

**Form – B**

Clause 31(a) of the Listing Agreement

Format of covering letter of the annual audit report to be filed with the Stock Exchange

**Name of the Company** Bheema Cements Limited

**Annual Financial Statements for the year ended** 31<sup>st</sup> March 2015

**Type of Audit Observation** Qualified

**Frequency of Observation**

*A) Repetitive in respect of observation regarding preparation of financial statements*

as stated in "a" under "basis for qualified opinion" in Page 36 of the Annual Report FY 2013-14 for the financial year ended on 31<sup>st</sup> March 2014

*B) Repetitive in respect of observation the interest on term loans*

as stated in "b" under "basis for qualified opinion" in Page 36 of the Annual Report FY 2013-14 for the financial year ended on 31<sup>st</sup> March 2014

*C) Repetitive in respect of observation regarding physical verification*

as stated in "Annexure to Auditor's Report" in "ii.a)" in Page 38 of the Annual Report FY 2013-14 for the financial year ended on 31<sup>st</sup> March 2014

*D) Repetitive in respect of observation regarding statutory dues*

as stated in "ix" under "Annexure's to Auditor's Report" in Page 39 of the Annual Report FY 2013-14 for the financial year ended on 31<sup>st</sup> March 2014

*E) Repetitive in respect of observation regarding accumulated losses*

as stated in "x" under Annexure's to Auditor's Report in Page 39 of the Annual Report FY 2013-14 for the financial year ended 31<sup>st</sup> March 2014

*F) Repetitive in respect of observation regarding bank dues*

As stated in "xi" under Annexure's to Auditor's Report in Page 39 of the Annual Report FY 2013-14 for the financial year ended 31<sup>st</sup> March 2014

Draw attention to relevant notes in the annual financial statements and management response to the Qualification in the director's report:

S.No	Auditor Observation/qualification
1	Note No. 25.II which explain the circumstances that lead to accumulated losses and the circumstances that are mitigating the same and the reasons based on which the accounts have been prepared on Going Concern Basis. Notwithstanding the fact that the company has Incurred



	<p>cash losses during the current year as well as during the previous year, that the company has not been able to serve its debts as agreed and in the ordinary course, the financial statements of the Company have been prepared on Going Concern Basis.</p> <p><b>Management Reply</b></p> <p>During FY 2013-14, company's operations were severely affected because of non-availability of working capital, Industrial power holiday at 50%, consistent heavy rains, state division issues, etc. The company is actively pursuing with ARC for restructuring of its financials and reviving of company's operations. Management is confident in this regard, company assets have realizable values and we will be able to meet the liabilities.</p>
2	<p>Note No. 25.III which explain the circumstances leading to non-provision of the interest on term loans. We are of the opinion that the interest on term loans should have been provided till the time a formal communication is received from the lender banks fixing the final liability agreed for settlement. We are unable to quantify the impact of the same due to inadequacy of information.</p> <p><b>Management Reply</b></p> <p>In view of Assignment of Several Bank dues to the Asset Reconstruction Company and finalization of terms with the ARC resulting in restructuring of dues substantially lower than the dues, company considered appropriate not to provide interest. However, any shortfall or excess will be accounted after the final settlement with the ARC.</p>
3	<p>Note No.25.III which explains the circumstances leading to reversal of interest on working capital term loans. We are of the opinion that the interest on working capital term loans should have been provided till the time a formal communication is received from the lender banks fixing the final liability agreed to settlement. Due to this, the liabilities have been understated by Rs. 65.82 lacs and losses understated by an equivalent amount.</p> <p><b>Management Reply</b></p> <p>In view of Assignment of Several Bank dues to the Asset Reconstruction Company and finalization of terms with the ARC resulting in restructuring of dues substantially lower than the dues, company considered appropriate not to provide interest. However, any shortfall or excess will be accounted after the final settlement with the ARC.</p>
4	<p>Note No. 25.IV which explain the background for writing back the excess term loans as per Books in respect of some banks with which the final liability is agreed to be frozen. We are of the opinion that till the time a formal communication is received from the lender banks fixing the final liability for settlement, the Company should not have reversed the excess amounts carried in the books over the agreed amount. The impact of the reversal is that the term loans are understated by Rs. 1,626.42 lacs from Term loans accounts, Additional Term Loans by 431.99 lacs and overstatement of Capital Reserve by an equivalent amount; understatement of Working capital loans by Rs. 693.90 lacs and understatement of losses by an equivalent amount.</p> <p><b>Management Reply</b></p> <p>In view of Assignment of Several Bank dues to the Asset Reconstruction Company and finalization of terms with the ARC resulting in restructuring of term loans, additional term loans and working capital loans with all the banks substantially lower than the dues.</p>



5	<p>Note No. 25.V which explains the reasons for non-provision of depreciation during the year. We are of the opinion that though the Company did not carry operations during the year, depreciation should have been provided due to efflux of time. Non-provision of depreciation has resulted in understatement of expenditure by Rs. 1,435.74 lacs and overstatement of fixed assets by an equivalent amount.</p> <p><b>Management Reply</b></p> <p>As there is no physical deterioration of the plant and machinery due to efflux of time and as there were no operations depreciation was not provided.</p>																																			
6	<p>Note No.25 XVI, Regarding non-provision of gratuity and provision for leave encashment, the impact of which is not ascertainable for want of details.</p> <p><b>Management Reply</b></p> <p>After the plant operations are revived, provision for gratuity and leave encashment shall be made. At present it is not ascertainable for want of details.</p>																																			
8	<p>The accumulated losses of the company are more than fifty percent of its net worth and it has incurred cash losses of during the year covered by our audit and in the immediate preceding financial year.</p> <p><b>Management's Reply</b></p> <p>Due to non-release of Rs 40 Cr working capital by banks, slowdown of economy and delay in completion of project expansion, the Company incurred huge losses and the Company is taking necessary steps to overcome losses.</p>																																			
9	<p>As explained to us, physical verification of inventories could not be carried out during the year, as the factory and operations of the company have been suspended since March, 2014.</p> <p><b>Management's Reply</b></p> <p>Yes, the procedure will be carried out when the plant resume its operations.</p>																																			
10	<p>According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, VAT, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information provided and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as of March 31, 2015 for a period of more than six months from the date of they becoming payable except to the extent shown below:</p> <table><tr><th>SI No</th><th>Name of the Statute</th><th>Nature of Dues</th><th>Amount - Rs</th><th>Period to which it relates</th></tr><tr><td>1</td><td>Central Excise Act</td><td>Excise Duty</td><td>2,60,20,374</td><td>March 2013 and April 2013</td></tr><tr><td>2</td><td>Central Excise Act</td><td>Service Tax</td><td>90,00,493</td><td>From 1.4.2013 onwards</td></tr><tr><td>3</td><td>Income Tax Act</td><td>TDS</td><td>1,41,83,113</td><td>1/4/2013 to 31/3/2015</td></tr><tr><td>4</td><td>EPF Act</td><td>Provident Fund</td><td>93,91,511</td><td>oct-13 to 31-03-2015</td></tr><tr><td>5</td><td>Professional Tax Act</td><td>Professional Tax</td><td>4,11,100</td><td>1/12/2013 to 31/3/2015</td></tr><tr><td>6</td><td>ESI Act</td><td>ESI</td><td>5,97,426</td><td>November 2013 to March 2-15</td></tr></table>	SI No	Name of the Statute	Nature of Dues	Amount - Rs	Period to which it relates	1	Central Excise Act	Excise Duty	2,60,20,374	March 2013 and April 2013	2	Central Excise Act	Service Tax	90,00,493	From 1.4.2013 onwards	3	Income Tax Act	TDS	1,41,83,113	1/4/2013 to 31/3/2015	4	EPF Act	Provident Fund	93,91,511	oct-13 to 31-03-2015	5	Professional Tax Act	Professional Tax	4,11,100	1/12/2013 to 31/3/2015	6	ESI Act	ESI	5,97,426	November 2013 to March 2-15
SI No	Name of the Statute	Nature of Dues	Amount - Rs	Period to which it relates																																
1	Central Excise Act	Excise Duty	2,60,20,374	March 2013 and April 2013																																
2	Central Excise Act	Service Tax	90,00,493	From 1.4.2013 onwards																																
3	Income Tax Act	TDS	1,41,83,113	1/4/2013 to 31/3/2015																																
4	EPF Act	Provident Fund	93,91,511	oct-13 to 31-03-2015																																
5	Professional Tax Act	Professional Tax	4,11,100	1/12/2013 to 31/3/2015																																
6	ESI Act	ESI	5,97,426	November 2013 to March 2-15																																



7	Mines & Mineral Development Act	Royalty on Limestone	4,63,12,194	01/08/2012 to 31/3/2015
8	APVAT Act	VAT	15,93,09,830	01/08/2012 to 31/3/2015
9	Central Sales Tax Act	CST	2,37,10,534	01/08/2012 to 31/3/2015
10	Karnataka VAT Act	VAT	2,68,925	01/08/2012 to 31/3/2015
11	Maharashtra VAT Act	VAT	14,77,845	01/08/2012 to 31/3/2015
12	Orissa VAT Act	VAT	1,17,487	01/08/2012 to 31/3/2015

Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, VAT which have not been deposited as on 31st March 2015 on account of disputes are as given below:

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

#### Management Reply:

Management agrees to the observations made by the Auditors

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

Term Loan Capacity Expansion	Amount in Rs Lacs	Period to which relates
ICICI Bank	140.45	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15
State Bank of Hyderabad	559.80	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14 and FY 2014-15
United Bank of India	440.48	
<b>Total</b>	<b>1,140.73</b>	
<b>Additional Term Loans</b>		
Corporation Bank	9.50	QE Dec'13, QE Mar'14, FY 2014-15
ICICI Bank	63.75	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15
Oriental Bank of Commerce	8.74	QE Dec'13, QE Mar'14, FY 2014-15
State Bank of Hyderabad	108.51	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14 and FY 2014-15
United Bank of India	89.60	
<b>Total</b>	<b>280.10</b>	
<b>Grand Total</b>	<b>1,420.83</b>	

#### Management Reply:

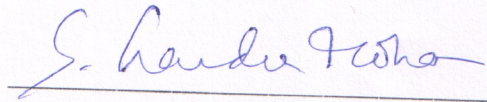
Management agrees to the observations made by the Auditors

Additional Comments from the  
Board/Audit Committee Chairman



To Be Signed By:

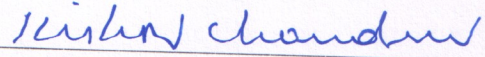
Executive Chairman



(Sri S Chandra Mohan)

DIN: 00974855

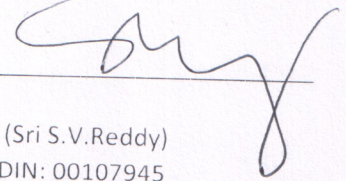
Whole Time Director



(S Kishore Chandra)

DIN 00974625

Audit Committee Member



(Sri S.V.Reddy)

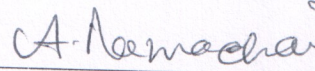
DIN: 00107945

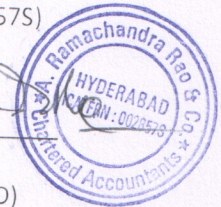
Auditor of the Company

For A.Ramachandra Rao and Co.

