guarantees):

For Term Loan Facilities:

1) 1" paripassu charge on Fixed Assets (present and future of the Company.
2) 2 paripassu charge on Current Assets of the Company
3) Pledge of 45% of the share capital of the Company pledged by the promoters.

For Working Capital Facilities

1) 1" paripassu charge on Current Assets of the Company
2) 2 paripassu charge on Fixed Assets (present and future) of the Company
3) Pledge of 45% of the share capital of the company pledged by the Promoters.

Fixed assets of the Company Include Factory Land admeasuring approx. 282 acres together with Building, Plant and Machinery of the Cement Plant along with leased/owned limestone reserves located at Ramapuram, Nalgonda District, Telangana (the "plant"). The existing securities shall be co-mingled so as to make them applicable for the entire Financial Assistance on paripassu basis.

Further, the Acquirer shall be substituted in any agreements entered into for escrow / trust and retention of accounts.

POINT OF DISCORD BETWEEN THE COMPANY AND LENDERS REP BY ARC:

S.No	Company's Stand	ARC Stand
1	Fundamental difference in Offer of Financial Assistance between Term Sheet and Sanction of Restructuring Dues	Term Sheet is un-enforceable document and stands withdrawn and superseded by Restructuring Sanction Letter
2	Additional Loans offered for revival were never disbursed	Non Disbursement owing to non compliance of terms of sanction.
3	Principle financial assistance offered is an extension of Investment and not prima facie assignment of debt	ARC's acquisition of assigned debts continue to establish a lender borrower arrangement.
4	Promoters of the Company have filed appeal contesting initiation of CIRP	Application seeking CIRP admitted and Order confirms that the Term Sheet stands withdrawn, though material evidence of such withdrawal are not available on record.

Consequent to the above stand-off and vagaries of conflicting claims and counter-claims, and legal dispute pending eventual outcome, the amount of such interest has not been provided in the accounts, resulting in variation of dues outstanding as per company and Lenders.

3. (b). **NON PROVISION OF DIVIDEND ON CRPS:**

Dividend on 6% CRPS Capital of Company : Consequent to transition to Ind AS and its applicability in preparation and presentation of financial statements, Company is obligated under Ind AS 32 to treat any fixed dividend payable on mandatorily redeemable preference shares as a liability. However, the Company has not carried out this treatment.

4. SEGMENT REPORTING

In terms of the Ind AS 108 relating to "Segment Reporting", the company operated only in Cement business segments during the year and operates only in one geographical segment. 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.

5. RELATED PARTY TRANSACTIONS

The Company has no related parties other than the key management personnel and relatives of such personnel in terms of applicable Accounting Standard, in respect of the related party disclosure.

Related Party Disclosures

I) RELATED PARTIES WHERE CONTROL EXISTS :

Names of the parties	**Description of relationship**
NIL	NA

II) KEY MANAGEMENT PERSONNEL

Name of the Person	**Designation**
S.Chandra Mohan	Exec Chairman
S. Kishore Chandra	Managing Director
S.Karthik Sarath Chandra	Jt Managing Director & CEO & Compliance Officer

III) RELATIVE OF KEY MANAGEMENT PERSONNEL

Names of the parties	**Designation**	**Description of relationship**
S.K S Sanjay Chandra	Asst. Manager	S/o S. Kishore Chandra, Managing Director

IV) RELATED PARTY TRANSACTIONS DURING THE YEAR

Rupees in Lacs

Nature of transactions	**Name of Entity**	**31.03.2018**	**31.03.2017**
Sale of Goods/ Services (Sale of Laptop)	S. Kishore Chandra	1.21	---
Rent paid for office building	NIL/NA	---	---
Loan to Related Parties	NIL/NA	---	---
Loan from Related Parties	NIL/NA	---	---

Note: Excluding Interest Free Advances from KMP.

V) REMUNERATION OF KEY MANAGERIAL PERSONNEL:

Rupees in Lacs

Particulars of Remuneration	For the year ended	
	31.03.2018	31.03.2017
Short Term employee benefits	72.00	75.48
Share-based payment transactions	0.00	0.00
Total compensation paid to key management personnel	72.00	75.48

* The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

MANAGERIAL REMUNERATION

Rupees in Lacs

Particulars	2017-18	2016-17
Chairman	24.00	24.00
Managing Director	24.00	24.00
Jt Managing Director	24.00	24.00
Ex-Managing Director	--	03.48
Total	**72.00**	**75.48**

The managerial remuneration has been provided in terms of the resolution passed for this purpose and read with the provisions of Schedule XIII of the Companies Act, 1956 (as existing and applicable at the time of appointment) and after taking into account the decision not to provide salaries as per contracts.
The company has provided for remuneration to the Chairman, Managing Director, and Whole Time Director among the key management personnel of Rs.24.00 Lacs each as approved by members respectively. In addition, the Company has provided Rs.4.50 Lacs (Previous Year Rs.5.05 Lacs) as Directors Sitting fee to all the Directors.

