

**BOARD OF DIRECTORS**

Sri S. CHANDRA MOHAN

CHAIRMAN

Sri K.R. CHARI

DIRECTOR

Sri S.V. REDDY

DIRECTOR

Sri S. KISHORE CHANDRA

WHOLE TIME DIRECTOR

Sri S.R.B. RAMESH CHANDRA

MANAGING DIRECTOR

Sri K.A.N. SUBBA RAO

COMPANY SECRETARY

AUDITORS

A. Ramachandra Rao & Co.,
Chartered Accountants
3-6-369/A/11, Himayatnagar,
Hyderabad – 500 029.

COST AUDITORS

DZR & Co.,
104, Praveen Residency,
H.No.2-2-14/2/104,
Durgabai Deshmukh Colony
Hyderabad – 500 007

BANKERS

Axis Bank Limited
Corporation Bank
ICICI Bank Limited
Karnataka Bank Limited
Oriental Bank of Commerce
State Bank of Hyderabad
United Bank of India

REGISTERED OFFICE

6-3-652/C/A, Flat 5A,
KAUTILYA, Amrutha Estates
Somajiguda,
Hyderabad – 500 082
Website : www.bheemacements.co.in

WORKS

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

**NOTICE**

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on Monday, the 30th Day of September, 2013 at 10.00 A.M. at Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad – 500 082 to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013, Balance Sheet and Cash Flow Statement as on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint M/s. A. Ramachandra Rao & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.
3. To appoint a Director in place of Sri S.V. Reddy, who retires by rotation and being eligible, offers himself for re-appointment.

B. SPECIAL BUSINESS:**4. To Re-Appoint Sri S.R.B.Ramesh Chandra as Managing Director and fixing of remuneration:**

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

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

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

Terminal Benefits:

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

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

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



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

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

Terminal Benefits:

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

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

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

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

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

Terminal Benefits:

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

By order of the Board
For BHEEMA CEMENTS LIMITED

Sd/-

K.A.N. SUBBA RAO
Company Secretary

Place: Hyderabad
Date: 13-08-2013

**NOTES :**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORMS SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. The Share Transfer Books of the company shall remain closed from 23rd September, 2013 to 30th September, 2013 (both days inclusive).
3. The Securities and Exchange Board of India (SEBI) and the Department of Company Affairs have made it mandatory for all the listed companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details like Bank Account Number and Bank Name will be used for suffixing along with the name of the shareholder on the Dividend Warrant. In view of the above:
 - i. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at it's registered address.
 - ii. Shareholders holding shares in Dematerialised Form are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.
4. Members desiring any information are requested to write to the Company at its Registered Office, 6-3-652/C/A, Flat 5A, KAUTILYA, Amrutha Estates, Somajiguda, Hyderabad – 500 082 well in advance of the date of the Annual General Meeting to enable the Management to keep the information ready.
5. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular on April 21, 2011, stating that the service of documents by a Company can be made through electronic mode. In view of the circular issued by MCA, the Company proposes to henceforth deliver documents like the Notice calling the Annual General Meeting/ Extraordinary General Meeting / Audited Annual Accounts / Report of Auditors / Report of the Directors etc., in electronic form to the e-mail address provided by the shareholders.



6. Shareholders are requested to furnish their e-mail Ids to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in Demat form, the e-mail Ids of the shareholders registered with the DP and made available to the Company shall be the registered e-mail Id unless communication is received to the contrary.
7. The Securities and Exchange Board of India has notified that the shareholders / transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly all the shareholders / transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action.
8. Members are requested to bring their copies of Annual Report to the Annual General Meeting. Members/Proxies should bring the attendance slip sent along with the Annual Report with duly filled in for attending the Meeting.

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

Sd/-

K.A.N. SUBBARAO
Company Secretary

Place: Hyderabad
Date: 13-08-2013

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

Place: Hyderabad
Date: 13-08-2013



DIRECTORS' REPORT

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

FINANCIAL RESULTS:

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

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

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

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

OPERATIONS

Your Directors are glad to report that the Company has maintained satisfactory Production and Sales levels. During the year the Company achieved Cement production of 5,06,836.38 MTs (Previous year 3,13,038.48 MTs) and 4,14,681.00 MTs of Clinker (previous year 3,15,770 MTs). The Company sold 5,02,509.95 MTs Cement (Previous year 3,13,803.80 MTs, Includes 643 MTs processed / ground by a third party through job work) and 31,658.92 MTs of Clinker during the year (previous year 1,07,928.65 MTs).

DEBT RESTRUCTURING

You are aware of that your Company was referred to CDR and CDR EG has approved the debt restructuring package of the debt profile of the Company during the year 2010-11. Further to the sanctioning of a Debt Restructuring package your company has completed formalities as per the Debt Restructuring package, Bankers have restructured and rescheduled the existing term loans and other facilities and their terms of repayment as per the debt restructuring Package. Further Banks have sanctioned and released fresh term loans to complete the expansion project. Expansion Project has been completed successfully during the year 2012-13.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors state;

- i) that in preparation of the Annual Accounts, applicable accounting standards have been followed and there were no material departures there from except as otherwise explained in the notes to accounts;
- ii) that the directors have selected such accounting policies and adopted them consistently, except as stated in the notes on accounts, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2013 and Profit & Loss account of the company for the year ended 31st March, 2013. The auditor's comments in this regard are self explanatory;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the accounts were prepared on a going concern basis.

DIRECTORS

Sri S.V. Reddy, Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s. A. Ramachandra Rao & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting and they are eligible for re-appointment as statutory auditors of the Company to audit the accounts of the Company for the financial year 2013-14.

COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956, your Directors have appointed M/s DZR & Co., Cost Accountants as Cost Auditors for the Financial Year 2013-14.

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Director's Report excluding the afore said information is being sent to all the members of the Company and others entitled



thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and out go as required to be disclosed in terms of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed thereto (Annexure-I) and forms part of this report.

HUMAN RESOURCES

Human resources assume greater importance and have a significant place in the Organizational Structure. The core of achieving business excellence lies in a dedicated and talented employee base. The first step towards this is attracting the right talent through our streamlined and structured recruitment process. Your Company has put in place an effective human resource management team and has done scalable quality recruitment. Your Company has adopted a culture that rewards continuous learning, teamwork and development of employee skills which plays vital role to face the challenges posed by ever-changing market realities. The efforts of your Company in the area of employee management and HR practices have been proved effective in Human Resource Management. Emphasis is given to the overall development of the personality of individual employee. Welfare schemes for employees and their families are being implemented in your Company.

Your company has been holding monthly meetings at factory for the last 15 years where the Management interacts with all the employees which forges a good employer employee relation and also provides the platform to express their views for achieving better results. This has led to increased employee participation for better productivity and congenial environment at work.

Since the date of incorporation your Company has not lost a single day of work due to industrial strike. The industrial relations during the year were harmonious. Your Directors wish to place on record the co-operation extended by Employees in achieving the objectives of your Company.

CORPORATE SOCIAL RESPONSIBILITY

At Bheema Cements, we have a strong focus on social and community welfare programmes. Corporate Social Responsibility and Public Service is deeply embedded into the cultural fabric of Bheema Cements Ltd. The Company has clearly identified the community as one of the significant stakeholders and is keenly interested in responding to their needs in a systematic manner. Your Company is making a meaningful contribution to uplifting and transforming the lives of the underprivileged. The Company is also extremely conscious of its duty and responsibility towards the environment. Your company continue to make sincere efforts to



promote good health, social development and better environment, through various Company programs that contribute to sustainable, all round growth. Your Company supports various social causes by providing drinking water and minimum education to the people in the adjoining villages. Your Company takes active interest in environmental issues and is continually making efforts to make eco-friendly zone. Your Company has also assisted the surrounding community with veterinary camps for Cattle. Your company made significant contributions towards education, sports, health and community welfare.