Chartered Accountants

(ICAI FRN : 002857S)





(A. RAMACHANDRA RAO)

Partner

Membership No. 9750



CONTENTS

	Pg No.
Corporate Information	: 2
Notice	: 3
Directors' Report	: 18
Management Discussion and Analysis Report	: 28
Independent Auditors' Report	: 33
Secretarial Audit Report	: 40
Corporate Governance Report	: 46
Auditors Certificate on Corporate Governance	: 54
Extract of Annual Return	: 56
CEO/CFO Certificate	: 65
Balance Sheet	: 67
Statement of Profit and Loss	: 68
Notes to the Financial Statements	: 70
Significant Accounting Policies	: 79
Cash Flow Statement	: 88
Attendance Slip and Proxy Form	: 90
Road map to AGM venue	: 92



**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Sri S. CHANDRA MOHAN  
Sri K.R. CHARI  
Sri S.V. REDDY  
Sri S. KISHORE CHANDRA  
Sri S.R.B. RAMESH CHANDRA  
Sri GHANTA AZAD BABU

EXECUTIVE CHAIRMAN  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
WHOLE TIME DIRECTOR  
MANAGING DIRECTOR  
Addl. DIRECTOR (till 30<sup>th</sup> Sep 2015)

**COMPANY SECRETARY**

Sri K.A.N.SUBBA RAO (*up to  
27<sup>th</sup> September, 2014*)

**AUDITORS**

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

**COST AUDITORS**

M/s Asutosh and Associates,  
Priyabrata Sahoo Partner,  
H.No.37-103/1/1,202,2<sup>nd</sup> Floor,  
Nagarjuna Arcade, Neredmet x Road,  
Secunderabad – 500 056

**BANKERS/FINANCIAL INSTITUTIONS**

Corporation Bank  
ICICI Bank Limited  
Oriental Bank of Commerce  
State Bank of Hyderabad  
United Bank of India  
JMFARC Pvt. Ltd

**REGISTERED OFFICE**

6-3-652/C/A, Flat 5A,  
Kautilya, Amrutha Estates  
Somajiguda, Hyderabad - 500 082  
Website: [www.bheemacements.co.in](http://www.bheemacements.co.in)

**WORKS**

Ramapuram, Mellacheruvu Mandal,  
Nalgonda Dist., Telangana - 508 246

**REGISTRAR & SHARE TRANSFER AGENT**

BIGSHARE SERVICES PRIVATE LIMITED  
306, Right Wing, Amrutha  
Ville, Opp: Yashoda Hospital,  
Somajiguda, Rajbhavan Road,  
Hyderabad – 500082.  
Tel: +91-40-2337 4967  
Fax: +91-40-23370295  
E-mail ID: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)



**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 36th Annual General Meeting (AGM) of the Members of BHEEMA CEMENTS LIMITED (CIN: L26942TG1978PLC002315) will be held on 24<sup>th</sup> Day of May, 2016 at 4:00 PM at Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015, including the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss of the Company for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Sri S. R. B. Ramesh Chandra (DIN 00107748), who retires by rotation, and being eligible offers himself for re-appointment.
3. To ratify the continuation of the Statutory Auditors.

The Statutory Auditors M/s. A. Ramachandra Rao & Co., Chartered Accountants are eligible for continuing appointment.

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at their 35th AGM held on 24th May 2016, the appointment of M/s. A. Ramachandra Rao & Co., Chartered Accountants (ICAI FRN : 002857S), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 38th AGM i.e FY 2016-17, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

**SPECIAL BUSINESS:****4. To approve the remuneration payable to cost auditors, M/s Asutosh and Associates, for the financial year 2015-16.**

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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, M/s Asutosh and Associates, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2016, be paid a remuneration of Rs.30,000 (Rupees Thirty Thousand only) per annum plus out of pocket expenses, at actual.





**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

**5. To Approve Debt Restructuring Scheme in relation to the Company’s debts**

To consider and, if thought fit, to pass the following Resolution as **Special Resolution**:

To approve the Debt Restructuring Scheme in relation to the Company’s debt:

**“RESOLVED THAT** subject to the applicable provisions of the Companies Act, 2013 and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of Bheema Cements Limited (“Company”), SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, the applicable rules, notifications, guidelines issued by the Government of India (GOI), the Reserve Bank of India (RBI) and any regulatory or other appropriate authorities (including but not limited to Securities and Exchange Board of India (“SEBI”)), and subject to approvals, permissions, sanctions and consents as may be necessary from any regulatory or other appropriate authorities (including but not limited to SEBI, “RBI”, “GOI” which may be agreed to by the board of directors of the Company (hereinafter referred to as the “Board”)) the Company hereby approves the Debt Restructuring Scheme by and between the Company and the JM Financial Asset Reconstruction Company Pvt. Ltd. (JM Financial ARC), as assignee of the loans of Axis Bank, Karnataka Bank, State Bank of Hyderabad, ICICI Bank, United Bank of India, and availing of additional loan as part of the restructuring, as mentioned in the Sanction Letter dated March 11, 2016 (Ref: JMFARC/VG/FY16/1630) (hereinafter referred to as the “Sanction Letter”), and restructuring of such other loans as may be assigned to JM Financial ARC from time to time or otherwise, on terms and conditions similar to those mentioned in the Sanction Letter.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized, on behalf of the Company to discuss, negotiate, amend, if required, the terms and conditions set out in the Sanction Letter in the manner as may be approved by and between the Company and the lenders, amend or make changes to the Restructuring Agreement to be executed and enter into other documents in pursuance of the Sanction Letter as may be agreed between the respective parties, and execute the necessary documents to give effect to above resolution”.



**6. Conversion of Debt into Equity Shares and Issue of Equity Shares:**

To consider, and if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of 62(3) and other applicable provisions of the Companies Act, 2013 read with the rules there under, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the ‘ICDR Regulations’), the Memorandum of Association and Articles of Association of Bheema Cements Limited (the ‘Company’) and applicable regulations and subject to the approval of all appropriate statutory, governmental and other authorities in this regard including compliance with conditions and modifications as may be prescribed by the respective statutory, governmental and other authorities while granting such approvals, consents, sanctions, permissions, and in accordance with the provisions of the Restructuring Scheme as outlined in the Sanction Letter dated March 11, 2016 (Ref: JMFARC/VG/FY16/1630), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”) to convert all or any portion of the outstanding amounts of debts together with accumulated interest into fully paid-up equity shares of the Company and to create, offer, issue and allot, such number of fully paid-up equity shares of the Company of the face value of Rs.10/- each, at such price which may be determined in accordance with the extant guidelines applicable to the Company, to JM Financial Asset Reconstruction Company Private Limited (hereinafter referred to as “JM Financial ARC”) in such a manner so as to ensure that JM Financial ARC holds 26% of the post-conversion equity share capital of the Company at any given point of time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters as may be necessary in connection with the above resolution.”

**7. Resolution for borrowing power**

**“RESOLVED THAT** pursuant to the provisions of the Section 180(1)(c) of the Companies Act, 2013 and the other applicable provisions of the Companies Act, 2013 and/or Companies Act, 1956, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company, by way of special resolution, to borrow moneys (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business), by way of loans, borrowings or issuance of debentures or otherwise, for the purposes of the business of the Company or any other purposes as deemed fit by the Board in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that the total borrowing shall not at any time exceed Rs 800 Crores/- (Rupees Eight Hundred Crores only)





over and above the aggregate of the paid up capital of the Company and its free reserves from time to time.”

“**RESOLVED THAT** the Board be and is hereby empowered and authorized to arrange or fix terms and conditions of all such money borrowed / to be borrowed from time to time as to interest / coupon rate, security, repayment or otherwise, howsoever as they may deem fit, as also to execute all such deeds and documents as may be necessary, usual or expedient for this purpose.”

**8. To secure the new Borrowing limits: Mortgage or Charge Creation**

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the enabling provisions in the Memorandum of Association and Articles of Association of the Company, and also as per the terms and conditions of Sanction letter No: JMFARC/VG/FY16/1630 dated 11<sup>th</sup> March 2016, for approval and consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee thereof) is also authorized to create mortgage or charge or encumbrance on one or more undertaking(s) with or without the other assets or any part thereof of the Company in favour of the lender(s) / Security trustee(s).”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters as may be necessary in connection with the above resolution.”

By order of the Board  
For BHEEMA CEMENTS LIMITED

Sd/-  
**S.Chandra Mohan**  
Executive Chairman

Place: Hyderabad  
Date: 16-04-2016



**NOTES:**

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORMS SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
3. The Register of members and Share Transfer Books of the company shall remain closed from 17<sup>th</sup> May 2016 to 24<sup>th</sup> May 2016 (both days inclusive).
4. A person can act as proxy on behalf of Members of not exceeding fifty (50) and holding in the aggregating not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the company carrying voting rights then such proxy shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable.
5. Members desiring any information are requested to write to the Company at its Registered Office, 6-3-652/C/A, Flat 5A, Kautilya, Amrutha Estates, Somajiguda, Hyderabad - 500 082 at least one week prior to the date of the Annual General Meeting to enable the Management to keep the information ready.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Members may note that the Notice of the 36<sup>th</sup> AGM and the Annual Report for FY 2014-15, copies of audited financial statements, Directors' report etc., will also be available on the website of the company, <http://www.bheemacements.co.in> for downloading.
8. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.
9. Members/Beneficial Owners are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the meeting.
10. Brief details of the retiring director and the directors, who are being appointed / re-appointed, are annexed hereto as per the requirements of Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.





11. Shareholders are requested to furnish their e-mail Ids to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in De- mat form, the e-mail Ids of the shareholders registered with the DP and made available to the Company shall be the registered e-mail Id unless communication is received to the contrary.
12. 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.
13. The shares of the Company continue to be listed on the Bombay Stock Exchange; The Company has not paid the listing fees for the financial year 2014-15.
14. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are BIGSHARE SERVICES PRIVATE LIMITED having their Registered Office at 306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082.
15. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2014-15 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Big share Services Private Limited (in case of Shares held in physical form).

#### **16. VOTING THROUGH ELECTRONIC MEANS**

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the company is pleased to provide Members` facility to exercise their right to vote at the 36<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It may be noted that using of this e-voting facility is optional.

Mr P.Surya Prakash, Sr.Associate, M/s R&A Associates, Company Secretaries in whole time Practice (ACS : 18803, C.P.No 11142) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in an fair and transparent manner.





### INSTRUCTION FOR E-VOTING

- (i) The voting period begins on 21-05-2016 at 9:00 AM (IST) and ends on 23-05-2016 at 6:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>





- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to
- (xv) change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).





- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By order of the Board  
For BHEEMA CEMENTS LIMITED

Sd/-  
**S.Chandra Mohan**  
Executive Chairman

Place: Hyderabad  
Date: 16-04-2016



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

The following Explanatory Statement sets out all the material facts relating to the Special Business under the accompanying Notice.

**Item #4**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s Asutosh and Associates, Cost Accountants, as Cost Auditors at a remuneration of Rs 30,000 (Rupees Thirty thousand only) per annum plus out of pocket expenses, at actual. to conduct the audit of the cost records of the Company for the financial year 2015-16. In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified and confirmed by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2015-16.

None of the Directors/Key Managerial Personnel/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. The Board recommends the resolution set forth in the Item No. 4 of the Notice for approval of the members.

**Item #5**

The Company has witnessed significant setbacks due to uncertainties in the cement industries like 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 132 KV powerline connection got delayed by 3 years and the 132 KV switching station was charged only by April 2013 and because of this delay, optimum production levels could not be achieved. Also, the banks did not release the Rs 40 Cr (approx) working capital which was sanctioned by them. Due to this, the ability of the Company to meet its repayment obligations/liabilities under the various facilities availed by it were adversely affected and thereby the existing working capital was completely exhausted. As a result, the ability of the Company to meet its repayment obligations/liabilities under the various facilities availed by it were adversely affected resulting which the banks declared the Company as Non-





Performing Asset (NPA) w.e.f. September 2013. The plant was subsequently shutdown in March 2014 and from then on there was no cement production.

Thereby, the bankers have initiated the process of recovery of their dues from the company by resorting to the provisions of Securitization and Reconstruction of Financial Assets and Enhancement of Security Interest Act (SARFAESI Act) by issuing necessary notices.

The company is in receipt of communications from JM Financial Asset Reconstruction Company Private Limited (Asset Reconstruction Company) informing that the outstanding amounts of the company to various banks had been assigned to them and that the company should pay the amounts to them. Since then, the company has been negotiating with the JM Financial Asset Reconstruction Company Private Limited for restructuring of its credit facilities and received Sanction letter March 11, 2016 (Ref: JMFARC/VG/FY16/1630). The said sanction letter is available for inspection at the registered office of the Company from Monday to Friday from 10 am to 5 pm.

The Board of Directors have discussed & approved the debt restructuring scheme as per the above mentioned sanction letter. The Special Resolution at item No. 5, proposed to be passed by the members, shall be deemed to be a confirmation, ratification and authorization by the members of the Company in terms of the applicable provisions of the Companies Act, 2013 and all the applicable provisions of the various rule, regulations, etc of SEBI and all other authorities.

Your Directors recommends the resolution as set out in Item No. 5 of the Notice as **Special Resolution**.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are concerned or interested, financially or otherwise, in the above resolution.

#### **Item #6**

As mentioned hereinabove explanatory statement no.5, as part of the Restructuring Scheme, Members approval is sought for partial conversion of loans into fully paid-up equity shares of the Company and to create, offer, issue and allot, such number of fully paid-up equity shares of the Company of the face value of Rs.10/- each per share, at such price which may be determined in accordance with the extant guidelines applicable to the Company, to JM Financial ARC in such a manner so as to ensure that JM Financial ARC holds 26% of the post-conversion equity share capital of the Company at any given point of time.