Further, the Company has provided for remuneration during the year, an amount of Rs.9.00 Lacs (last year Rs. 9 lakhs) to S.K S Sanjay Chandra, Asst. Manager, relative of Key Management Personnel.

VI) OUTSTANDING BALANCES IN RELATED PARTIES ACCOUNTS:

Transaction Nature	*Related Party*	31.03.2018	31.03.2017
Trade Receivable	NA	---	---
Equity Investment in Subsidiaries	NA	---	---
Loan to subsidiaries/ Other Related Parties (Specify)	NA	---	---
Loan from Subsidiaries Other Related Parties (Specify)	NA	---	---

6. TAXATION

a. Current Year Taxation

The Company is not liable to pay any current taxes on account of current year losses, brought forward losses and unabsorbed depreciation.

b. Minimum Alternate Tax (MAT)

The Company is not liable to pay any MAT for the current year as the Company does not have any book profits for the year.

c. Deferred Taxation

Deferred Tax Liability included in the Balance Sheet Comprises the following

S.No.	Particulars	As at	As at
		31.03.2018	**31.03.2017**
		(Rs in Lacs)	**(Rs in Lacs)**
A	**Deferred Tax Assets**		
	Unabsorbed allowances	0.00	0.00
	Provision for expenses	0.00	0.00
		0.00	**0.00**
B	**Deferred Tax Liabilities**		
	Opening Balance	3257.92	3257.92
	Fixed Assets	0.00	0.00
	Leave Encashment**	0.00	0.00
C	**Deferred Tax Liability (Net) (A-B)**	**3257.92**	**3257.92**

Note on Deferred taxes:

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 - Income taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The impact assessment consequent to the application of Ind-AS 12 approach has not been determined / ascertained.

7. Employee stock option plan (ESOPS)

The company has not instituted any employee stock option, either during the current financial year or the previous financial year.

Details of the grant/issue are given below

Particulars	Year Ended	Year Ended
	31-Mar-18	31-Mar-17
	No of option	No of option
Options outstanding at the beginning of the year	---	---
Granted during the year	---	---
Vested during the year	---	---
Exercised during the year	---	---
Lapsed during the year	---	---
Forfeited during the year	---	---
Options outstanding at the end of the year	---	---
Options vested and exercisable at the end of the year	---	---

8. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A. Loans and advances in the nature of loans:

1. To Subsidiary Companies : Nil

Name of the company	Outstanding balance as at			Maximum amount outstanding during		
	31st March 2018	31st March 2017	1st April 2016	31st March 2018	31st March 2017	1st April 2016
Nil/NA						

2. To Firms/companies in which directors are interested : Nil

B. Investment by the loans (as detailed above) in the shares of BCL: Nil / NA

9. EARNINGS PER SHARE:

The computation of Earnings per Share is set out below:

S.No.	Particulars	2017-18	2016-17
(a)	Earnings (Amount in Rupees Lacs)	-3396.83	-2278.43
(b)	**Weighted average number of equity shares**		
	Outstanding during the year	2,83,07,970	2,83,07,970
(c)	**Weighted average number of equity shares**		
	Outstanding during the year– Diluted	2,83,07,970	2,83,07,970
(d)	**Earnings per share**		
	Basic (face value of Rs.10/-)(Rs)	(12.00)	(8.05)
	Diluted (Face value of Rs.10/-)	(12.00)	(8.05)

10. CENTRAL SUBSIDY

The Company has received a sum of Rs.15.00 Lacs from Government of India during factory establishment year for purpose of establishment of business in notified backward district, under approved scheme. The same has been disclosed under Other Equity.

11. HOUSING SUBSIDY

The Company has received a sum of Rs.10.75 Lacs 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. The same has been disclosed under Other Equity.

12. Information in respect of micro and small enterprises as at 31 March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006

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.

13. REALIZATION OF ASSETS
The Management of the company is of the opinion that all the Property Plant & Equipment have a value on realization in the ordinary course of business at least to the amount at which they are stated, however subject to securitization of the same to secured lenders, as disclosed in Note No. 25(3)(a).

14. Actuarial valuation of Gratuity and Leave Encashment
The actuarial valuation for Gratuity and leave encashment could not be obtained for the current financial year 2017-18 and previous financial years 2014-15, 2015-16 and 2016-17. Accordingly, liability for the same could not be estimated and provided for in accounts.