ACKNOWLEDGEMENTS

Your Directors wish to take this opportunity to express their grateful appreciation and deep sense of gratitude to the AXIS Bank, Corporation Bank, ICICI Bank, Karnataka Bank, Oriental Bank of Commerce, State Bank of Hyderabad and United Bank of India, CDR Cell, various Departments of Central and State Governments and consultants for their valuable guidance and co-operation extended during the year and look forward to their continued support in future. Your Directors would like to thank all the Share Holders, Dealers and Consumers for the confidence reposed in the Company and its management.

Your Directors wish to place on record the deep sense of appreciation of the devoted services rendered by the Executives, Staff and Workers of the Company at all levels.

For and on behalf of the Board

Sd/-

S. CHANDRA MOHAN
CHAIRMAN

Sd/

S.R.B.RAMESH CHANDRA
MANAGING DIRECTOR

Place: Hyderabad
Date: 13th August, 2013

**ANNEXURE TO DIRECTORS' REPORT****ANNEXURE - I**

Disclosure of particulars with respect to conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as required under Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988.

A. Conservation of Energy**a. Energy Conservation Methods adopted :**

With the objective of helping bring down carbon emissions and also add to the net profits of the company by way of higher efficiencies and thus achieve reduced input costs, conservation of energy was accorded top priority and thus continued to be the major thrust area of the company. Energy consumption is being monitoring on a continuous basis to ensure the targeted standards.

b. Additional Investments and proposals, being implemented for reduction of consumption of energy.

The Company shall make continued efforts in the already identified following areas where there was ample scope for energy conservation and carried out modernization.

1. Continuously and consistently maintain and ensure the low pressure drop across the Pre-Heater.
2. To Improve the Clinker quality consistently to improve blending efficiency to produce more of the blended cement.

c. Balancing the process parameters in the twin Calciners in the Pre-Heater, to achieve higher calcinations.**d. The total energy consumption and energy consumption per unit of production:**

The above information is given in the prescribed Form - A annexed.

e. Keeping in line with our active participation in the environmental issues and the directives of the BEE (Bureau of Energy Efficiency), GOI, our company has carried out experiments on newer grade of blended cement which would meet the requirements of the ECBC (Energy Conservation Building Code) as stipulated in the EC Act 2001. Your company's efforts in the areas of planning to develop special quality of low heat transfer and high heat insulation cement for the exterior (Plastering) of the buildings to make them more energy efficient, are being continuously and seriously pursued through in house R&D.

**B. Technology Absorption**

Particulars are given in Form "B" annexed:

C. Foreign Exchange savings and outgo

- a. Activities relating to exports, initiatives taken to increase export, development of new export market for production & services and export plans.

The company presently is not envisaging any export market for production & services and export plans.

(Rs. In Lakhs)

- b. Total foreign exchange used : 35.61



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

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
A. POWER AND FUEL CONSUMPTION		
1. Electricity:		
a. Purchased		
Units (Nos.)	4,00,95,069	2,63,49,649
Amount (Rs.)	26,78,99,043	12,09,75,893
Rate/Unit (Rs.)	6.68	4.59
b. Own Generation		
i) Through Diesel Generator (Unit/Nos.)	1,62,944	42,592
Units per Ltr. of Diesel Oil	3.35	3.20
Cost/Unit (Rs.)	14.17	13.40
ii) Through Steam Turbine Generator Unit per Ltr. of Fuel Oil / Gas Cost/Unit (Rs.)	—	—
2. Fuel:		
Coal used in Kiln:		
Quantity (MTs)	69,771	76,405
Total Cost (Rs.)	33,26,50,650	36,96,48,492
Average Rate (Rs.)	4,767.75	4,838.01
3. Furnace Oil	—	—
4. Others/Internal Generation	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION		
Standard Production (with details)	OPC & PPC	OPC & PPC
Electricity (Units/Ton of Cement)	75.05	68.88
Coal (% on Clinker)	16.83	24.20

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

RESEARCH AND DEVELOPMENT (R&D):

The company has been continuously working in in-house experimentation in various areas to maintain quality of cement.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

The company is taking several initiatives to reduce Power and Coal Consumptions.



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors:

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

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

Meeting of Board of Directors :

During the Financial year 2012-13 Board of Directors met on the following dates: 30th May, 2012, 13th August, 2012, 29th September, 2012, 10th November, 2012, 12th February, 2013 and 26th March, 2013.

3. Audit committee: As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee



has been constituted consisting of two Independent Directors and one Executive Director as Sub-Committee to the Board and considers the terms of reference as stipulated under Clause 49 of the Listing Agreement :

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

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

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

30th May, 2012

13th August 2012

10th November 2012 and

12th February, 2013

Attendance of the Directors in the Audit Committee Meeting:

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

4. Remuneration Committee:

- a) Composition, Name of the Chairman and members:

Sri K.R. Chari

Sri S.V. Reddy

Sri S. Chandra Mohan

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

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

5. Share Holders / Investors Grievance Committee

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



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

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

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

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

6. SHARES ALLOTMENT COMMITTEE

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

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

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

7. GENERAL BODY MEETINGS

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

Date	Venue	Time	No. of Special Resolutions
September 30, 2010	Hotel NKM's Grand, Erramanzil Colony, Hyd.	10.00 AM	Nil
September 29, 2011	Hotel NKM's Grand, Erramanzil Colony, Hyd	10.00 AM	Nil
September 29, 2012	Hotel NKM's Grand Erramanzil Colony, Hyd	11.00 AM	Nil

8. DISCLOSURES

(a) **RELATED PARTY TRANSACTIONS:** The Company has no related party transactions during the year 2012-2013 .

(b) **COMPLIANCE BY THE COMPANY:** The Company has complied with the requirements of the Stock Exchange, Securities Exchange Board of India (SEBI) and



other Statutory authorities on all matters related to capital markets during the last three years; no penalties, strictures have been imposed on the Company by the Stock Exchange or Securities Exchange Board of India (SEBI) or any other Statutory authorities relating to the above.

9. MEANS OF COMMUNICATION:

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

10. GENERAL SHAREHOLDERS INFORMATION:

(a) Annual General Meeting :

- Date & Time : 30th September, 2013 at 10.00 A.M
- Venue : Conference Hall, Hotel NKM's Grand, Erramanzil,
Somajiguda, Hyderabad

(b) Tentative calendar of events for the Financial Year 2013-14 (April - March) is given below:

(i) Un-audited Financial Results:

- | | | |
|--|---|---------------------------------|
| For the Quarter ending 30 th June, 2013 | - | 14 th August, 2013 |
| For the Quarter ending 30 th September 2013 | - | 14 th November, 2013 |
| For the Quarter ending 31 st December 2013 | - | 14 th February, 2014 |
| For the Quarter ending 31 st March 2014 | - | 15 th May 2014 |

(ii) Financial year - April - March

(c) Date of Book Closure : 23rd September, 2013 to 30th September, 2013 (both days inclusive)

(d) Listing on Stock Exchanges : The Equity Shares of the company are listed on: 1. The Bombay Stock Exchange Limited,



Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

2. The Madras Stock Exchange Limited.
Exchange Bldg., Post Box No. 183
No. 30, 2nd Line Beach, Chennai - 600 001.

(e) STOCK CODES

B.S.E CODE NO : 518017

ID ON HOST : 1480

(f) ISIN Number for NSDL & CDSL : INE333H01012

(g) Registrars & Transfer Agents : Share Transfers & Communication regarding Share Certificates and Change of address etc.