### Conversion of term Loan into Equity

This option was considered as part of the Debt Restructuring scheme. Other terms relating to issue of Equity Shares:

1. The Equity Shares shall rank pari-passu with the then existing Equity Shares of the Company.
2. The disclosures required pursuant to Regulation 73 of the SEBI (Security Exchange Board of India) - ICDR (Issue of Capital Disclosure Requirements) Regulation are as follows:

i. Objects of the Issue: The object of the issue is to comply with the DR Scheme, in accordance with the guidelines for restructuring of debt of Reserve Bank of India, of the Company by allotment of Equity Shares of the Company to the DR Lenders to convert such Restructured Facilities into Equity Shares as envisaged in the DR Scheme.

ii. The intention of the Promoters / Directors / Key Management Personnel to subscribe to the offer:

None of the Promoters, Directors or key management persons intends to subscribe to the proposed preferential offer

iii. Shareholding pattern pre and post preferential offer:

Sr.No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% of share holding	No. of shares held	% of share holding
<b>A</b>	<b>Promoters' holding :</b>				
1	Indian :				
	Individual	1,76,14,586	62.22%	1,76,14,586	49.2%
	Bodies Corporate				
	<b>Sub Total</b>	1,76,14,586	62.22%	1,76,14,586	49.2%
2	Foreign (NRIs)	49,886	0.18%	49,886	0.14%
	<b>Sub Total (A)</b>				
<b>B</b>	<b>Non-Promoters' holding :</b>				
1.	Financial Institutions & Banks	18,27,353	6.46%	18,27,353	26%





2.	Non-Institution :				
	Private Corporate Bodies	23,39,177	8.26%	23,39,177	6.54%
	Directors and Relatives				
	Indian Public	64,76,968	22.88%	64,76,968	18.10%
	Others*				
	Sub Total(B)				
	<b>GRAND TOTAL</b>	<b>2,83,07,970</b>	<b>100%</b>	<b>3,57,87,573</b>	<b>100%</b>

Note: -Since Price of debt conversion into Equity Shares will be fixed at the time of actual conversion, post allotment shareholding cannot be ascertained. The pricing for such conversion shall be in accordance with applicable extant guidelines.

Proposed time within which the allotment shall be completed: The Equity Shares shall be allotted to the concerned allottees in accordance with the Scheme for Debt Restructuring granted to the Company in accordance with Reserve Bank of India Guidelines.

<b>Names of the Proposed allottees</b>	<b>Percentage of Preferential Offer Capital</b>
JM Financial ARC Pvt Ltd	20.14% (To be allotted)
JM Financial ARC Pvt Ltd	5.86% (Existing)

**v. Change in control:**

The proposed allottees are not part of the Promoter Group and allotment of Equity Shares shall not result in change in control of the Company.

**vi. Re-Computation of issue Price:** Not applicable

**vii. Relevant Date:** The Relevant date shall be as per the extant guidelines.

**viii. Pricing of preferential issue:**

The equity shares will be allotted in accordance with the price determined in terms of the ICDR Regulations.

**ix. Auditors' Certificate:**

The Auditors' Certificate, as required under Clause 73(2) of regulations will be made available for inspection at the registered office of the Company. As it is proposed to issue and allot the



aforesaid securities on preferential allotment basis, Special Resolution is required to be approved by Members pursuant to the provisions of section 62(1)(c) of the Act, and Chapter VII of SEBI (ICDR) Regulations.

Your Directors, therefore recommend the resolution for your approval.

None of the Directors/ Key Managerial Personnel/their relatives of the Company is in any way concerned or interested in the Resolution(s) set out at Item No. 5.

By order of the Board  
For BHEEMA CEMENTS LIMITED

Place: Hyderabad  
Date: 16-04-2016

Sd/-  
**S.Chandra Mohan**  
Executive Chairman





**ADDITIONAL INFORMATION OF DIRECTORS BEING RE-APPOINTED AT THE  
ANNUAL GENERAL MEETING  
(Pursuant to Regulation 36(3) of SEBI(LODR) Regulation, 2015)**

Name	S.R.B. Ramesh Chandra
Date of Birth	01/05/1955
Date of Appointment	03/12/1992
Qualification	Commerce & Law Graduate from Sri Venkateswara University
Directorship held in other Companies	Nil
Membership/Executive Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	<p>He has 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.</p> <p>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.</p>
Shares held in the Company	47,33,927 shares



### DIRECTORS' REPORT

Dear Shareholders,

Your Directors are presenting the 36<sup>th</sup> Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2015.

#### **1. FINANCIAL RESULTS:**

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

Particulars	FY 2014-15	FY 2013-14
Sales and Other Income	-	16,947.59
EBIDTA	(1756.40)	(1,372.78)
Interest	127.11	1,885.67
Depreciation	-	971.97
Profit Before Tax	(1883.51)	(4,230.43)
Provision for Tax*	196.09	*(64.21)
Profit After Tax	(2079.61)	(4,166.22)

#### **2. OPERATIONS :**

There were no plant operations and hence no production and sales were recorded. There were only expenditure incurred during this period for the upkeeping of the plant & company as a whole. During the year the Company achieved Cement production of 0.00 MTs (Previous year 4,24,639.18 MTs) and 0.00 MTs of Clinker (previous year 3,25,913 MTs). The Company sold 0.00 MTs Cement (Previous year 4,28,959.81 MTs and 0.00 MTs of Clinker during the year (previous year 17,560.74 MTs).

#### **3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

As per the requirements Section 134(3)(I) of the Companies Act, 2013, we declare that, there are below significant material changes and commitments affecting financial position of the Company between 31st March, 2015 and the date of Board's Report.



**Debt Restructuring:**

The Company has not been able to service the debts as per the restructuring package approved by the Corporate Debt Restructuring vide Letter Of Arrangement (LOA) for the loans restructured in terms of the Master Restructuring Agreement (MRA). The Company has been making efforts to raise funds from external funding agencies.

The 132 KV powerline connection got delayed by 3 years and the 132 KV switching station was charged only by April 2013 and because of this delay, optimum production levels could not be achieved. Also, the banks did not release the Rs 40 Cr additional working capital (approx) which was sanctioned by them. Due to this, the ability of the Company to meet its repayment obligations/liabilities under the various facilities availed by it were adversely affected and thereby the existing working capital was completely exhausted.

The ability of the Company to meet its repayment obligations/liabilities under the various facilities availed by it were adversely affected resulting which the banks declared the Company as Non-Performing Asset (NPA) w.e.f. September 2013. The plant was subsequently shutdown on 4<sup>th</sup> March 2014 and from then on there was no cement production.

It also actively pursued with the banks (lenders) for settling off their dues on one-time settlement basis. However, during this period, the bankers have initiated the process of recovery of their dues from the company by resorting to the provisions of Securitization & Reconstruction of Financial Assets and Enhancement of Security Interest Act (SARFAESI Act) by issuing necessary notices.

The company is in receipt of communications from an Asset Reconstruction Company (ARC) JM Financial ARC Pvt Ltd, informing that the outstanding amounts of the company with various banks had been assigned to them and that the company should pay the amounts to them. Since then, the company has been negotiating with the ARC for restructuring of the dues and for additional working capital loan, the management is confident that a positive outcome will result from these efforts and the company will restart its operations.

**4. CHANGE IN THE NATURE OF BUSINESS:**

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

**5. SHARE CAPITAL AND CLASSIFICATION OF COMPANY:**

The authorized capital of the Company as on 31st March, 2015 was Rs. 78,00,00,000/- divided into 4,20,00,000 equity shares of Rs.10/- each and 36,00,000 preferential shares of Rs. 100 each.



The Subscribed, Issued and Paid-up capital of the Company as on 31st March, 2015 was Rs.55,70,35,600/- divided into 5,57,03,560 equity shares of Rs. 10/- each.

## **6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **A. RETIREMENT BY ROTATION:**

Pursuant to provisions of the Companies Act, 2013, Sri S.R.B. Ramesh Chandra (DIN 00107748) Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

### **B. APPOINTMENT & CESSATION:**

- a. During the year under review, Mr.Ghanta Azad Babu was appointed by Board as an Additional Director of the Company with effect from 21<sup>st</sup> March, 2015 and his directorship was deemed to be ceased on 30<sup>th</sup> September, 2015 by virtue of provision of Section 161(1) of the Companies Act, 2013.
- b. During the year, Sri K.A.N. Subba Rao, resigned from the position of Company Secretary w.e.f. 27<sup>th</sup> September, 2014.

### **C. EVALUATION OF THE BOARD'S PERFORMANCE:**

During the year, the Board adopted a formal performance evaluation policy for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment etc. The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board excluding the Director being evaluated and the evaluation of Non-Independent Directors was carried out by the Independent Directors.

### **D. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report. *Annexure I*



**E. REMUNERATION POLICY:**

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

**F. DECLARATION BY INDEPENDENT DIRECTORS:**

All the Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013.

**G. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) **THAT** in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) **THAT** the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) **THAT** the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) **THAT** the directors had prepared the annual accounts on a going concern basis;
- (e) **THAT** the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) **THAT** the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**7. AUDITORS & AUDITORS' REPORT:**

**A. STATUTORY AUDITORS:**

The Statutory Auditors of the Company, M/s. A.Ramachandra Rao & Co., Chartered Accountants, will retire at the conclusion of ensuing Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Qualifications:

The Statutory Auditors' Report contains qualification remark. The Statutory Audit Report for the financial year 2014-15 is annexed herewith as *Annexure III* to this Report.

**Management Reply for Auditor's Qualification**

Note No	Auditor Observation/qualification	Management's Reply
1	The company does not have an internal audit system during the year commensurate to its size and nature of its business.	The Company is taking necessary steps to have an adequate internal audit system, for which it is in the process to appoint internal Auditors.
2	The accumulated losses of the company are more than fifty percent of its net worth and it has incurred cash losses of during the year covered by our audit and in the immediate preceding financial year.	Due to non-release of Rs 40 Cr working capital by banks, slowdown of economy and delay in completion of project expansion, the Company incurred huge losses and the Company is taking necessary steps to overcome losses.
3	The Company has not dealt or traded in shares, securities, debentures or other investments during the year	BSE Share trading has been suspended since November 2014.
4	That the funds raised on short term basis have been used for long term investment;	During the year the Company was going shortage on cash flow due to which Company has utilized the short term funds for long term investment. The



		Company ensure that it will not repeat same again going forward.
5	Note No. 25.II which explain the circumstances that lead to accumulated losses and the circumstances that are mitigating the same and the reasons based on which the accounts have been prepared on Going Concern Basis. Notwithstanding the fact that the company has Incurred cash losses during the current year as well as during the previous year, that the company has not been able to serve its debts as agreed and in the ordinary course, the financial statements of the Company have been prepared on Going Concern Basis.	During FY 2013-14. Company's operations were severely affected because of non-availability of working capital, Industrial power holiday at 50%, consistent heavy rains, state division issues etc. The company is actively pursuing with ARC for restructuring of its financials and reviving of company's operations. Management is confident in this regard. Company assets have realizable values and we will be able to meets liabilities.
6	Note No. 25.III which explains the circumstances leading to non-provision of the interest on term loans. We are of the opinion that the interest on term loans should have been provided till the time a formal communication is received from the lender banks and other lenders fixing the final liability agreed for settlement. This has resulted in understatement of interest expenditure / loss by Rs. 1165.66 Lacs and understatement of the interest accrued on term loans by a similar amount.	In view of Assignment of Several Bank dues to the Asset Reconstruction Company and finalization of terms with the ARC resulting in settlement of dues substantially lower than the dues, company considered appropriate not to provide interest. However, any shortfall or excess will be accounted after the final settlement with the ARC.
7	As explained to us, physical verification of inventories could not be carried out during the year, as the factory and operations of the company have been suspended since March, 2014.	Yes, the procedure will be carried out when the plant resume its operations.





8	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.	We concur with the auditor's qualification.
---	---	---

#### **B. SECRETARIAL AUDITOR:**

The Company has appointed M/s R&A Associates, Hyderabad as Secretarial Auditor. The Secretarial Audit Report (SAR) for the financial year 2014-15 is annexed herewith as *Annexure IV* to this Report.

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

#### **C. COSTAUDITORS:**

The Board of Directors on the recommendation of the Audit Committee, appointed M/s Asutosh and Associates. Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2015-16 under section 148 of the Companies Act, 2013. M/s Asutosh and Associates have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013.

#### **8. HUMAN RESOURCES :**

The Company has suspended the operations with effect from March 2014 and in view of the long period of suspension of operations there has been higher attrition of human resources.

**9. CORPORATE GOVERNANCE:**

A separate report on Corporate Governance is enclosed as a part of this Annual Report *Annexure V*. A certificate from the Auditors of the Company regarding compliance with Corporate Governance norms stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance *Annexure VI*.

**10. DECLARATION FOR CODE OF CONDUCT:**

Pursuant to Clause 49 of the Listing Agreement, the declaration signed by the Managing Director affirming compliance of the Code of Conduct by the Directors and Senior Management personnel of the Company for the financial year 2014-2015 is annexed and forms part of the Corporate Governance Report *Annexure VII*.