15. Consumption of Raw Materials and value of Inventories includes Royalty and other levies paid to Government to the extent of Rs. Nil Lakhs (previous year Rs. NIL Lakhs).

16. Raw Materials consumed during the year NIL (PY NIL)

17. Foreign Exchange transactions – During the year NIL (PY NIL)

18. Value of imported and indigenous Raw Materials Consumption and percentage of each in total consumption – During the Year NIL (PY NIL)

19. Financial risk management-

Risk management framework
The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments and investment of excess liquidity.

The Company has exposure to the following risks arising from the financial instruments

Market Risk Liquidity Risk Credit Risk

Note on Foreign currency risk
The Company has no export revenue / import costs (either during the current financial year or the previous financial year) and accordingly, is not exposed to foreign currency rate risk through operating activities or from financial instruments.

a. Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.
The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the set guidelines.

b. Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Board of Directors has established policies to manage liquidity risk and operate in line with such policies. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

c. Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management

Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with the assessment and outstanding customer receivables are regularly monitored.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Provision for expected credit losses:

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses
The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognized.

(b) Financial assets for which loss allowance is measured using life time expected credit losses
The Company has customers (State government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.
Hence no impairment losses have been recognized during the reporting periods in respect of trade receivables.

20. Fair value Measurement:

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

The carrying amounts of short term trade receivables, trade payables, capital creditors, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The carrying values for finance lease payables approximates the fair value as these are periodically evaluated based on credit worthiness and allowance for estimated losses is recorded based on this evaluation.

Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

The fair values for loans, borrowings, and capital creditors were determined based on their carrying amounts considered to be equal to their fair values.

Financial Instruments:

As per Ind AS 109, Financial Instruments, all financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Financial assets are subsequently measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income as the case may be.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors, credit ratings and the Company's historical experience for customers. The adoption of ECL model did not have a material impact on the financial statements.

Fair value of financial instrument:

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

21. PHYSICAL VERIFICATION OF INVENTORY

The physical verification of inventories could not be carried out during year as on the date of balance sheet date in view of the fact that the factory has been shut down since March, 2014. The Company will initiate the process of physical verification of inventories afresh once the operations of the company commence and effect for any variations, in addition to and apart from what is already written down, noticed at such physical verification will be given at that time. Management further confirms that inventories have been assessed in books at Lower of Cost or their net realizable value.

22. 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 2008, 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 Lacs on account of Mineral Deposits and Rs.2,933.41 Lacs on account of Mining Rights totaling to Rs.13,659.00 Lacs. During the year, the depreciation (including shortfall/arrears of earlier years) has been provided on assets as explained herein above, the amount equal to depreciation (including shortfall/arrears of earlier years) has been withdrawn from the Mineral Capitalization Reserve. Consequent to the above, the carrying value/balance in the account as on reporting date stands at Rs.5647.45 Lacs.

23. CONFIRMATION OF BALANCES

The balances of Sundry Debtors, Sundry Creditors, Loans including deposits and advances are subject to confirmation from and reconciliation with the relevant parties as on the date of balance sheet date. In view of the fact that the operations of the Company have been shut down since March, 2014, the Company has not been able to pursue to obtain confirmation of balances as on the date of balance sheet. The Company will initiate the process of obtaining confirmations from and reconcile with the parties upon resumption of operations. Any difference arising on reconciliation would be accounted in the year in which such reconciliation is completed.

24. Contingent liabilities and commitments not provided for:

A. Contingent liabilities

a. Claims against the company not acknowledged as debts : NIL
b. Disputed tax matters

- In respect of Central Excise Matters Rs. 412.88 Lacs (Previous year Rs 412.88 Lacs)
- In respect of Customs Duty matters Rs. 50.48 Lacs (Previous Year Rs 50.48 Lacs)
- In respect of Income Tax Matters Rs. 31.56 Lacs (Previous Year Rs. 31.56 Lacs)

c. Others (Including Bank Guarantees if any) : NIL

B. Contingent Assets: NIL

C. Commitments

Estimated Amount of Contracts remaining to be executed on capital account and not provided for Rs.25.75 Lacs (Previous Year Rs.25.75 Lacs)

25. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy.

However, in view of the Company continuing to report consecutive losses, obligation under CSR is not applicable to the Company during the current financial year 2017-18 (previous financial year 2016-17 as well).

26. Previous year's figures have been regrouped where necessary to conform to current year's classification.

27. 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.