M/s BIGSHARE SERVICES PRIVATE LIMITED,
306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital,
Somajiguda, Rajbhavan Road, Hyderabad – 500 082
Phone: +91-40-23374967, Fax: +91-40-23370295
E-mail ID: bsshyd@bigshareonline.com

(h) The listing fee for the year 2013-14 has been paid to Bombay Stock Exchange Limited and Madras Stock Exchange Limited where the Company's shares are listed.

(i) Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date & likely impact on equity:

No Outstanding GDRs/ADRs/Warrants or any Convertible instruments.

(j) Pursuant to the Guidelines issued by the Securities and Exchange Board of India vide Circular No.D&CC/FITTC/CIR-15/2002 dated 27th December, 2002 regarding 'Appointment of Common Agency' for share registry work, the Board of Directors have appointed M/s BIGSHARE SERVICES PRIVATE LIMITED, as Share Transfer Agents.


(k) Distribution of Shareholding as on 31st March, 2013.

Share holding of Nominal value (Rs.)	Number of Shareholders	%	Number of shares	%
Upto 5000	1,581	61.47	3,00,361	1.07
5001-10000	382	14.85	2,80,020	1.00
10001-20000	204	7.93	3,00,286	1.07
20001-30000	103	4.00	2,67,241	0.95
30001-40000	30	1.17	1,08,018	0.38
40001-50000	30	1.17	1,45,659	0.52
50001-100000	106	4.12	7,42,717	2.64
100001 & above	136	5.29	2,59,71,487	92.37
Total	2,572	100.00	2,81,15,789	100.00

(l) Shareholding Pattern as on 31st March, 2013.

Sl.No	Category	No of shares	%
1.	Promoters	1,76,14,586	62.65
2.	Financial Institutions & Banks	16,35,172	5.82
3.	Foreign Institutional Investors	—	—
4.	Non-Resident Indians	47,786	0.17
5.	Corporate Bodies	28,81,314	10.25
6.	Mutual Funds & UTI	—	—
7.	Others	59,36,931	21.11
	Total	2,81,15,789	100.00

(m) Plant Location of the Company :

Ramapuram Village,
Mellachervu Mandal, Nalgonda District- 508 246, Andhra Pradesh

(n) Address for Correspondence :

❖ For suggestions / Grievances/ Queries :
K.A.N. Subba Rao,
Company Secretary
Bheema Cements Limited,
Regd. Office: 6-3-652/C/A, Flat 5A,
Kautilya, Amrutha Estates,
Somajiguda, HYDERABAD – 500 082
E-mail ID: complianceofficer@bheemacements.co.in



- ❖ For Share Transfer / Dematerialization / Consolidation / Split of Shares, Issue of Duplicate Share Certificates and Change of Address of members:
M/s BIGSHARE SERVICES PRIVATE LIMITED
 306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital,
 Rajbhavan Road, Somajiguda, Hyderabad – 500 082
 Phone: +91-40-23374967, Fax: +91-40-23370295
 E-mail ID: bsshyd@bigshareonline.com

(o) Depository Services:

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

National Securities Depository Limited Trade World, 4 th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91-22-24972964 to 70 Fax: +91-22-24972993 / 24976351 Email: info@nsdl.co.in	Central Depository Services (India) Limited Phiroze Jeejeebhoi Towers, 28 th Floor, Dalal Street, Mumbai – 400 001 Tel: +91-22-22723333 Fax: +91-22-22723199 Email: investors@cdslindia.com
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- (p) Shareholders Right:** The Quarterly & Yearly declaration of financial performance including summary of the significant events in last three months should be known to the shareholders.

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

Disclosure:

Further to the Postal Ballot Notice dated 29th September, 2012 for the allotment of Equity shares to Banks as per CDR Package against FITL the following disclosure as per Regulation 73(1) (e) of ICDR is for your information:

Identity of proposed allottees of Equity Shares on preferential basis and the percentage of the post issue capital of the allottees:

Category of Allottee	Pre-issue Shareholding		Post-issue Shareholding	
	No. of Shares held	% of Share holding	No. of Shares held	% of Share holding
ICICI Bank Ltd	685705	2.45	1005191	3.51
United Bank of India	812797	2.96	1193311	4.16
Total	1498502	5.36	2198502	7.67



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

Overview & Operations of the Company:

Your Company has been in the cement manufacturing business for the last 26 years. The Expansion cum Modernisation project has been completed successfully during the year. Initially the business is started with manufacture of Ordinary Portland Cement and further brought the Pozzolana Portland Cement into the market in the name and style of "Bheema Cements Super Grade". The brand "BHEEMA" has been extended to entire Andhra Pradesh and adjacent states. Now the brand "BHEEMA" is having a good market in the states of Andhra Pradesh, Tamil Nadu, Karnataka, Orissa, Maharashtra, Kerala, Chhattisgarh, Pondicherry and Andaman & Nicobar. The Company is also proposing to launch more innovative and customized products and it has been your Company's endeavor to bring to the Customer a High Quality and Environmentally Friendly product.

Company's operations are affected during the year due to power restrictions.

Business Environment:

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

Opportunities and Threats:

As part of Economic revival, most of the countries are expected to spend more money for Infrastructure, as part of Stimulus. India is also expected to witness a growth in cement needs with Governments at Centre and State putting their thrust in the areas of infrastructure development like roads, irrigation projects, housing etc. During the First Quarter of the current Financial Year Cement consumption has recorded reasonable growth in India. With this background, the Company sees good opportunity for the industry to grow as a whole.



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

Future Outlook:

The cement sector is gearing up for a fast track growth and the next few years will see the sector zooming past new milestones. The production of cement is expected to cross 400 million tonnes during this decade. At the same time, the demand for cement is increasing at 6-8 percent. Currently, 55-60 percent of cement produced in India is consumed by the housing sector. This is expected to change in the next few years when the emphasis will be on infrastructure developments like roads, bridges and railways, which will consume a significant percentage of cement produced in the country. The consumption of cement in agriculture is negligible today; but with a greater thrust on agriculture and the suggested 'second green revolution', this sector too will extensively use cement to build warehouses and other logistics. With help from the government in terms of friendlier laws, lower taxation and more infrastructure spending, the sector can grow and will take India's economy forward along with it.

Risks and Concerns:

Raw Material costs have gone up and continues to go up significantly. Availability of Coal allotment is tough and hence Cement Industry is purchasing coal at extortionate prices from open market, e-auction and imported Coal. Transportation costs have gone up and very expensive due to continuous rise in power and fuel prices. At the same time due to shortage of power Cement industry is depending on purchase of power from open access at very high prices. Further higher rate of taxes and duties on cement have cumulative effect on pushing the production cost. The hike in lending rates by banks Reality sector may also effect the demand for the cement from the real estate sector with many big projects being delayed especially in major metropolitan cities. Hence any change in policies of the Government, increase in input costs, drop in demand due to adverse market conditions, may affect the forecast and performance of the company and its profitability.