**11. 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. However, in view of the continuing suspension of the operations of the Company and the financial difficulties faced by the Company, the Company has not been able to carry out Corporate Social Responsibility activities to the extent it intended.

**12. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars. If any member is interested in obtaining a copy thereof, such member may write to Company in this regard.

No employee was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the disclosure as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

**13. RELATED PARTY TRANSACTIONS:**

No related party transactions were made by the Directors & only Remuneration is Payable,



which is Due to the Executive Chairman, Managing Director and Whole Time Director for the year FY14-15.

Further, the Company has provided for remuneration during the year of Rs.22 Lacs and Rs.18 Lacs to two relatives of Key Management Personnel.

#### **14. DISCLOSURES:**

##### **A. EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the Company is annexed herewith as *Annexure VIII* to this Report.

##### **B. COMPOSITION OF AUDIT COMMITTEE:**

The Audit Committee comprises Sri K. R. Chari (Chairman), Sri S.V. Reddy and Sri S. Chandra Mohan as members.

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

##### **C. NUMBER OF BOARD MEETINGS:**

The Board of Directors of the Company met 6 (six) times during the year. For further details, please refer report on Corporate Governance.

##### **D. LISTING OF SHARES:**

The equity share of the Company is listed with Bombay Stock Exchange (BSE). Listing fees is pending for financial year 2014-15. Share Trading is suspended.

#### **15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, is not applicable since there is no such activity at present being pursued by the Company. *Annexure IX*

#### **16. CEO/CFO CERTIFICATION**

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, the Managing Director of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2015(*Annexure-X*).

#### **17. GENERAL:**





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

- a. The Company has no subsidiaries, joint ventures or associate companies.
- b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**18. POLICY ON SEXUAL HARASSMENT:**

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

**19. 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, JM Financial ARC Pvt Ltd & 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, Vendors, Dealers and Consumers for the confidence reposed in the Company and its management.

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

For and on behalf of the Board  
of BHEEMA CEMENTS LIMITED

Sd/-

**S. Chandra Mohan**  
Executive Chairman

Place: Hyderabad  
Date: 16-04-2016

**ANNEXURE - I****MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT****Industry Structure and Developments:**

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

**Overview & Operations of the Company:**

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

**Opportunities and Threats:**

Cement consumption and demand in India has been growing during the last few years due to Government's continuous thrust on infrastructure development. Increase in construction activities of buildings for housing, institutions, and factories; and infrastructure development is key to drive the growth in demand for cement and construction materials. The construction activities are bound to pick up the pace based on the government focus on "Industrial Corridors" and "Industrial Townships" etc., which will lead to increased infrastructure development activities.

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

**Future Outlook:**

While the Government's commitment of fiscal conservatism and higher expenditure on salaries on account of Pay Commission may likely to have an impact on capital expenditure, it is also expected to lead to demand generation. India has to remain competitive and be able to pass on the benefits to its domestic audience for inclusive and sustained growth. The Government's focus on infrastructure and 'Make in India' are well-placed and the planned expenditure/initiatives will surely benefit the cement industry. Investments in education,



training, manufacturing and infrastructure are the need of the hour. We expect much of this incremental demand to come from Government-backed projects. Concretization of roads, dedicated freight corridors, development of Smart Cities, Metro Rail projects, construction of toilets under 'Swachh Bharat Abhiyan' are major thrust areas which can drive cement consumption. Given the enormous need for infrastructure and housing, which require large quantities of cement as a basic building material, the prospect of industry over the medium term is bright. Consistent increase in demand should absorb the excess supply and also improve the utilisation of the industry.

**Risks and Concerns:**

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

**Internal Control Systems and their adequacy:**

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

**Cautionary Statement:**

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





## ANNEXURE- II

## REMUNERATION POLICY

**1. INTRODUCTION:**

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

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

**2. SCOPE AND EXCLUSION:**

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

**3. TERMS AND REFERENCES:**

In this Policy, the following terms shall have the following meanings:

**“Director”** means a director appointed to the Board of the Company.

**“Key Managerial Personnel”** means:

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



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

#### **4. POLICY:**

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

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

##### **Remuneration of Non-Executive Directors & Independent Directors**

- i. A Non-Executive Director & Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any amendment or modification thereto as may be in force;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

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

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

**Remuneration of Executive Directors & KMP**

- i. The Board, on the recommendation of the Nomination and Remuneration (N&R) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits prescribed under Companies Act, 2013 including any statutory modification or amendment thereto as may be in force, subject to approval by the shareholders in General Meeting.
- ii. The Board, on the recommendation of the N&R Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- iii. The remuneration of the Executive Directors and KMP may be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus.

**C. Remuneration to Other Employees:**

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

**ANNEXURE- III****Independent Auditor's Report**

**To  
The Members of  
Bheema Cements Limited.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Bheema Cements Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'financial statements').

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

***Basis for qualified opinion***

*We draw attention to*

- a) *Note No. 25.II which explain the circumstances that lead to accumulated losses and the circumstances that are mitigating the same and the reasons based on which the accounts have been prepared on Going Concern Basis. Notwithstanding the fact that the company has incurred cash losses during the current year as well as during the previous year, the financial statements of the Company have been prepared on Going Concern Basis*
- b) *Note No. 25.III which explain the circumstances leading to non-provision of the interest on term loans. We are of the opinion that the interest on term loans should have been provided till the time a formal communication is received from the lender banks fixing the final liability agreed for settlement. We are unable to quantify the impact of the same due to inadequacy of information.*
- c) *Note No.25.III which explains the circumstances leading to reversal of interest on working capital term loans. We are of the opinion that the interest on working capital term loans should have been provided till the time a formal communication is received from the lender banks fixing the final liability agreed to settlement. Due to this, the liabilities have been understated by Rs. 65.82 lacs and losses understated by an equivalent amount.*
- d) *Note No. 25.IV which explain the background for writing back the excess term loans as per Books in respect of some banks with which the final liability is agreed to be frozen. We are of the opinion that till the time a formal communication is received from the lender banks fixing the final liability for settlement, the Company should not have reversed the excess amounts carried in the books over the agreed amount. The impact of the reversal is that the term loans are understated by Rs. 1,626.42 lacs from Term loans accounts, Additional Term Loans by 431.99 lacs and overstatement of Capital Reserve by an equivalent amount; understatement of Working capital loans by Rs. 693.90 lacs and understatement of losses by an equivalent amount*
- e) *Note No. 25.V which explains the reasons for non-provision of depreciation during the year. We are of the opinion that though the Company did not carry operations during the year, depreciation should*



have been provided due to efflux of time. Non-provision of depreciation has resulted in understatement of expenditure by Rs. 1,435.74 lacs and overstatement of fixed assets by an equivalent amount.

- f) Note No.25 XVI regarding non-provision of gratuity and provision for leave encashment, the impact of which is not ascertainable for want of details

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the basis for qualified opinion 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 31 March 2015;
- (b) in the case of the statement of profit and loss, 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

### **Report on other Legal and Regulatory Requirements**

2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.



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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement as referred to in Note 25.I to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**Place: Hyderabad  
Co**

**Date: 15.10.2015**

**For A.Ramachandra Rao &**

**Chartered Accountants  
ICAI FRN:002857S**

**(A.Ramachandra Rao)  
Partner  
Membership No.: 9750**

**ANNEXURE TO THE AUDITORS' REPORT**

(Of even date referred to in Para 02 thereof)

Re: M/s. Bheema Cements Limited

(i) In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information
- 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;

(ii) In respect of its inventories:

- a) As explained to us, physical verification of inventories could not be carried out during the year, as the factory and operations of the company have been suspended since March, 2014;



b) Subject to the above, we are not able to comment whether the procedure of physical verification of stocks followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business;

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

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

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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 to the extent applicable. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

(v) Based on the information provided to us, the Company has not accepted any deposits during the year and hence, in our opinion, the Clause 3(v) is not applicable to the company for the year

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, VAT, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information provided and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as of March 31, 2015 for a period of more than six months from the date of they becoming payable except to the extent shown below:





Sl No	Name of the Statute	Nature of Dues	Amount - Rs	Period to which it relates
1	Central Excise Act	Excise Duty	2,60,20,374	March 2013 and April 2013
2	Central Excise Act	Service Tax	90,00,493	From 1.4.2013 onwards
3	Income Tax Act	TDS	1,41,83,113	1/4/2013 to 31/3/2015
4	EPF Act	Provident Fund	93,91,511	oct-13 to 31-03-2015
5	Professional Tax Act	Professional Tax	4,11,100	1/12/2013 to 31/3/2015
6	ESI Act	ESI	5,97,426	November 2013 to March 2-15
7	Mines & Mineral Development Act	Royalty on Limestone	4,63,12,194	01/08/2012 to 31/3/2015
8	APVAT Act	VAT	15,93,09,830	01/08/2012 to 31/3/2015
9	Central Sales Tax Act	CST	2,37,10,534	01/08/2012 to 31/3/2015
10	Karnataka VAT Act	VAT	2,68,925	01/08/2012 to 31/3/2015
11	Maharashtra VAT Act	VAT	14,77,845	01/08/2012 to 31/3/2015
12	Orissa VAT Act	VAT	1,17,487	01/08/2012 to 31/3/2015

(a) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, VAT which have not been deposited as on 31st March 2015 on account of disputes are as given below:

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

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.

(c) According to the information provided and explanations offered to us, the company is not required to transfer to Investor Education and Protection Fund any amounts in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under and hence this clause is not applicable to the Company.



- (viii) In our opinion the accumulated losses of the Company are more than 50% of the net worth as of the Balance sheet date. The company has incurred cash losses during the current year and the immediately preceding financial year.
- (ix) Based on the information provided and explanation given to us, we are of the opinion that the Company has defaulted in repayment of dues to Banks or Financial Institutions as per details given below:

Term Loan Capacity Expansion	Amount in Rs Lacs	Period to which relates
ICICI Bank	140.45	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15
State Bank of Hyderabad	559.80	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14 and FY 2014-15
United Bank of India	440.48	
<b>Total</b>	<b>1,140.73</b>	
<b>Additional Term Loans</b>		
Corporation Bank	9.50	QE Dec'13, QE Mar'14, FY 2014-15
ICICI Bank	63.75	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15
Oriental Bank of Commerce	8.74	QE Dec'13, QE Mar'14, FY 2014-15
State Bank of Hyderabad	108.51	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14 and FY 2014-15
United Bank of India	89.60	
<b>Total</b>	<b>280.10</b>	
<b>Grand Total</b>	<b>1,420.83</b>	

- (x) Based on the information provided and explanations offered to us, the Company has not given guarantee for loans taken by others from Banks or Financial Institutions
- (xi) According to the information and explanations given to us, the company did not receive any term loans during the year and hence clause 3(xi) is not applicable to the company for the year under report.
- (xii) 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: 15.10.2015

**ANNEXURE- IV****SECRETARIAL AUDIT REPORT****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015.**

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 1956, Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;



- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment; *(Not applicable to the Company during the Audit Period);*
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(Not applicable to the Company during the Audit Period);*
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; *(Not applicable to the Company during the Audit Period);*
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable to the Company during the Audit Period);*
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable to the Company during the Audit Period);*
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable to the Company during the Audit Period);* and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not applicable to the Company during the Audit Period).*

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India *(Not notified hence not applicable to the Company during the audit period).*
- ii. The Listing Agreement entered into by the Company with BSE India Limited.





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

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

- a) The Company has not convened Annual General Meetings for the financial years 2013-14 and 2014-15 as required under the provisions of Section 96 of the Companies Act, 2013.
- b) The Company has not convened any meeting of Independent Directors exclusively during the financial year 2014-15 as required under Section 149 of the Companies Act, 2013 read with Schedule IV (Code for Independent Directors).
- c) The Company has not appointed Woman Director pursuant to Section 149(1)(b) of Companies Act, 2013.
- d) The maintenance of cost records and the appointment of cost Auditor are applicable to the Company as per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year 2014-15. However, the Company has not complied with this requirement. Company has informed that AGM would be convened/approved
- e) Company has not appointed any internal auditors for the company as required under provisions of Section 138 of the Companies Act, 2013.
- f) As per the provisions of Section 178 of the Companies Act, 2013 Nomination and Remuneration Committee shall consist of 3 or more Non - executive Directors out of which not less than one - half shall be independent Directors. However, the composition of the committee is not as per the requirement of the provisions.
- g) Pursuant to provisions of section 137(2) of the Companies Act, 2013 filing of Financial statement with ROC shall be done if the AGM is not held then within 30 days of on which AGM should have been held or with additional fees but within the time limit as per Section 403 which enumerates that it should have been filed within 270 days of end of due date of filing. Further the Company shall immediately file DIR-9 with ROC under Rule 14(2) of the Companies (Appointment & Qualification of Directors) Rules, 2014. But the Company has failed to comply with the requirements of the provision by not filing in due time.