28. Other Miscellaneous Matters:
(i). The company has not appointed Internal Auditors as required by Section 138 of the Companies Act, 2013.
(ii). Composition of Board of directors is yet to be constituted with proper balance of executive and non-executive directors as required in compliance with the provisions of the Companies Act, 2013.
(iii). There have been instances wherein Company has delayed timely submissions of documents and reports to stock exchange as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(iv). Appointment of full time Company Secretary required under section 203 (and Rule 8 and Rule 8A of companies' appointments & remuneration of Managerial Personnel Rule 2014) of the companies act, 2013, is pending.
(v). Establishment of adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines is pending as there are no operations in the Company since the past few years.
(vi). Trading of shares stand suspended with BSE Limited due to non-compliances of certain clauses of the Listing Agreement with effect from 1st December, 2014.
(vii). Records of the Company are required to be maintained and updated as required under section 118 of the Companies Act, 2013 read with the secretarial standards- 1 & 2 issued by the Institute of Company Secretaries of India.

29. Recent accounting pronouncements - Standards issued but not yet effective:
Appendix B to Ind AS 21, Foreign currency transactions and advance consideration on March 28, 2018, the Ministry of Corporate Affairs('the MCA') notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not applicable/material.
Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.
The standard permits two possible methods of transition:
• Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors.
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch – up approach)
The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.
The company will adopt the standard on April 1, 2018 by using the cumulative catch up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insufficient.
Signatories to schedules 1 to 29

Sd/-
Gonugunta Madhusudhan Rao
IP Registration No-
IBBI/IPA-001/IP-P00181/2017-18/10360
Resolution Professional
Bheema Cements Limited
(A Company under Corporate Insolvency Resolution Process by NCLT Order dated July 9, 2018)

Sd/-	Sd/-	Sd/-
S.Chandra Mohan	S.Kishore chandra	S.Karthik Sarath Chandra
Executive Chairman	Managing Director	Jt. Managing Director

Vide our report of even date
For Sastri & Shah
Chartered Accountants
ICAI Firm Registration Number – 003642S

C.Pavan Kumar
Managing Partner
Membership No - 205896

Place: Hyderabad
Date : 05/09/2018

BHEEMA CEMENTS LTD
Registered Office: 6-3-652/C/A, Flat 5A, 'Kautilya' Amrutha Estates,
Somajiguda, Hyderabad - 500 082
THIRTY NINTH ANNUAL GENERAL MEETING
ADMISSION SLIP

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the Thirty Ninth Annual General Meeting of the Company, the 10th day of December 2018 at 10:30 AM, to be held at Hotel NKM's Grand, 6-3-563/31/1, Off Taj Deccan Road Erramanzil, Somajiguda, Hyderabad – 500082, Telangana, India

Name of the Member (IN BLOCK LETTERS) ____

Name of the Proxy (IN BLOCK LETTERS ____
(To be filled in if the proxy attends instead of the Member)

Registered Folio No.:

No. of Shares:

Signature of the Shareholder / Proxy

NOTE: Please bring this attendance slip with you, duly filled in and hand over the same at the entrance of the Meeting Hall.

BHEEMA CEMENTS LTD
Registered Office: 6-3-652/C/A, Flat 5A, 'Kautilya' Amrutha Estates,
Somajiguda, Hyderabad - 500 082
THIRTY NINTH ANNUAL GENERAL MEETING
PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/We, being the member(s) of ____ shares of the above named company, hereby appoint

1. Name :
   Address :
   Email ID :
   Signature : or failing him

2. Name :
   Address :
   Email ID :
   Signature : or failing him

3. Name :
   Address :
   Email ID :
   Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Thirty Ninth Annual General Meeting of the Company, the 10th day of December 2018 at 10:30 AM, to be held at Hotel NKM's Grand, 6-3-563/31/1, Off Taj Deccan Road Erramanzil, Somajiguda, Hyderabad – 500082, Telangana, India or at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Particulars	FOR	AGAINST
	Ordinary Business		
1	To receive, consider and adopt the financial statements of the company for the year ended 31st March, 2018, along with the reports of the Board of Directors and Auditors thereon.		
2	To Re-Appoint Sri S Kishore Chandra (DIN: 00974625) as a director, who retires by rotation, and being eligible offers himself for Re-Appointment		
	Special Business		
3	Appointment Of Sri S Chandra Mohan (DIN: 00974855) As The Executive Chairman Of The Company		

Signed this ___________ day of ________________ 2018

Affix Revenue stamp

Signature of Shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

EVSN generated for Bheema Cements Limited – 181101002

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If undelivered, please return to:

BHEEMA CEMENTS LTD

M/s Bheema Cements Limited, D.No. 6-3-652/C/A, Flat 5A, "KAUTILYA", Amrutha Estates, Opp. Vijaya Bank, Somajiguda, Hyderabad – 500082.