Internal Control Systems and their adequacy:

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

**Cautionary Statement:**

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

**CEO / MD CERTIFICATE**

The Board of Directors

BHEEMACEMENTS LTD

I certify that :

1. I have reviewed the financial statements, read with the cash flow statement of Bheema Cements Limited (the Company) for the year ended 31st March, 2013 and to the best of my knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. Based on the recent most evaluation on internal controls and systems I have to state
 - (i) that there were no deficiencies in the design or operation of internal controls, which I am aware;
 - (ii) that there have been adequate internal controls in the company;
 - (iii) that there was no fraud, which I have become aware of and that involves managements or other employees who have a significant role in the Company's internal control systems;

Date: 30-05-2013

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

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October, 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2012-13 as envisaged in Clause 49 of the Listing agreement with Stock Exchange.

Place: Hyderabad
Date: 30-05-2013

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

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by M/s. Bheema Cements Limited, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

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

Sd/-

(P.S.R.V.V. Surya Rao)
Partner
Membership No.202367

Place: Hyderabad
Date: 30-05-2013



Independent Auditor's Report

To
The Members of
M/S Bheema Cements Limited.

We have audited the accompanying financial statements of M/S Bheema Cements Ltd which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

01. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;



- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
02. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
03. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place: Hyderabad,
Date: 30-05-2013

**ANNEXURE TO THE AUDITORS' REPORT**

(Of even date referred to in Para 02 thereof)

Re: M/s. Bheema Cements Limited

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



- vii. In our opinion, the company has an internal audit system to commensurate with its size and nature of its business.
- viii. We are of the opinion, based on the information provided to us, that the accounts and records, as prescribed by the Central Government under section 209(1)(d) of the Act in respect of maintenance of cost records, have been made and maintained.
- ix. (a) According to the records of the company, the company is regular in depositing the undisputed statutory dues including Sales tax, Income-tax, Customs duty, Excise duty and Employees State Insurance and Provident Fund and cess, investor education fund with the appropriate authorities. We have been informed that the company is not liable to pay Wealth Tax. We have been informed that the provisions of wealth tax are not applicable to the company;
- (b) According to the information and explanations given to us, there are no dues of sales tax/income tax/ customs duty/Wealth tax /excise duty/cess to be deposited on account of any dispute;
- x. In our opinion, based on the explanation offered to us, the accumulated losses of the company are less than fifty percent of its net worth and it has not incurred cash losses during the year covered by our audit and but incurred in the immediate preceding financial year.
- xi. Based on the information provided and explanation given to us, in our opinion pursuant to implementation of a Debt Restructuring Package, the company has not defaulted in repayment of dues to its lending bankers and hence the sub clause (xi) is not applicable to the company for the year.
- xii. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a Chit fund or Nidhi / Mutual Benefit Fund / Society and hence clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- xiv. Based on the information given to us, the Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- xv. Based on the information provided to us, the Company has not given guarantees for loans taken by others from Banks or Financial Institutions.



- xvi. According to the information and explanations given to us, the term loans availed during the year by the Company were applied for the purposes for which the loans were obtained.
- xvii. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment;
- xviii. Based on the information provided and explanations offered, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act 1956 and hence sub clause (xviii) of the order is not applicable to the company for the year.
- xix. The Company has not issued any debentures and not created any securities or charges in respect of any debentures.
- xx. The Company has not raised any money by way of Public Issue during the year.
- xxi. In our opinion and according to the information provided and explanations offered to us, no fraud on or by the Company has been noticed or reported during the year.

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

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

Place: Hyderabad,
Date: 30-05-2013



BHEEMA CEMENTS LTD					
BALANCE SHEET AS AT 31ST MARCH, 2013					
		As at 31-03-2013 (Rs in Lakhs)		As at 31-03-2012 (Rs in Lakhs)	
I EQUITY AND LIABILITES					
	Note No.				
(1) Share Holder's Funds					
(a) Share Capital	1	5,172.07		4,640.65	
(b) Reserves and Surplus	2	<u>7,948.79</u>		<u>10,373.61</u>	
			13,120.86		15,014.26
(2) Share Application Money Pending Allotment	3		4,825.16		4,825.16
(3) Non Current Liabilities					
(a) Long Term Borrowings	4	17,765.89		17,573.09	
(b) Deferred Tax Liability (Net)		2,927.86		1,382.06	
(c) Other Long Term Liabilities	5	7,540.30		4,770.49	
(d) Long-Term Provisions	6	<u>24.60</u>		<u>41.41</u>	
			28,258.65		23,767.05
(4) Current Liabilities					
(a) Short - Term Borrowings	7	4,518.44		4,582.68	
(b) Trade Payables	8	3,590.30		1,597.39	
(c) Other Current Liabilities	9	2,719.15		1,271.25	
			<u>10,827.89</u>		<u>7,451.32</u>
TOTAL			<u>57,032.56</u>		<u>51,057.79</u>
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets (Net)		44,072.84		17,393.09	
(ii) Intangible Assets (Net)		2,053.39		2,200.06	
(iii) Capital Work In Progress		<u>10.35</u>		<u>21,899.80</u>	
Total Assets			46,136.58		41,492.95
(2) Current Assets					
(a) Inventories	11	4,851.68		3,132.00	
(b) Trade Receivables	12	4,647.75		4,031.49	
(c) Cash and Cash Equivalents	13	377.26		415.01	
(d) Short Term Loans and Advances	14	1,003.61		1,973.05	
(e) Other Current Assets	15	<u>15.68</u>		<u>13.29</u>	
			<u>10,895.98</u>		<u>9,564.84</u>
TOTAL			<u>57,032.56</u>		<u>51,057.79</u>
Significant Accounting Policies	24				
Notes To Accounts	25				
As per our Report Attached			For and on behalf of the Board		
For A. RAMACHANDRA RAO & CO.,			Sd/-		
Chartered Accountants			S. CHANDRA MOHAN		
ICAI FRN : 002857S			Chairman		
Sd/-			Sd/-		
A. RAMACHANDRA RAO			S.R.B. RAMESH CHANDRA		
Partner			Managing Director		
Membership No. 9750					
Place : Hyderabad			Sd/-		
Date : 30.05.2013			K.A.N. SUBBA RAO		
			Company Secretary		



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013			
	Note No	For the year ended 31-03-2013 (Rs in Lakhs)	For the year ended 31-03-2012 (Rs in Lakhs)
I Revenue from operations (Net of Excise Duty)	16	16,952.30	14,507.76
II Other Income	17	362.31	16.03
III Total Revenue (I + II)		17,314.61	14,523.79
IV Expenses			
Cost of material consumed	18	3,865.56	2,754.96
Changes in Inventory of Finished Goods & Work - In - Progress	19	(222.30)	1,076.36
Employees Benefit Expenses	20	1,026.44	1,043.38
Finance Cost	21	1,147.21	1,173.03
Depreciation and Amortization Expenses	22	441.62	427.14
Other Expenses	23	11,423.47	8,610.42
Total Expenses		17,682.00	15,085.29
V Profit / (Loss) before Exceptional and Extraordinary items and tax (III - IV)		(367.39)	(561.50)
VI Exceptional Items		0.00	0.00
VII Profit / (Loss) before Extraordinary items and tax (V - VI)		(367.39)	(561.50)
VIII Extraordinary Items		0.00	0.00
IX Profit / (Loss) before tax (VII - VIII)		(367.39)	(561.50)
X Tax Expenses			
(1) Current Tax		0.00	0.00
(2) Deferred Tax Liability /(Asset)		1,545.80	(52.95)
(3) Earlier Year's Income Tax		0.00	0.81
XI Profit/(Loss) for the period from continuing operations (IX - X)		(1,913.19)	(509.36)
Net Surplus / (Loss) brought forward from the previous year		(1,454.79)	(945.43)
Net Surplus / (Loss) transferred to Balance sheet		(3,367.98)	(1,454.79)
XII Earnings per Equity Share			
(1) Basic		(6.80)	(1.83)
(2) Diluted		(6.80)	(1.83)
(Refer note of NOTE NO 25 -VIII)			
Significant Accounting Policies	24		
Notes To Accounts	25		
As per our Report Attached		For and on behalf of the Board	
For A. RAMACHANDRA RAO & CO., Chartered Accountants ICAI FRN : 002857S Sd/-		Sd/- S. CHANDRA MOHAN Chairman	
A. RAMACHANDRA RAO Partner Membership No. 9750		Sd/- S.R.B. RAMESH CHANDRA Managing Director	
Place : Hyderabad Date : 30.05.2013		Sd/- K.A.N. SUBBA RAO Company Secretary	