- h) Pursuant to the provisions of the section 203(1)(ii) of the Companies Act, 2013 the post of Key Managerial Person (KMP) shall not be vacant for more than six months. However the Company has failed to comply with requirements of the provisions as after resignation of Mr. K.A.N Subba Rao on 27th September, 2014, the post of Company Secretary (KMP) is lying vacant till date.
- i) The Company has failed to comply with the requirements under listing agreement during the reporting period out of which major points are as follows:
- Clause 35: The Company has not submitted shareholding pattern for the quarter ended 30th September, 2014, 31st December, 2014 and 31st March, 2015.
  - Clause 38: Company has not paid Annual listing fees to Stock exchanges and annual custodian fees to Depositories i.e. NSDL and CDSL for the period under review.
  - Clause 41: Company has not submitted unaudited/audited financial statements for any of the quarter to Stock exchanges during the period under review.
  - Clause 47C: Company has not submitted Certificate from a practicing Company Secretary for the period under review.
  - Clause 49(IIA): Company has not appointed any woman director to the Board of the Company.
  - Clause 49(IV): The Company has failed to comply with the requirements of the clause for constitution of Nomination and Remuneration Committee shall comprise of all non-executive Directors.
  - Clause 49(X): The Company has not submitted Corporate Governance Report for any quarter to stock exchange during the reporting period.
- j) The Company has failed to comply with the requirement under Depository Act, 1996 during the reporting period as follows:
- Regulation 55A: The Company has not submitted Reconciliation of Share Capital Audit Report for the quarter ended 30th September, 2014, 31st December, 2014 and 31st March, 2015.
- k) The Company has failed to comply with the requirements under The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with respect to the regulation 29(1) and 29(2) for acquisition of shares during the reporting period.



- l) The Company has failed to comply with the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 w.r.to regulation 13 (1) and (2) during the reporting period.

The Board of Directors of the Company is not duly constituted. The Company is yet to appoint Women and Independent Directors on the board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice was given to all the Directors in due advance to schedule the Board Meeting. Agenda and detailed notes on agenda were sent in due advance, and a system exists for seeking and obtaining further information.

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

Majority decision are carried through while the dissenting members views are captured and recorded as part of minutes.

Relying on the representation given by the Company and its officers with regard to the Other laws applicable specifically to the Company and its Compliance, we opine that the Company has complied with the following laws as letters were submitted to the respective departments stating that there were no operations during the year under review.

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

We further report that during the Audit period, Loans of Axis Bank and Karnataka Bank have been acquired by JM Financial ARC Pvt Ltd.

For R & A Associates

Place: Hyderabad  
Date:16-04-2016

Sd/-  
P.Surya Prakash  
Sr Associate  
(ACS : 18803, C.P.No 11142)



*"Annexure - A"*

To,

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

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

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

For R & A Associates

Place: Hyderabad  
Date:16-04-2016

Sd/-  
P.Surya Prakash  
Sr Associate  
(ACS : 18803, C.P.No 11142)





## ANNEXURE- V

## 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:**

a) Composition: the details of composition and categories of Directors are:

Name	Category	Designation held	No. of meeting held	No. of meeting attended	Whether attended last AGM or not (Y/N)	No. of directorship in other boards	No. of members in other committees
Sri S. Chandra Mohan	Executive	Executive Chairman	6	6	Yes	Nil	4
Sri S.R.B. Ramesh Chandra	Executive	Managing Director	6	5	Yes	Nil	2
Sri S. Kishore Chandra	Executive	Whole time Director	6	6	Yes	Nil	1
Sri S.V. Reddy	Independent	Non Executive Director	6	5	Yes	Nil	3
Sri K.R. Chari	Independent	Non Executive Director	6	2	Yes	Nil	2
Sri G.Azad Babu	Addl. Director	Non Executive Director	6	1	No	8	0


**b) Meeting of Board of Directors:**

During the Financial year 2014-15 Board of Directors met on the following dates:

1. 10<sup>th</sup> June 2014
2. 27<sup>th</sup> September 2014
3. 29<sup>th</sup> November 2014
4. 28<sup>th</sup> January, 2015,
5. 21<sup>st</sup> March, 2015,
6. 27<sup>th</sup> March, 2015.

**c) Risk Management:**

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

**d) Pecuniary relationship or transactions of Non-Executive Directors:**

Apart from receiving directors' remuneration, non-executive directors do not have any other material pecuniary relationship or transactions with the company, its promoters or its management, which in the judgment of the board may affect independence of judgment of the Director

**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.

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

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

- b) During the year the Audit Committee meetings were held:**

1. 10<sup>th</sup> June 2014
2. 27<sup>th</sup> September 2014



3. 28<sup>th</sup> January 2015

**c) 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	3	1
Sri S.V. Reddy	3	3
Sri S. Chandra Mohan	3	3

**4. REMUNERATION COMMITTEE:**

**a) Composition, Name of the Directors, Chairman and members**

Name of the Directors	Title	Category
Sri. K.R. Chari	Chairman	Independent Director
Sri S.V. Reddy	Member	Independent Director
Sri S. Chandra Mohan	Member	Promoter Director

**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.

Remuneration Policy as per *Annexure-II*

During the year the Nomination & Remuneration Committee meetings were held:

10<sup>th</sup> June 2014

27<sup>th</sup> September 2014

The details of remuneration/sitting fees paid to the Executive Directors and Non-Executive Directors for the year 2014-2015 is given below:



Sl. No	Name of director	Salary per year	Perquisites & Other benefits	Performance Bonus/ Commission	Sitting Fees Board & Committee Meeting	Total in Rupees
1.	S. Chandra Mohan	Rs 24,00,000				24,00,000
2.	S.R.B. Ramesh Chandra	Rs 24,00,000				24,00,000
3.	S. Kishore Chandra	Rs 24,00,000				24,00,000
4.	S.V. Reddy		20,000		Rs 40,000	Rs 60,000
5.	K.R.Chari		6,000		Rs 12,000	Rs 18,000
6.	Ghanta Azad Babu		2,000		Rs 4,000	Rs 6,000

#### 5. SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE:

##### a) Constitution:

The shareholders 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:

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

The Board had designated K.A.N Subba Rao as the Compliance Officer (upto 27<sup>th</sup> September, 2014) pursuant to clause 47(a) of the Listing Agreement.

##### c) Functions

The functions of the committee are as follows:

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



✓ Other related issues

No. of shareholders' complaints received	No. of complaints not solved to the satisfaction of shareholders	No. of complains pending
2	0	2

Complaints from Shareholders : Requested for Annual Reports for FY 14-15 year.

## 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 Committee is as follows:

Title	Name of the Director	Category
Chairman	Sri S. Chandra Mohan	Promoter Director
Member	Sri S.V. Reddy	Independent Director
Member	Sri S.R.B. Ramesh Chandra	Independent Director

### c) Meetings of the Committee:

During the year no meeting had been held.

## 7. GENERAL BODY MEETINGS

Details of Location and Time of holding the last 3 Annual General Meetings.

Year	Date	Venue	Time	No. of Special Resolutions
2013-14	24 <sup>th</sup> May 2016	Hotel Shree Venkateswara	10:00 AM	4
2012-13	September 30, 2013	Hotel NKM's Grand, Erramanzil Colony, Hyderabad	11.00 AM	Nil
2011-12	September 29, 2012		11.00 AM	Pursuant to provision of Section 180(1) (c) & Section 180(1) (a)





b. No special resolution was put through postal ballot last year and it is proposed to put a special resolution to vote through postal ballot this year for revival of the company as per applicable laws / guidelines.

## **8. DISCLOSURES**

### **(a) RELATED PARTY TRANSACTIONS:**

No related party transactions were made by the Directors & only Remuneration is Payable & Due to the Executive Chairman, Managing Director and Whole Time Director for the year FY14-15.

Further, the Company has provided for remuneration during the year of Rs.22 Lacs and Rs.18 Lacs to two relatives of Key Management Personnel.

### **(b) COMPLIANCE OF VARIOUS LAWS:**

The fees to stock exchange (BSE Ltd) was not paid during this fiscal year. Hence, the scrip trading was suspended. Letters were submitted to the respective departments stating that there were no operations during the year under review.

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

### **(c) DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**

Your Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, in preparation of its financial statements.

### **(d) CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made,



while dealing with shares of the Company and cautions them of the consequences of violations.

**9. MEANS OF COMMUNICATION:**

a. In compliance with the requirements Regulation 62(1)(b) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, 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 upto December 2013. These financial results are normally published in the Newspapers. Subsequent to the suspension of the production activities, the Company has not been able to comply with listing agreement requirements.

b. Company displays Un-audited and Audited Results on its Web Site [www.bheemacements.co.in](http://www.bheemacements.co.in)

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

Date & Time : 24<sup>th</sup> May 2016 at 4:00 PM

Venue : Hotel Shree Venkateswara, 6-1-74, Lakadikapul,  
Hyderabad-500004, Telangana

(c) Date of Book Closure : 17<sup>th</sup> May 2016 to 24<sup>th</sup> May 2016  
(both days inclusive)

(d) Listing on Stock Exchanges : The Equity Shares of the company are listed on:  
The Bombay Stock Exchange Limited,  
PhirozeJeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001.

**(e) STOCK CODES**

B.S.E CODE NO : 518017

(f) ISIN Number for NSDL & CDSL: INE333H01012

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

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



(h) The listing fee for the year 2013-14 has been paid to Bombay Stock Exchange Limited. However the listing fee for the year 2014-15 onwards are in arrears and the Company shares have been suspended on the said stock exchanges.

(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) DEMATERIALISATION OF SHARES:**

The Company's shares are admitted with National Securities Depository Limited and Central Depository Services (India) Limited for holding shares in electronic/demat form. The market lot of the Share of your Company is one Share.

**(m) Shareholding pattern as on June, 2014:**

Sl. No	Category	No of shares	%
1.	Promoters	1,76,14,586	62.22%
2.	Financial Institutions & Banks	18,27,353	6.46%
3.	Non-Resident Indians	49,886	0.18%
4.	Corporate Bodies	23,39,177	8.26%
5.	Others	64,76,968	22.88%
6.	<b>Total</b>	<b>2,83,07,970</b>	<b>100.00</b>

**Company has not paid dues to CDSL & NSDL, as a result unable to provide the share holding pattern as on 31<sup>st</sup> March, 2015**

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

Ramapuram Village,  
Mellachervu Mandal, Nalgonda District - 508 246, Telangana

**(o) Address for Correspondence:**

Suggestions / Grievances/ Queries:  
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](mailto:complianceofficer@bheemacements.co.in)

**(p) 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 Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel : +91-22-24994200 Fax : +91-22-24976251 Email : <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>	Central Depository Services (India) Limited Phiroze Jeejee bhoi Towers, 17th Floor, Dalal Street, Mumbai - 400 001 Tel: +91-22-22723333 Fax: +91-22-22723199 Email: <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a>
--	--

**(q) 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. However, Subsequent to the suspension of the production activities, the Company has not been able to comply with same from December, 2013 onwards.

**ANNEXURE VI**

**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 2015, 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 have 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 Rama Chandra Rao & Co.**  
Chartered Accountants  
ICAI FRN: 002857S

Place: Hyderabad  
Date: 15-10-2015

Sd/-  
**(P.S.R.V.V. Surya Rao)**  
Partner  
Membership No.202367

#### **ANNEXURE VII**

#### **DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29<sup>th</sup> 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 2014-15 as envisaged in Clause 49 of the Listing agreement with Stock Exchange.

Place: Hyderabad  
Date: 15-10-2015

Sd/-  
**S.CHANDRA MOHAN**  
EXECUTIVE CHAIRMAN



## ANNEXURE - VIII

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

- i. CIN : L26942TG1978PLC002315
- ii. Registration date : 21/06/1978
- iii. Name of the Company : BHEEMA CEMENTS LIMITED
- iv. Category/Sub Category of the Company : Company Limited by Shares/Indian Non-Government Company
- v. Address of the Registered Office and Contact details : 6-3-632/C/A, FLAT 5A, KAUTILYA AMRUTHA ESTATES, SCMAII  
GUDA, HYDERABAD, Telangana-500082
- vi. Whether Listed Company : Yes
- Name, Address and contact details of Registrar and Transfer Agent, if any : M/s. Bigshare Services Private Limited  
306, Right wing, 3rd floor, Amrutha Villa, Opp. Yashoda  
Hospital, Rajbhavan Road, Hyderabad - 500082  
Tel: +91-40-2337 4967 Fax: +91-40-2337 0295  
Email id: beshyd@bigshareonline.com
- vii.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	No Operation during the year under review.		