NOTE NO "1" SHARE CAPITAL	As at 31-03-2013 (Rs in Lakhs)	As at 31-03-2012 (Rs in Lakhs)
AUTHORISED		
4,20,00,000 Equity Shares of Rs. 10/- each (Previous year 4,20,00,000 Equity Shares of Rs. 10/- each)	4,200.00	4,200.00
36,00,000 Preference Shares of Rs. 100/- each (Previous year 36,00,000 Preference Shares of Rs. 100/- each)	3,600.00	3,600.00
	<u>7,800.00</u>	<u>7,800.00</u>
ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES		
2,81,15,789 (Previous year 2,78,37,969) Equity Shares of Rs. 10/- each. Of the above 1,41,80,617 (Previous Year 1,41,80,617) Equity Shares of Rs. 10/- each were allotted as fully paid-up by way of bonus shares by capitalising free reserves and 16,35,172 Equity Shares of Rs. 10/- Each with a premium of Rs. 78/- each were allotted as fully paid-up against FITL as per CDR package	2,811.58	2,783.80
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	1,247.00	1,247.00
0% Cumulative Redeemable Preference Shares 11,13,488 (Previous Year 6,09,851) 0% Cumulative Redeemable Preference Shares of Rs. 100/- each were allotted as fully paid-up against FITL as per CDR package	1,113.49	609.85
	<u>5,172.07</u>	<u>4,640.65</u>
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year		
	31-03-2013	31-03-2012
(i) Equity Shares :		
No of shares at the beginning of the year	2,78,37,969	2,64,80,617
Issued during the year	2,77,820	13,57,352
Outstanding at the end of the year	<u>2,81,15,789</u>	<u>2,78,37,969</u>
(ii) 6% Cumulative Redeemable Preference Shares		
No of shares at the beginning of the year	12,47,000	-
Issued during the year	-	12,47,000
Outstanding at the end of the year	<u>12,47,000</u>	<u>12,47,000</u>
(iii) 0% Cumulative Redeemable Preference Shares		
No of shares at the beginning of the year	6,09,851	-
Issued during the year	5,03,637	6,09,851
Outstanding at the end of the year	<u>11,13,488</u>	<u>6,09,851</u>



(b) Details of shares Holders holding more than 5% shares in the company	31-03-13		31-03-2012	
	No. of Shares	% Holding in the Class	No. of Shares	% Holding in the class
(i) Equity				
Vinsri Cement Industries Pvt Ltd	1728266	6.15%	1728266	6.21%
S. Chandra Mohan	4738927	16.86%	4733927	17.01%
S.R.B. Ramesh Chandra	4733927	16.84%	4733927	17.01%
S. Kishore Chandra	4733927	16.84%	4733927	17.01%
(ii) 6% Cumulative Redeemable Preference Shares				
Axis Bank Ltd	381744	30.62%	381744	30.62%
Karnataka Bank Ltd	327147	26.23%	327147	26.23%
State Bank of Hyderabad	538109	43.15%	538109	43.15%
(iii) 0% Cumulative Redeemable Preference Shares				
Axis Bank Ltd	338851	30.43%	201716	33.08%
Karnataka Bank Ltd	244012	21.91%	119457	19.59%
State Bank of Hyderabad	478321	42.96%	285810	46.87%
NOTE NO "2"				
RESERVES & SURPLUS				
		As at 31-03-2013		As at 31-03-2012
		(Rs. in Lakhs)		(Rs. in Lakhs)
Central Subsidy		15.00		15.00
Housing Subsidy		10.75		10.75
Capital Reserve		480.00		480.00
Security Premium		1,275.43		1,058.74
Mineral Capitalization Reserve				
As per last Balance Sheet	10,017.38		10,745.70	
Add: Capitalization during the period	-		-	
	10,017.38		10,745.70	
Less : Transferred to Profit & Loss Account	<u>728.32</u>	9,289.06	<u>728.32</u>	10,017.38
General Reserve				
As per last Balance Sheet	246.53		246.53	
Add: Amount transferred from Profit and Loss Account	<u>-</u>	246.53	<u>-</u>	246.53
Profit & Loss Account		(3,367.98)		(1,454.79)
TOTAL		<u>7,948.79</u>		<u>10,373.61</u>



NOTE NO "3"	As at	As at
SHARE APPLICATION MONEY PENDING FOR ALLOTMENT	31-03-2013	31-03-2012
	(Rs in Lakhs)	(Rs in Lakhs)
Share Application Money Pending for Allotment	4,825.16	4,825.16
TOTAL	4,825.16	4,825.16
NOTE NO "4"	As at	As at
LONG TERM BORROWINGS	31-03-2013	31-03-2012
	(Rs in Lakhs)	(Rs in Lakhs)
(a) TERM LOAN		
From Banks (Secured)(1)	17,717.21	17,512.57
(b) Long Term Finance Lease Obligation (Secured)(2)	48.68	60.51
TOTAL	17,765.89	17,573.09
<p>1) Out of the Term Loan outstandings from banks, of Rs.17,717.21 lakhs, Rs.13,728.70 Lakhs carries an interest rate @ 13.25% (Part of the interest @ 9% per annum till 31-03-2013 and @ 10% per annum during 01-04-2013 to 31-03-2016 would be paid on due date on cash basis and the balance of 4.25% per annum up to 31-03-2013 and 3.25% per annum of interest from 01-04-2013 to 31-03-2016 will be capitalized into equity shares in case of ICICI Bank and United Bank of India and other lenders CRPS (Zero Coupon) will be allocated and be redeemable after 2020) and the loan is repayable in 31 structured quarterly installments commencing from 30-09-2012 to 31-03-2020 with maratorium of two years from 01-07-2010 to 30-06-2012 and Rs.3,518.53 Lakhs carries an interest rate of @ 13.25% (Part of the interest, @ 10% per annum during 01-04-2011 to 31-03-2016 would be paid on due date on cash basis and the balance of 3.25% per annum up to 31-03-2016 will be capitalized into CRPS (Zero Coupon) will be allocated and be redeemable after 2020.) and the loan is repayable in 28 structured quarterly installments commencing from 30.06.2013 to 31-03-2020 with a maratorium from the date of disbursment to 31-03-2013.</p> <p>All the aforementioned term loans are secured by equitable mortgage by deposit of title deeds by creating First Pari-Passu charge on immovable properties and second Pari-Passu charge by hypothication of all current assets both present and future subject to First Pari-Passu charge on current assets infavour of companies bankers for working capital and also guaranteed by Promoter Directors in their individual capacities and also by pledge of 1,27,01,781 shares belonging to promoters as additional security.</p>		
<p>2. Finance lease is secured by hypothecation of specific assets.</p>		
NOTE NO "5"	As at	As at
OTHER LONG TERM LIABILITIES	31-03-2013	31-03-2012
	(Rs in Lakhs)	(Rs in Lakhs)
UNSECURED LOANS		
From Promoters & Associates	35.00	35.10
Security Deposits from Dealers, Contractors & Others	7,505.30	4,735.39
TOTAL	7,540.30	4,770.49