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

S. No	Name and address of the Company	CIN/GLN	Holding/ subsidiary /Associate	% of shares held	Applicable section
	NIL				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity): Not Applicable, since Company limited by Guarantee**

**i) Category-wise Share Holding**

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

<b>(B) Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FIs	1827353	-	1827353	6.46	1827353	-	1827353	-	1827353	6.46
c) Central Govt.	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FPIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	<b>18,27,353</b>	<b>-</b>	<b>18,27,353</b>	<b>6.46</b>	<b>18,27,353</b>	<b>-</b>	<b>18,27,353</b>	<b>-</b>	<b>18,27,353</b>	<b>6.46</b>
<b>2. Non-Institutions</b>										
a) Bodies Corporate	2326874	12.303	2339177	8.26	2326874	12.303	2339177	8.26	2339177	8.26
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital in upto of Rs. 1 Lakh	1558032	4.63124	2021156	7.14	1558032	4.63124	2021156	7.14	2021156	7.14
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	4088003	3.57500	4445503	15.70	4088003	3.57500	4445503	15.70	4445503	15.70
c) Others:										
- Non Resident Indians										
- Clearing Members	59920	275	60195	0.22	59920	275	60195	0.22	60195	0.22
<b>Sub-Total (B)(2):-</b>	<b>80,32,829</b>	<b>8.33,202</b>	<b>88,66,031</b>	<b>31.33</b>	<b>80,32,829</b>	<b>8.33,202</b>	<b>88,66,031</b>	<b>31.33</b>	<b>88,66,031</b>	<b>31.33</b>
<b>Total Public Shareholding</b>	<b>98,60,182</b>	<b>8.33,202</b>	<b>106,93,384</b>	<b>37.79</b>	<b>98,60,182</b>	<b>8.33,202</b>	<b>106,93,384</b>	<b>37.79</b>	<b>106,93,384</b>	<b>37.79</b>
<b>C. Shares held by Custodians for ADR's &amp; GDR's</b>										
<b>Grand Total (A+B+C)</b>	<b>274,74,766</b>	<b>8.33,202</b>	<b>283,07,970</b>	<b>100</b>	<b>274,74,766</b>	<b>8.33,202</b>	<b>283,07,970</b>	<b>100</b>	<b>283,07,970</b>	<b>100</b>
										<b>0.00</b>



**ii) Shareholding of Promoters:**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	
1	S Chandra Mohan	4738927	16.74%	14.96%	4738927	16.74%	14.96%	0.0
2	S Chandra Mohan - HUF	500000	1.77%	-	500000	1.77%	-	0.0
3	S Lakshmi Mohan	100000	0.35%	-	100000	0.35%	-	0.0
4	S R B Ramesh Chandra	4733927	16.72%	14.96%	4733927	16.72%	14.96%	0.0
5	S R B Ramesh Chandra - HUF	527325	1.86%	-	527325	1.86%	-	0.0
6	S Vinoda Kumari	100000	0.35%	-	100000	0.35%	-	0.0
7	S Kishore Chandra	4733927	16.72%	14.96%	4733927	16.72%	14.96%	0.0
8	S Kishore Chandra - HUF	537462	1.90%	-	537462	1.90%	-	0.0
9	S Sai Redha	414548	1.46%	-	414548	1.46%	-	0.0
10	S Karthik Sarath Chandra	620200	2.19%	-	620200	2.19%	-	0.0
11	S Charur Swaroop Chandra	383238	1.35%	-	383238	1.35%	-	0.0
12	S Dharami	136127	0.48%	-	136127	0.48%	-	0.0
13	S Deepthi Suneetha	88,905	0.31%	-	88,905	0.31%	-	0.0
	<b>Total</b>	<b>1,76,14,586</b>	<b>62.22%</b>	<b>45%</b>	<b>1,76,14,586</b>	<b>62.22%</b>	<b>45%</b>	<b>0.0</b>

(iii) Change in Promoters' Shareholding ( please specify, if there is no change) = No Change in Promoters stakeholding

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



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

S.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	For Each of the Top 10 Shareholders				
	VINSRI CEMENT INDUSTRIES PVT. LTD.	1728266	6.11	1728266	6.11
	VENKATA VASUDEVA	1301333	4.60	1301333	4.60
	UNITED BANK OF INDIA	899544	3.18	899544	3.18
	ICICI BANK LTD	758769	2.68	758769	2.68
	KELLTON SECURITIES PRIVATE LTD	250097	0.88	135049	0.48
	TAMMINEEDI PREETHI	160000	0.57	160000	0.57
	PRATAP GUPTA SATRASALA	139761	0.49	139761	0.49
	ARIHANT CAPITAL MKT. LTD.	95229	0.34	84329	0.30
	K RAMPRASAD	90276	0.32	90276	0.32
	S.VENKATESWARLU	88000	0.31	88000	0.31
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)				
	At the end of the year				
	<b>Total</b>				

There was no change in Promoters Shareholding during the year

**(vi) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1					
	At the beginning of the year	1,42,01,781	0.50	1,42,01,781	0.50
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)				
	At the end of the year	1,42,01,781	0.50	1,42,01,781	0.50
	At the end of the year	1,42,01,781	0.50	1,42,01,781	0.50





**V. INDEBTNESS**

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

	Secured Loans excluding deposits (Rupees in Lacs)	Unsecured Loans	Deposits (Rupees in Lacs)	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount			1730.8	
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	20879.58		1730.8	22610.38
<b>Changes in Indebtedness during the</b>				
Addition			133.02	
Reduction	2984.54			
Net Change	2984.54		133.02	2851.52
<b>Indebtedness at the end of the financial</b>				
i) Principal Amount			1863.82	
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	17895.04		1863.82	19758.86

**VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

A. Remuneration to Managing Director, Whole-Time Director and/or Manager:

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

**B. Remuneration to other Directors:**

S.No.	Particulars of Remuneration	S.V.Reddy	Name of Director	K.R.Chari	Total Amount (Rs)
1	Independent Directors				
	•Fee for attending Board Committee Meetings	40000		12000	
	•Commission				
	•Others	20000		6000	
	Total (1)	60000		18000	78,000
	Other Non-Executive Directors				
2		G.Azad Babu			
	•Fee for attending Board Committee Meetings	4000			
	•Commission				
	•Others	2000			
	Total (2)	6000			6,000
	Total (B)=(1)+(2)				
	Total Managerial Remuneration (A + B)				84000
	Overall Ceiling as per the Act				

**C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD : None**

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



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

Type	Section of The Companies Act	Brief Description	Details of Authority		Appeals Made
			Penalty/Punishment/Compounding of Fees Imposed	[RD/NCLT/Court]	
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## ANNEXURE IX

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

**A. CONSERVATION OF ENERGY:**

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

**B. TECHNOLOGY ABSORPTION:**

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

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	2014-15	2013-14
i) Foreign Exchange Earned:	NIL	NIL
FOB value of exports		
CIF value of exports		



ii) Foreign Exchange used:	NIL	NIL
Commission on Exports		
Foreign Travel Expenses		
Spare parts		

## ANNEXURE X

## CEO/CFO CERTIFICATE

The Board of Directors  
BHEEMA CEMENTS LTD

As required under Clause 49 V of the listing agreement with the stock exchanges, Managing Director of the Company, Mr. S.R.B Ramesh Chandra heading the finance function certify to the Board 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, 2015 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 violate 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;
4. We have indicated to the Auditors and the Audit Committee :
  - a) significant changes in internal control during the year;
  - b) significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
  - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Date: 15.10.2015

Sd/-

**S.R.B Ramesh Chandra**  
MANAGING DIRECTOR





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

**For the Year ended  
31.03.2015**

**For the Year ended  
31.03.2014**

**A. POWER AND FUEL CONSUMPTION**

1. Electricity:

a. Purchased

Units (Nos.)

3,36,16,288

Amount (Rs.)

24,98,09,811

Rate/Unit (Rs.)

7.43

b. Own Generation

i) Through Diesel Generator (Unit/Nos.)

2,33,088

Units per Ltr. of Diesel Oil

3.30

Cost/Unit (Rs.)

14.10

ii) Through Steam Turbine Generator Unit

perLtr. of Fuel Oil / Gas Cost/Unit (Rs.)

—

2. Fuel:

Coal used in Kiln:

Quantity (MTs)

60,428

Total Cost (Rs.)

31,72,70.892

Average Rate(Rs.)

5,250.40

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)**

76.67

**Coal (% on Clinker)**

18.54

**FORM- B**  
(See Rule-2)

**FORM OF DISCLOSURE OF PARTICULARS WITH  
RESPECT TO TECHNOLOGY ABSORPTION**

**RESEARCH AND DEVELOPMENT (R&D):**

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

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

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



BHEEMA CEMENTS LIMITED, HYDERABAD						
BALANCE SHEET AS AT 31 <sup>st</sup> MARCH, 2015						
		Note No.		(Rs. In Lakhs)		
				As at		As at
				31-03-2015		31-03-2014
I.	<b>EQUITY AND LIABILITIES</b>					
(1)	Share Holder's Funds					
(a)	Share Capital	1	5,570.36		5,570.36	
(b)	Reverse and Surplus	2	3,174.03		3,204.14	
				8,744.39		8,774.50
(2)	Share Application Money Pending Allotment	3			-	-
(3)	Non-Current Liabilities					
(a)	Long Term Borrowings	4	13,313.94		15,637.72	
(b)	Deferred Tax Liability (Net)		3,059.74		2,863.65	
(c)	Other Long Term Liabilities	5	1,863.82		1,730.80	
(d)	Long – Term Provisions	6	25.19		24.83	
				18,262.69		20,257.00
(4)	Current Liabilities					
(a)	Short Term Borrowings	7	4,581.10		5,241.86	
(b)	Trade Payables	8	4,718.32		4,757.72	
(c)	Other Current Liabilities	9	11,004.74	20,304.15	9,183.57	19,183.35
	<b>TOTAL</b>			<b>47,311.22</b>		<b>48,214.85</b>
II.	<b>ASSETS</b>					
(1)	Non-Current Assets					
(a)	Fixed Assets	10				
(i)	Tangible Assets (Net)		42,611.74		42,695.39	
(ii)	Intangible Assets (Net)		1,906.72		1,906.72	
(iii)	Capital work in Progress		8.09		8.09	
	Total Assets		44,526.54	44,526.54	44,610.20	44,610.20
(2)	Current Assets					
(a)	Inventories	11	431.64		425.51	
(b)	Trade Receivables	12	750.11		1,511.04	
(c)	Cash and Cash Equivalents	13	181.36		240.84	
(d)	Short Term Loans and Advances	14	1,149.96		1,402.52	
(e)	Other Current Assets	15	1.61	2,784.67	24.75	3,604.65
	<b>TOTAL</b>			<b>47,311.22</b>		<b>48,214.85</b>
	Significant Accounting Policies	24				
	Notes to Accounts	25				
	As per our Report attached For A. Ramachandra Rao & CO Chartered Accountants					
	For and on Behalf of the Board					



ICAI FRN : 0028575		Sd/-	
Sd/-		S. CHANDRA MOHAN	
A. RAMACHANDRA RAO		Executive Chairman	
Partner			
Membership No. 9750			
Sd/-		Sd/-	
Place : Hyderabad	S. KISHORE CHANDRA	S.R.B. RAMESH CHANDRA	
Date : 15/10/2015	Whole Time Director	Managing Director	

BHEEMA CEMENTS LIMITED, HYDERABAD					
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31 <sup>ST</sup> MARCH 2015					
(Rs. In Lakhs)					
			Note No	For the Year ended 31-03-2015	For the Year ended 31-03-2014
I.	Revenue from operations (Net of Excise Duty)		16	-	14,554.39
ii.	Other Income		17	723.08	202.78
III.	Total Revenue (I + II)			723.08	14,757.17
IV.	Expenses				
	Cost of Material consumed		18	-	3,296.40
	Changes in inventory of finished goods & Work - in progress		19	-	960.01
	Employment Benefit expenses		20	725.75	1,204.17
	Finance Cost		21	127.11	1,885.67
	Depreciation and Amortization Expenses		22	-	971.98
	Other Expenses		23	1,753.72	10,669.38
	Total Expenses			2,606.58	18,987.60
V.	Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III – IV)			(1,883.51)	(4,230.43)
VI.	Exceptional Items			-	-
	Profit / (Loss) before Extraordinary items and Tax (V – VI)			(1,883.51)	(4,230.43)
VII.	Extraordinary Items			-	-
VIII.	Profit / (Loss) before Tax (VII – VIII)			(1,883.51)	(4,230.43)
IX.	Tax Expenses				
	(1) Current TAX			-	-
	(2) Deferred Tax Liability / (Asset)			196.09	(64.21)
	(3) Earlier Year's Income Tax			-	-