NOTE NO "6"	As at	As at
LONG TERM PROVISIONS	31-03-2013	31-03-2012
	(Rs in Lakhs)	(Rs in Lakhs)
a) Provision for Gratuity	-	14.84
b) Provision for Leave Encashment	24.60	26.57
TOTAL	24.60	41.41
NOTE NO "7"	As at	As at
SHORT TERM BORROWINGS	31-03-2013	31-03-2012
	(Rs in Lakhs)	(Rs in Lakhs)
Loans Payable on Demand (Secured)		
Axis Bank Limited	200.93	191.63
Corporation Bank	2,008.97	1,993.72
Karnataka Bank Ltd	1,510.54	1,499.83
Oriental Bank of Commerce	798.00	897.50
TOTAL	4,518.44	4,582.68
Cash Credits from the aforementioned banks is secured by First Pari-passu charge on Current Assets and Second Pari-Passu charge on Fixed Assets of the Company, and is guaranteed by promoter directors in their individual capacities and also by pledge of 1,27,01,781 shares belonging to promoters as an additional security.		
NOTE NO "8"	As at	As at
TRADE PAYABLES	31-03-2013	31-03-2012
	(Rs in Lakhs)	(Rs in Lakhs)
a) For Materials	3,590.30	1,597.39
TOTAL	3,590.30	1,597.39
NOTE NO "9"	As at	As at
OTHER CURRENT LIABILITIES	31-03-2013	31-03-2012
	(Rs in Lakhs)	(Rs in Lakhs)
a) Current Maturities of Long Term Debt	1,087.07	601.26
(b) Current Maturities of finance lease obligation		
(i) From Banks	25.81	32.10
(ii) From Others	8.01	9.96
	33.82	42.06
(c) For Expenses	53.37	43.20
(d) For Other Payables	1,544.89	584.73
TOTAL	2,719.15	1,271.25



PARTICULARS		FIXED ASSETS										(Rs.in Lakhs)	
		GROSS BLOCK (AT COST)					DEPRECIATION					NET BLOCK	
		As at 01-04-2012	Additions During the Year 01-04-2012 31-03-2013	Sales / Adj During the Year 01-04-2012 31-03-2013	As at 31-03-2013	As at 01.04.2012	For the Year 01-04-2012 31-03-2013	Adjustment During the Year 01-04-2012 31-03-2013	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012		
TANGIBLE ASSETS													
1.	LAND	475.30	-	-	475.30	-	-	-	-	475.30	475.30		
2.	BUILDINGS	1,165.55	1,544.39	-	2,709.94	231.16	29.74	-	260.90	2449.04	934.39		
3.	PLANT & MACHINERY	9,345.42	23,818.08	-	33,163.50	1,706.89	343.49	-	2,050.38	31,113.12	7,638.53		
4.	ELECTRICAL INSTALLATION	341.77	2,250.43	-	2,592.20	233.55	12.70	-	246.25	2,345.95	108.22		
5.	FURNITURE & FIXTURES	258.87	56.44	2.40	312.91	141.43	20.04	1.77	159.70	153.21	117.44		
6.	LABORATORY EQUIPMENT	44.21	24.50	-	68.71	14.31	3.00	-	17.31	51.40	29.90		
7.	VEHICLES	352.54	41.47	41.46	352.55	80.56	32.65	9.80	103.41	249.14	271.99		
8.	MINING DEPOSITS	10,725.59	-	-	10,725.59	2,908.26	581.65	-	3,489.91	7,235.68	7,817.33		
SUB TOTAL - I		22,709.25	27,735.31	43.86	50,400.70	5,316.16	1,023.27	11.57	6,327.86	44,072.84	17,393.09		
INTANGIBLE ASSETS													
MINING LEASE RIGHTS		2,933.41	-	-	2,933.41	733.35	146.67	-	880.02	2,053.39	2,200.06		
SUB TOTAL - II		2,933.41	-	-	2,933.41	733.35	146.67	-	880.02	2,053.39	2,200.06		
TOTAL		25,642.66	27,735.31	43.86	53,334.11	6,049.51	1,169.94	11.57	7,207.88	46,126.23	19,593.15		
Capital work in progress		21,899.80	5,685.77	27,575.22	10.35	-	-	-	-	10.35	21,899.80		
		47,542.46	33,421.08	27,619.08	53,344.46	6,049.51	1,169.94	11.57	7,207.88	46,136.58	41,492.95		
Previsous Year		44,817.31	2,773.47	48.32	47,542.47	4,910.33	1,155.46	16.27	6,049.52	41,492.95	-		



NOTE NO "11" INVENTORIES	As at 31-03-2013 (Rs in Lakhs)	As at 31-03-2012 (Rs in Lakhs)
(Valued and Certified by Management)		
a) Raw Materials (at Cost)	344.99	275.11
b) Work-in-Process (at Cost)	809.38	744.54
c) Finished Goods (at Cost or realisable value which ever is less including Stock of Consignment).	170.09	12.63
d) Stores, Spares and Consumables (at Cost)	3,527.22	2,099.72
TOTAL	4,851.68	3,132.00
NOTE NO "12" TRADE RECEIVABLES	As at 31-03-2013 (Rs in Lakhs)	As at 31-03-2012 (Rs in Lakhs)
(Unsecured, Considered good) (Receivables recoverable in cash or for value to be received)		
Out standing for over six months from due date	-	-
Other Debts	4,647.75	4,031.49
TOTAL	4,647.75	4,031.49
NOTE NO "13" CASH AND CASH EQUIVALENTS	As at 31-03-2013 (Rs in Lakhs)	As at 31-03-2012 (Rs in Lakhs)
Cash Balance on Hand	20.83	7.28
Balance With Banks		
i) In Current Accounts	178.48	235.24
ii) Earmarked Balances with Banks	60.37	61.81
iii) In Fixed Deposit Accounts With Banks	117.58	110.68
TOTAL	377.26	415.01



NOTE NO "14" SHORT TERM LOANS & ADVANCES	As at 31-03-2013 (Rs in Lakhs)	As at 31-03-2012 (Rs in Lakhs)
LOANS & ADVANCES		
(Unsecured, Considered good)		
(Advances recoverable in cash or kind for value to be received)		
a) Advances For Materials etc.,	24.84	119.75
b) Advances For Capital Goods	44.82	1,308.58
c) Advances For Others	240.51	115.07
d) Balance with Central Excise	163.74	148.44
e) Earnest Money Deposit	7.40	7.40
f) Deposits	522.30	273.81
TOTAL	1,003.61	1,973.05
NOTE NO "15" OTHER CURRENT ASSETS		
	As at 31-03-2012 (Rs in Lakhs)	As at 31-03-2011 (Rs in Lakhs)
Interest receivable	15.68	13.29
TOTAL	15.68	13.29
NOTE NO "16" SALES		
	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
Sale of Cement	18,708.18	13,127.71
Sale of Clinker	920.41	3,252.50
Others	-	-
Total	19,628.59	16,380.21
Less: Excise Duty	2,676.29	1,872.45
NET TOTAL	16,952.30	14,507.76
NOTE NO "17" OTHER INCOME		
	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
Sale of Scrap	20.99	0.81
Interest received	30.77	15.17
Miscellaneous Income	310.55	0.05
TOTAL	362.31	16.03