X.	Profit (Loss) for the Period from Continuing Operations (IX – X)			(2,079.61)	(4,166.22)
XI.	Net Surplus / (Loss) brought forward from the previous years			(7,534.20)	(3,367.98)
	Net Surplus / (Loss) transferred to Balance Sheet			(9,613.81)	(7,534.20)
XII.	Earnings per equity Share				
	1. Basic				
	2. Diluted				
	(Refer note of NOTE NO 25 – XII)				
	Significant Accounting Policies		24	(7.35)	(14.76)
	Notes to accounts		25	(7.35)	(14.76)
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>As per our Report attached For A. Ramachandra Rao &amp; CO Chartered Accountants ICAI FRN : 0028575 Sd/- A. RAMACHANDRA RAO Partner Membership No. 9750 Place : Hyderabad Date : 23-09-2015</p> </div> <div style="width: 45%; text-align: center;"> <p>For and on Behalf of the Board</p> <p>Sd/- S. CHANDRA MOHAN Executive Chairman</p> <p>Sd/- S.R.B. RAMESH CHANDRA Managing Director</p> </div> </div>					



Note No. "1"		(Rs. In Lakhs)		Rs. In Lakhs	
		As At 31-03-2015		As At 31-03-2014	
<b>Authorized</b> 420,00,000 Equity shares of Rs. 10/- each (Previous year 420,00,000 Equity Shares of Rs. 10/- each) 36,00,000 Preferential shares of Rs. 100/- each (Previous year 36,00,000 Preferential Shares of Rs. 100/- each).  <b>Issued, Subscribed and Paid Up Equity Shares</b> 283,07,970 Equity shares (PY 283,07,970 Equity shares) of Rs. 10/- each. Of the above 1,41,80,617(PY 1,41,80,617)) Equity shares of Rs. 10/- each were allotted as fully paid-up by way of bounce shares by capitalizing free reserves in earlier years; 18, 27,353, (18,27,353) Equity Shares of Rs. 10/- each with a premium of Rs. 78/- each were allotted as fully paid-up against FITL as per CDR Package.  <b>Preference Shares :</b> <b>6% Cumulative Redeemable Preference Shares</b> 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. <b>0% Cumulative Redeemable preference Shares</b> 14,92,559 (Previous year 14,92,559) 0% cumulative Redeemable preference shares of Rs. 100/- each were allotted as fully paid-up against FITL as per CDR Package.		4,200.00		4,200.00	
		3,600.00		3,600.00	
		7,800.00		7,800.00	
		2,830.80		2,830.80	
		1247.00		1247.00	
		1,492.56		1,492.56	
		5,570.36		5,570.36	
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year <b>(i) Equity Shares</b> No of Shares at the beginning of the Year Issued during year Outstanding at the end of the year <b>(ii) 6% Cumulative Redeemable Preference shares</b> No of Shares at the beginning of the Year Issued during year Outstanding at the end of the year		31-03-2015		31-03-2014	
		2,83,07,970		2,81,15,789	
				1,92,181	
		2,83,07,970		2,83,07,970	
		12,47,000		12,47,000	
		-		-	
		12,47,000		12,47,000	
		<b>(ii) 0% Cumulative Redeemable Preference shares</b> No of Shares at the beginning of the Year Issued during year Outstanding at the end of the year	14,92,559		11,13,488 3,79,071
			14,92,559		14,92,559
(b). Details of Share Holders holding more than 5% in the company		31-03-2015		31-30-2014	
		No. of Shares	% Holding in the Class	No. of Shares	% Holding in the Class





(i) Equity					
S. Chandra Mohan	47,38,927	16.74%	47,38,927	16.74%	
SRB Ramesh Chandra	47,33,927	16.72%	47,33,927	16.72%	
S. Kishore Chandra	47,33,927	16.72%	47,33,927	16.72%	
Vinsri Cements Industries Pvt. Ltd	17,28,266	6.15%	17,28,266	6.15%	
(ii) 6% cumulative Redeemable preference Shares					
Axis Bank Ltd.	3,81,744	30.62%	3,81,744	30.62%	
Karnataka Bank Ltd.	3,27,147	26.23%	3,27,147	26.23%	
State Bank of Hyderabad	5,38,109	43.15%	5,38,109	43.15%	
(iii) 0% cumulative Redeemable preference Shares					
Axis Bank Ltd.	4,38,890	29.40%	4,38,890	29.40%	
Karnataka Bank Ltd.	3,36,277	22.53%	3,36,277	22.53%	
State Bank of Hyderabad	6,17,918	41.39%	6,17,918	41.39%	
Note No. "2"			(Rupees In Lakhs) As at 31-03-2015		(Rupees In Lakhs) As At 31-03-2014
RESERVES & SURPLUS					
<b>Central Subsidy</b>					
Opening Balance			15.00		15.00
Additions During the year					
Deletions During the year					
Closing Balance			15.00		15.00
<b>Housing Subsidy</b>					
Opening Balance			10.75		10.75
Additions During the year					
Deletions During the year					
Closing Balance			10.75		10.75
<b>Capital Reserve</b>					
Opening Balance			480.00		480.00
Additions During the year			2,049.49		
Deletions During the year					
Closing Balance			2,529.49		480.00
<b>Security Premium</b>					
Opening Balance			1425.34		1275.43
Additions During the year					149.90
Deletions During the year					
Closing Balance			1425.14		1425.14
Mineral Capitalization Reserve (Refer Note 25. VIII)					
As per the Balance Sheet	8,650.73			9,289.06	
ADD: Capitalization during the period	-			-	
	8,650.73			9,289.06	
Less Transferred to Profit & Loss Account	-		8,560.73	728.32	8,560.73



<b>General Revenue</b>					
As per Last Balance Sheet		246.53	-	246.53	-
Add : Amount transferred from Profit & Loss Account		-	246.53	-	246.53
Profit & Loss Account			(9,613.81)		(7,534.20)
<b>Total</b>			<b>3,174.03</b>		<b>3,204.14</b>

<b>Note No. "3"</b>			<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
			<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
Share Application Money Pending for Allotment			-		-
<b>Note No. "4" – Long Term Borrowings – Refer Note No : 25 - III</b>			<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
			<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
SECURED					
(a) TERM LOAN			13,313.94		15,613.09
From Banks (See Note No. 1 Below)					
(b) Long Term Finance Lease Obligation (Refer Note No. 2 below)			-		24.63
<b>GRAND TOTAL</b>			<b>13,313.94</b>		<b>15,637.72</b>

1) Out of the Term Loans outstandings from banks, of Rs 15,956.77 Lacs, Rs.11872.86 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 moratorium of two years from 01-07-2010 to 30-06-2012 and Rs.3016.45 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 moratorium from the date of disbursement to 31-03-2013.

All the afore mentioned term loans are secured by equitable mortgage by deposit of title deeds by creating First Pari-Passu charge on immovable properties and second Pari-Passu charge by hypothecation of all current assets both present and future subject to First Pari-Passu charge on current assets in favour 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.

2) Finance lease is secured by hypothecation of specific assets.

3) Details of instalments over due on term loans

<b>Note No. "5" OTHER LONG TERM LIABILITIES</b>		<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
		<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
<b>Un Secured Loans</b>				
From Promoters & Associates		-		-



Security Deposits from dealers, Contractors & Others		1,863.82		1,730.80
		<b>1,863.82</b>		<b>1,730.80</b>
<b>Note No. "6" LONG TERM PROVISIONS</b>				
		(Rupees In Lakhs)		(Rupees In Lakhs)
		As at 31-03-2015		As At 31-03-2014
a. Provisions for Gratuity		-		-
b. Provision for Leave Encashment		25.19		24.83
<b>TOTAL</b>		<b>25.19</b>		<b>24.83</b>
<b>Note No. "7" SHORT TERM BORROWINGS – Refer Note 25(III)</b>				
		(Rupees In Lakhs)		(Rupees In Lakhs)
		As at 31-03-2015		As At 31-03-2014
<b>Loans Payable on Demand (Secured)</b>				
Axis Bank Limited		130.78		209.99
Corporation Bank		2,026.72		2,026.69
Karnataka Bank Ltd.		1,297.17		1,920.78
Oriental Bank of Commerce		1,126.43		1,084.39
<b>TOTAL</b>		<b>4,581.10</b>		<b>5,241.85</b>
Cash Credits from the aforementioned banks is secured by First Pari-Passu Charges on Current Assets and Second Par-Passu charge on Fixed Assets of the Company, and are guaranteed by Promoter directors in their individual capacities and also by pledge of 1,27,01,781 Shares belonging to promoters as an additional security.				
<b>Note No. "8" TRADE PAYABLES</b>				
		(Rupees In Lakhs)		(Rupees In Lakhs)
		As at 31-03-2015		As At 31-03-2014
a. For Materials		4,718.32		4,757.94
<b>TOTAL</b>		<b>4,718.32</b>		<b>4,757.94</b>
<b>Note No. "9" OTHER CURRENT LIABILITIES</b>				
		(Rupees In Lakhs)		(Rupees In Lakhs)
		As at 31-03-2015		As At 31-03-2014
(a) Current Maturities of Long Term Deposit		2,642.83		2,425.21
(b) Current Maturities of Finance lease obligation				
(i) From Banks				
(ii) From others		2.06	12.69	12.69
(c) For Expenses		1,763.66		691.38
(d) For Other Payables		6,596.19		6,054.30
<b>TOTAL</b>		<b>11,004.74</b>		<b>9,183.57</b>



NOTE NO "10"												
FIXED ASSETS												
Sl.No	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK			
	As at	Additions	Sales Adj	As at	As at	For the	Adjustment	As at	As at	As at	As at	As at
	01.04.2014	During the year	During the year	31-03-2015	01.04.14	year	year	31-03-2015	31-03-2015	31-03-2015	31-03-2015	31.03.2014
PARTICULARS												
		01.04.2014	01.04.2014			01.04.2014	01.04.2014					
		31-03-2015	31-03-2015			31-03-2015	31-03-2015					
						No. 25 - V						
TANGIBLE ASSETS												
1	LAND	475.30			475.30	0.00	0.00	0.00	0.00	475.30	475.30	
2	BUILDINGS-FACTORY	2,752.28	0.00		2,752.28	338.91		0.00	0.00	338.91	2,413.37	2,413.37
3	PLANT & MACHINERY	33,266.14	0.00		33,266.14	2,829.22		0.00	0.00	2,829.22	30,436.92	30,436.92
4	ELECTRICAL INSTALLATION	2,596.05	0.00		2,596.05	300.05		0.00	0.00	300.05	2,296.01	2,296.02
5	FURNITURE & FIXTURES	323.04	0.64	0.00	323.69	183.51		0.00	0.00	183.51	140.18	139.55
6	LABORATORY EQUIPMENT	89.93	0.00	0.00	89.93	21.76		0.00	0.00	21.76	68.16	68.16
7	VEHICLES	343.93		111.03	232.89	131.85		26.74	105.12	127.77	212.08	212.08
8	MINING DEPOSITS - Refer	10,725.59	0.00	0.00	10,725.59	4,071.57		0.00	4,071.57	6,654.02	6,654.02	
	<b>SUB TOTAL - I</b>	<b>50,572.26</b>	<b>0.64</b>	<b>111.03</b>	<b>50,461.87</b>	<b>7,876.87</b>	<b>0.00</b>	<b>26.74</b>	<b>7,850.13</b>	<b>42,611.74</b>	<b>42,695.41</b>	
INTANGIBLE ASSETS												
1	MINING LEASE RIGHTS -	2,933.41	0.00	0.00	2,933.41	1,026.69		0.00	1,026.69	1,906.72	1,906.72	
	<b>SUB TOTAL - II</b>	<b>2,933.41</b>	<b>0.00</b>	<b>0.00</b>	<b>2,933.41</b>	<b>1,026.69</b>	<b>0.00</b>	<b>0.00</b>	<b>1,026.69</b>	<b>1,906.72</b>	<b>1,906.72</b>	
	<b>TOTAL</b>	<b>53,505.67</b>	<b>0.64</b>	<b>111.03</b>	<b>53,395.28</b>	<b>8,903.56</b>	<b>0.00</b>	<b>26.74</b>	<b>8,876.82</b>	<b>44,518.46</b>	<b>44,602.13</b>	
Capital work in progress		8.09	0.00	0.00	8.09	0.00		0.00	0.00	8.09	8.09	
		<b>53,513.76</b>	<b>0.64</b>	<b>111.03</b>	<b>53,403.37</b>	<b>8,903.56</b>	<b>0.00</b>	<b>26.74</b>	<b>8,876.82</b>	<b>44,526.55</b>	<b>44,610.22</b>	
Previous Year		53,344.46	186.48	17.18	53,513.76	7,207.89	1,700.30	4.64	8,903.56	44,610.20		