NOTE NO "18" COST OF MATERIAL CONSUMED	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
Consumption of Raw Materials	2,396.61	1,603.12
Consumption of Stores & Spares	426.15	579.23
Consumption of Packing Material	1,042.79	572.61
Total	3,865.56	2,754.96
NOTE NO "19" INCREASE/(DECREASE) IN STOCKS	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
(a) Work in Process :		
Opening Stock	744.54	1,818.87
Closing Stock	809.38	64.84
		744.54
		(1,074.33)
(b) Finished Goods		
Opening Stock	12.63	14.66
Closing Stock	170.09	157.46
		12.63
		(2.03)
TOTAL	222.30	(1,076.36)
NOTE NO "20" EMPLOYEES' BENEFIT EXPENSES	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
Salaries, Wages & Bonus	949.81	966.28
Contribution To Provident Fund	32.95	21.64
Contribution To ESI	6.40	7.47
Gratuity	-	4.62
Workmen & Staff Welfare Expenses	37.28	43.37
TOTAL	1,026.44	1,043.38
NOTE NO "21" FINANCE COST	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
Interest On Working Capital	395.67	394.77
Interest On Term Loan	615.80	623.74
Other Finance Charges	135.74	154.52
TOTAL	1,147.21	1,173.03



NOTE NO " 22" DEPRECIATION AND AMORTIZATION EXPENSES	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
Depreciation		
Gross Amount as per Note No - 10	1,169.94	1,155.46
Less: Transfer from Mining Revaluation Reserve	728.32	728.32
TOTAL	<u>441.62</u>	<u>427.14</u>
NOTE NO "23" OTHER EXPENSES	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
Manufacturing Expenses		
Power Consumed	2,702.09	1,215.47
Coal Consumed	<u>3,425.32</u>	<u>3,696.48</u>
	6,127.41	4,911.95
Repairs & Maintenance		
Machinery	182.19	221.38
Buildings	8.13	9.07
Other Fixed Assets	<u>20.20</u>	<u>22.03</u>
	210.52	252.48
Administrative Expenses		
Rent	66.14	70.31
Rates & Taxes	15.04	11.33
Insurance	44.82	59.31
Bank Charges	50.46	61.63
Miscellaneous Expenses	404.81	360.49
Directors Sitting Fees	2.00	1.44
Cost Audit Fee	0.84	0.73
Loss on Sale of Fixed Assets	9.70	11.84
Auditor's Remuneration :		
Statutory Audit Fee	3.37	2.21
Tax Audit Fee	2.25	1.10
Reimbursement of Expenses	<u>0.08</u>	<u>0.07</u>
	599.51	580.46
Sales Expenses		
Transport Charges & Others	971.18	276.71
Handling and Delivery Charges	89.16	39.08
Advertisement & Publicity	0.86	281.58
Other Sales Expenses	1,100.55	292.65
Sales Tax	2,324.28	1,975.51
Total	<u>11,423.47</u>	<u>8,610.42</u>

**NOTE NO "24"****SIGNIFICANT ACCOUNTING POLICIES:****(Rs in lakhs)****I. BASIS OF PREPARATION:**

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

II. USE OF ESTIMATES:

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

III. FIXED ASSETS:

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

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

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



Management estimates the useful life of various assets as follows:

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

IV. INVENTORIES:

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

V. INVESTMENTS:

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

VI. EMPLOYEE BENEFITS:

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

VII. FOREIGN EXCHANGE TRANSACTIONS:

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

VIII. REVENUE RECOGNITION:

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



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

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

IX. IMPAIRMENT OF ASSETS:

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

X. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

XI. DEFERRED INCOME TAXES:

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

**NOTE NO "25"****(Rs in Lakhs)****NOTES TO ACCOUNTS**

- I. Contingent Liabilities not provided for:
 - a) Bank guarantees given for Rs.137.47 (Previous Year Rs. 37.33)
 - b) Estimated Amount of Contracts remaining to be executed on capital account and not provided for Rs.25.00 (Previous Year Rs.809.74)
 - c) Claims against the Company not acknowledged as debts: Rs. 31.56 (Previous Year Rs. 31.56)
 - d) Arrears of fixed cumulative Dividend is Rs 98.68 (Previous Year Rs. 23.86)
- II. Pursuant to sanctioning of a Debt Restructuring package in terms of CDR LOA , the company has entered into a Master Restructuring Agreement (MRA) with all bankers during the FY 2011-12. In terms of the MRA, the Bankers have restructured and rescheduled the existing term loans and other facilities and their terms of repayment. Further the company was also sanctioned fresh term loans, which were fully drawn and utilized towards the completion of the expansion project. The breakup of such loans and the particulars of the terms and conditions of payment of interest and repayment of loans are given in Note No. 4.
- III. During the year the company completed its expansion project and commenced production from the expanded project. The date of commencement was 31/03/2013. Accordingly the expenditure incurred on the project upto that date Rs.27,575.22, including pre-operative expenditure and interest during construction period, had been capitalized and included in fixed assets under appropriate heads. The preoperative expenditure Rs.530.92 relating to the project incurred upto the date and the Interest on the loans borrowed for expansion attributable to the period upto the date had been allocated to various fixed assets on pro-rata basis. The depreciation has been provided accordingly.

IV. REVALUATION AND ACCOUNTING OF MINERAL DEPOSITS AND RIGHTS:

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



V. SEGMENT REPORTING:

In terms of the Accounting Standard 17 relating to “Segment Reporting”, the company operated only in Cement business segments during the year and operates only in one geographical segment viz. India. Considering the source and nature of risks and returns the business segment will be the primary segment for this purpose and there are no secondary segments. Consequently, in view of the management based on control purposes, there are no reportable secondary segments in terms of the AS and hence the requirements there-under are not applicable to the company for the year.

VI. RELATED PARTY TRANSACTIONS:

The Company has no related parties other than the key management personnel and relatives of such personnel in terms of Accounting Standard 18, in respect of the related party disclosure. The company paid remuneration to the Chairman, Managing Director, and Whole time Director among the key management personnel of Rs.24.00 each (Previous Year of Rs. 24.00 each) respectively. The company has no related party transactions with the relatives of key management personnel. In addition, the Company has paid Rs.2.00 (Previous Year Rs.1.44) as Directors Sitting fee to all the Directors.

VII. DEFERRED TAXATION:

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

S.No	Particulars.	As at 31-03-2013 (Rs in Lakhs)	As at 31-03-2012 (Rs in Lakhs)
A) Deferred Tax Assets			
	Unabsorbed allowances	0.00	0.00
	Provision for expenses	0.00	52.95
		0.00	52.95
B) Deferred Tax Liabilities			
	Fixed Assets	2,927.25	1,435.01
	Leave Encashment	0.61	0.00
		2,927.86	1,435.01
C)	Deferred Tax Liability (Net) (A-B)	2,927.86	1,382.06



VIII EARNINGS PER SHARE:

The Computation of Earnings per Share is set out below:

	2012-2013	2011-2012
(a) Earnings (Amount in Rs. in Lakhs)	(1913.19)	(509.36)
(b) Weighted average number of equity shares outstanding during the year - Basic	2,81,15,789	2,78,37,969
(c) Weighted average Number of equity shares outstanding during the year - Diluted	2,81,15,789	2,78,37,969
Earnings per Share		
Basic (face value of Rs.10/-) (Rs.)	(6.80)	(1.83)
Diluted (face value of Rs.10/-) (Rs.)	(6.80)	(1.83)

IX. HOUSING SUBSIDY:

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

- X. 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.

XI. REALIZATION OF ASSETS:

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

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

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

PARTICULARS	For the Year Ended 31.03.2013 (Rs. in Lakhs)	For the Year Ended 31.03.2012 (Rs. in Lakhs)
Opening defined benefit obligation	93.16	84.70
Current Service Cost	7.43	7.53
Interest Cost	7.45	6.78
Actuarial losses/ (gain)	(4.46)	(3.95)
Benefits Paid	(5.15)	(1.90)
Closing defined obligation	98.43	93.16
Change in the fair value of assets		
Opening value of plan assets	108.00	98.25
Expected return on plan assets	9.76	9.04
Actuarial gains / (losses)	0.00	0.00
Contribution by employer	2.94	2.61
Benefits Paid	(5.15)	(1.90)
Closing balance of plan assets	115.54	108.00
Amount recognized in the Balance Sheet :		
PARTICULARS	For the Year Ended 31.03.2013 (Rs. in Lakhs)	For the Year Ended 31.03.2012 (Rs. in Lakhs)
Present Value of funded obligations	98.43	93.16
Fair value of plan assets	115.54	108.00
Net liability	(17.11)	(14.84)
Amounts in the balance sheet		
Provision for gratuity	(17.11)	14.84
Net Liability/(asset)	(17.11)	14.84



Amount recognized in statement of Profit and Loss Account:		
Current Service Cost	7.43	7.53
Interest on Defined Benefit Obligation	7.45	6.78
Expected return on plan assets	-9.76	-9.04
Net actuarial losses/ (gain) recognized in year	-4.46	-3.95
Amount included in "Employee Benefit Expense"	0.00	1.32
Actual return on plan assets	0.00	9.04
XIII. Consumption of Raw Materials and value of Inventories includes Royalty and other levies paid to Government to the extent of Rs. 293.38 (previous year Rs. 233.57).		
XIV. Raw Materials consumed during the year		
	2012-13 Value (Rs. in Lakhs)	2011-12 Value (Rs. in Lakhs)
1. Lime Stone	1,104.68	822.64
2. Gypsum	287.82	119.02
3. Fly ash	774.79	467.34
4. Others	229.32	194.12
Total	2,396.61	1,603.12
XV Foreign Exchange transactions :	2012-13 Value (Rs. in Lakhs)	2011-12 Value (Rs. in Lakhs)
1. Towards Capital Expenditure	10.62	20.22
2. Foreign Travel	NIL	NIL
3. Towards Non-Capital Expenditure	24.99	NIL
Total	35.61	20.22



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

Sl.	2012-13		2011-12	
	Value (Rs. in Lakhs)	% Of Consumption	Value (Rs. in Lakhs)	% Of Consumption
1. Raw materials				
a) Imported	0	-	0	-
b) Indigenous	2,396.61	100%	1,603.12	100%
2. A. Consumables				
a) Imported	23.03	5.40%	1.58	0.27%
b) Indigenous	403.12	94.60%	577.65	99.73%
B. Coal				
a) Imported	0	-	0	-
b) Indigenous	3,425.32	100%	3,696.48	100%

XVII. Previous Year figures have been regrouped wherever necessary to conform to the groupings adopted in these accounts.

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

As per our Report Attached

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

Chartered Accountants

ICAI FRN: 002857S

Sd/-

A.RAMACHANDRA RAO

Partner

Membership No.9750

Place : Hyderabad

Date : 30-05-2013

For and on behalf of the Board

Sd/-

S.CHANDRAMOHAN

Chairman

Sd/-

S.R.B. RAMESH CHANDRA

Managing Director

Sd/-

K.A.N. SUBBARAO

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013		
	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Exceptional and Extraordinary items and tax	(367.39)	(561.50)
Extraordinary items adjusted for :		
Interest	1,147.21	1,173.03
Depreciation	441.62	427.14
Earlier Year's Income Tax	-	(0.81)
(Profit) / Loss on sale of Fixed Assets & Investments	9.70	11.84
Operating Profit before working Capital changes	1,231.14	1,049.70
Adjusted for		
(Inc) / Dec. in Inventories	(1,719.68)	1,197.34
(Inc) / Dec. in Trade Receivables	(616.26)	(806.30)
(Inc) / Dec. in Short Term Loans and Advances	969.44	(1,263.34)
(Inc) / Dec. in Other Current Assets	(2.39)	(7.11)
(Inc) / Dec. in Long Term Loans and Advances	-	(65.34)
Inc / (Dec.) in Current Liabilities	3,376.57	(1,170.79)
Cash Generated from Operations	3,238.82	(1,065.84)
Less : Interest on Working Capital, Term Loan & Others	1,147.21	1,173.03
Less : Provision for Taxation	0.00	0.00
Less : Provision for proposed dividend and tax	0.00	0.00
Net Cash Flow from Operating Activities	2,091.61	(2,238.87)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,845.87)	(2,773.48)
Sale of Fixed Assets & Investments	22.60	20.21
Net Cash Flow from Investing Activities	(5,823.27)	(2,753.27)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	For the Year Ended 31-03-2013 (Rs in Lakhs)	For the Year Ended 31-03-2012 (Rs in Lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Forfeiture of Share Application Money-Convertible Warrants	0.00	0.00
Proceeds from Equity Deposit / Share Capital / Security Premium	748.12	3,734.83
Inc. / (Dec.) in Long Term Borrowings	192.80	906.13
Inc. / (Dec.) in Other Long Liabilities	2,769.81	576.32
Inc. / (Dec.) in Long Term Provisions	(16.82)	8.10
Net cash Flow from Financing Activities	3,693.91	5,225.38
D. NET INCREASE IN CASH AND		
CASH EQUIVALENTS	(37.75)	233.24
Cash and Cash Equivalents as at the Commencement of the year	415.01	181.77
Cash and Cash Equivalents as at the close of the year	377.26	415.01

As per our Report Attached

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

Sd/-

A.RAMACHANDRA RAO

Partner

Membership No.9750

Place: Hyderabad

Date: 30.05.2013

For and on behalf of the Board

Sd/-

S.CHANDRA MOHAN

Chairman

Sd/-

S.R.B. RAMESH CHANDRA

Managing Director

Sd/-

K.A.N. SUBBARAO

Company Secretary



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

To
 BIG SHARE SERVICES PRIVATE LIMITED
 Unit: Bheema Cements Limited
 306, Rightwing, Amrutha Ville,
 Opp. Yashoda Hospital,
 Rajbhavan Road, Somajiguda
 HYDERABAD - 500 082
 Phone No: 040-23374967, Fax: 040-23370295
 E.Mail ID: bsshyd@bigshareonline.com

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

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

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

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

Place:

Date:

Signature of the First Holder

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.

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



BHEEMA CEMENTS LTD

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

**THIRTY FOURTH 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 Fourth Annual General Meeting of the Company to be held at the Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad - 500 082 on Monday, the 30th Day of September, 2013 at 10.00 A.M.

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 FOURTH ANNUAL GENERAL MEETING
PROXY FORM**

I/We of being a Member / Members of Bheema Cements Limited hereby appoint of of failing him / her of as my / our proxy to vote for me / us on my / our behalf at the Thirty Fourth Annual General Meeting of the Company to be held on Monday, the 30th Day of September, 2013 at 10.00 A.M. at the Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad - 500 082 . and at any adjournment thereof.

Signed this _____ day of _____ 2013

No. of Shares _____

Please
affix Re. 1/-
Revenue
Stamp

Signature of the Shareholder

N.B.: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a Member of The Company. The Proxy in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.