Note No. "11"	(Rupees In Lakhs)		(Rupees In Lakhs)
<b>INVENTORIES</b>	<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
(Valued and Certified by Management)			
a) Raw Materials (at Cost)	180.22		175.66
b) Work-in-progress (at Cost)	3.75		3.75
c) Finished Goods (at Cost or realizable value) whichever is less	15.71		15.71
d) Stores, spares and consumables (at cost)	231.96		230.38
	<b>431.64</b>		<b>425.51</b>
<b>Note No. "12"</b>	<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>TRADE RECEIVABLES</b>	<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
(Unsecured, Considered good)			
(Receivables recoverable in cash or for value to be received)			
Out Standing for over six months from due date			
Doubtful (Refer Note No. 25-IV)	1,573.85		884.00
Considered Good	750.11		1,511.04
Other Debts	-		-
Less Provision for Doubtful Debt	1,573.85		884.000
Total	<b>750.11</b>		<b>1,511.04</b>
<b>Note No. "13"</b>	<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
Cash Balance on Hand	1.12		4.11
Balance with bank			
i) In Current Accounts	87.15		85.98
ii) Earmarked Balances with Banks	60.24		60.24
iii) In Fixed Deposit Accounts with Banks	32.85		90.50
TOTAL	<b>181.36</b>		<b>240.84</b>
Earmarked balance Rs 60.24 Lacs with banks represent the balances held with banks towards unclaimed dividends, gratuity, etc and are subjected to confirm and reconciliation			
Fixed Deposit with Banks represents Deposits as margin money against BGs, Rs. 32.85 Lakhs subject to confirmation and reconciliation			
The Bank accounts are under attachment of the State Commercial Taxes Department for the recovery of dues and are subject to reconciliation			
<b>Note No. "14"</b>	<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>SHORT TERM LOANS &amp; ADVANCES</b>	<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
<b>LOANS AND ADVANCES</b>			
(Unsecured, Considered Good)			
(Advances recoverable in cash			
Or kind for value to be received)			
a) Advances for Materials, etc.	132.44		132.35





b) Advances for Capital Goods	24.54		24.54
c) Advances for others	614.61		601.28
d) Balance with Central Excise	408.32		404.29
e) Earnest Money Deposits	7.40		7.40
f) Deposits	452.65		452.65
g) Provision for Doubtful Advances	220.00		220.00
<b>TOTAL</b>	<b>1,419.96</b>		<b>1,402.52</b>
<b>Note No. "15"</b>	<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>OTHER CURRENT ASSETS</b>	<b>As at 31-03-2015</b>		<b>As At 31-03-2014</b>
Interest Receivable	1.61		24.75
<b>TOTAL</b>	<b>1.61</b>		<b>24.75</b>
<b>Note No. "16"</b>	<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>SALES</b>	<b>for the year ended 31-03-2015</b>		<b>for the year ended 31-03-2014</b>
Sale of Cement	-		16,350.17
Sale of Clinker	-		394.64
Others			
Total	-		<b>16,744.81</b>
Less : Excise Duty	-		2,190.41
<b>NET TOTAL</b>	<b>-</b>		<b>14,554.39</b>
<b>Note No. "17"</b>	<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>OTHER INCOME</b>	<b>for the year ended 31-03-2015</b>		<b>for the year ended 31-03-2014</b>
Sale of Scrap	-		0.69
Interest Received	2.83		38.29
Excess working Capital Term Loans			
Reversed (Refer Note No. 25-III)	688.22		
Miscellaneous Income	32.03		163.79
<b>TOTAL</b>	<b>723.08</b>		<b>202.78</b>
<b>Note No. "18"</b>	<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>COST OF MATERIAL CONSUMED</b>	<b>for the year ended 31-03-2015</b>		<b>for the year ended 31-03-2014</b>
Consumption of Raw Materials	-		1909.42
Consumption of Stores & Spares	-		424.97
Consumption of Packing & Material	-		962.02
<b>TOTAL</b>	<b>-</b>		<b>3,296.41</b>



Note No. "19"		(Rupees In Lakhs)		(Rupees In Lakhs)
INCREASE / (DECREASE) IN STOCKS		for the year ended 31-03-2015		for the year ended 31-03-2014
<b>(a) Work in Progress</b>				
Opening Stock	3.75	-		809.38
Closing Stock	3.75	-		3.75
				(805.63)
<b>(b) Finished Goods:</b>				
Opening Stock	15.71	-		170.09
Closing Stock	15.71	-		15.71
				(154.38)
<b>TOTAL</b>		-		(960.01)

Note No. "20"		(Rupees In Lakhs)		(Rupees In Lakhs)
EMPLOYEES BENEFIT EXPENES		for the year ended 31-03-2015		for the year ended 31-03-2014
Salaries, Wages & Bonus		688.08		1,124.10
Contribution to Provident Fund		28.93		37.17
Contribution to ESI		2.90		3.40
Gratuity		-		4.02
Workmen & Staff Welfare Expenses		5.84		35.47
<b>TOTAL</b>		<b>725.75</b>		<b>1,204.17</b>

Note No. "21"		(Rupees In Lakhs)		(Rupees In Lakhs)
FINANCE COST		for the year ended 31-03-2015		for the year ended 31-03-2014
Interest on Working Capital		21.14		477.51
Interest on Term Loan				1,258.79
Other Finance Charges		105.97		149.37
<b>TOTAL</b>		<b>127.11</b>		<b>1,885.67</b>

Note No. "22"		(Rupees In Lakhs)		(Rupees In Lakhs)
DEPRECIATION AND AMORTIZATION EXPENSES		for the year ended 31-03-2015		for the year ended 31-03-2014
Depreciation		-		



Gross Amount as per Note No. 10				1,700.29
Less : Transfer from Mining Revaluation Reserve		-		728.32
<b>TOTAL</b>		-		<b>971.97</b>

<b>Note No. "23"</b>		<b>(Rupees In Lakhs)</b>		<b>(Rupees In Lakhs)</b>
<b>OTHER EXPENSES</b>		<b>for the year ended 31-03-2015</b>		<b>for the year ended 31-03-2014</b>
<b>Manufacturing Expenses</b>				
Power Consumed	761.40		2,519.83	
Coal Consumed	-	761.40	3251.57	5,771.40
<b>Repairing &amp; Maintenance</b>				
Machinery	24.83		231.92	
Buildings	0.98		6.60	
Other Fixed Assets	1.71	27.52	15.50	254.02
<b>Administrative Expenses</b>				
Rent	44.06		63.28	
Rates & Taxes	1.96		15.01	
Insurance	0.27		45.31	
Bank Charges	9.91		28.98	
Miscellaneous Expenses	139.58		319.27	
Director Sitting Fees	0.24		1.50	
Cost Audit Fee	0.84		0.75	
Loss on Sale of Fixed Assets	49.03		3.88	
<b>Auditors' Remuneration:</b>				
Statutory Audit Fee	5.62		5.37	
		<b>251.51</b>	0.08	<b>483.41</b>
Provision for Doubtful Advances		-	220.00	220.00
Debit Balances written off		-	17.16	17.16
<b>Sales Expenses</b>				
<b>Provision for Doubtful Debts</b>			884.00	
Transport Charges & Others	690.00		807.94	
Handling and Delivery Charges	-		65.15	
Advertisement & Publicity	-		2.11	
Other Sales Expenses	-		339.07	
Sales Tax	23.28	713.29	1,825.12	3,923.37
<b>Total</b>		<b>1,753.72</b>		<b>10,669.38</b>

**NOTE NO "24"****SIGNIFICANT ACCOUNTING POLICIES:****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.

**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.

**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 value.

Depreciation on fixed assets other than those mentioned hereunder is 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. 0.05Lacks are depreciated fully in the year of acquisition.

Depreciation on the mineral deposits and mineral rights is provided, based on the estimated present value of the consumption over the remaining estimated useful period, at an equated amount of the total consumption so arrived 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 Short 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, unless and except as otherwise 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 otherwise 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 substantially 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"****NOTES TO ACCOUNTS****I. Contingent Liabilities not provided for:**

- a) Bank guarantees given for Rs.118.56 Lacs (Previous Year Rs.118.56 Lacs)
- b) Estimated Amount of Contracts remaining to be executed on capital account and not provided for Rs.25 Lacs (Previous Year Rs.25 Lacs)
- c) Claims against the Company not acknowledged as debts:

In respect of Central Excise Matters Rs 412.88 Lacs (Previous year Rs 412.88)

In respect of Customs Duty matters Rs 50.48Lacs (Previous Year Rs 50.48)

In respect of Income Tax Matters Rs 31.56Lacs (Previous Year Rs 31.56)

- d) Arrears of fixed cumulative Dividend is Rs.248.32 Lacs (Previous Year Rs.173.63)

**II. GOING CONCERN**

The Company has not been able to service the debts as per the restructuring package approved by the CDR LOA for the loans restructured in terms of the MRA. Further, since the previous financial year, the operations of the company have been affected on account of non-availability of working capital and the suspension of operations since March, 2014. However the accounts have been prepared on Going Concern basis, as the Company is actively pursuing with external funding agencies for funding the requirements of the Company and the management is confident that a positive outcome will result from these efforts and the company will resume its operations. The management is of the opinion that all the assets of the company have a realizable value at least to the extent reflected in the books of account and that the company will be able to meet its liabilities.

**III. NON PROVISION OF INTEREST ON TERM LOANS AND WRITE BACK OF TERM LOANS**

Due to the adverse business conditions and funds flow position, the company has not been able to serve the debts as agreed. The Company has been making efforts to raise funds from external funding agencies. It also actively pursued with the banks (lenders) for settling off their dues on one time settlement basis. However, during the

current financial year, the bankers have initiated the process of recovery of their dues from the company by resorting to the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFESI Act) by issuing necessary notices.

The company is in receipt of communications from an Asset Reconstruction Company (ARC) informing that the outstanding amounts of the company to various banks had been assigned to them and that the company should pay the amounts to them. Consequently the company has been following up with the ARC for restructuring of the dues.

In view of the company's inability to serve its dues as agreed; the negotiations for a one time settlement with the bankers during the year and subsequently; the developments subsequent to the balance date leading to assignment of dues to the ARC; and the pending negotiations and finalization of terms with the ARC, which may result in settlement of dues at an amount substantially lower than the dues, the company considered it appropriate not to provide interest. However, the excess or shortfall, if any, in interest liability would be considered, determined and accounted in the period in which the final settlement is reached with ARC.



Further the company is in receipt of communication that the ARC has settled the dues to the Axis Bank and Karnataka bank before the balance sheet date. However the company would not have any information as to the amount at which the settlement has been made. The company is making efforts to negotiate with the ARC to restructure their dues at the amount for which they settled the banks' dues. In view of the above circumstances and in view of the developments during the year and subsequent to the balance sheet date, it is considered reasonable to write back of amounts of dues to the above banks based on an estimate to the extent of Rs. 27,37.71 lacs. The write back of dues to the extent principal amount of term loans has been transferred to Capital Reserve and to the extent of interest has been transferred to profit and loss account. Further the write back of dues to the extent of working capital and interest thereon has been transferred to profit and loss account.

#### **IV. CONFIRMATION OF BALANCES**

The balances of Sundry Debtors, Sundry Creditors, Loans including deposits and advances are subject to confirmation from and reconciliation with the relevant parties as on the date of balance sheet date. In view of the fact that the operations of the Company have been shut down since March, 2014, the Company has not been able to pursue to obtain confirmation of balances as on the date of balance sheet. The Company will initiate the process of obtaining confirmations from and reconcile with the parties upon resumption of operations. However the company, subsequent to the balance sheet date, has reviewed recoverability of various debtors and considered it appropriate to provide for an amount of Rs.690 Lacs as provision for doubtful debts during the year.

#### **V. NON PROVISION OF DEPRECIATION**

During the year, as the operations of the company had been suspended since March, 2014, the company could not operate its plant and machinery in the above circumstances. Hence the company considered it not appropriate to provide depreciation on fixed assets during the year. Further the company has not determined the depreciation that would have been required to be charged based on the estimated useful life as per the Schedule II of the Companies Act, 2013. The depreciation not provided so is Rs.1435.74 based on the estimated useful life as per the policy of the company as explained herein above.

#### **VI. PHYSICAL VERIFICATION OF INVENTORY**

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

#### **VII. 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 Lacs on account of Mineral Deposits and Rs.2,933.41 Lacs on account of Mining Rights totaling to Rs.13,659.00 Lacs. During the year, as the depreciation has not been provided on any assets as explained herein above, the amount equal to depreciation has not been withdrawn from the Mineral Capitalization Reserve.

#### **VIII. 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.

#### **IX. RELATED PARTY TRANSACTIONS**

The Company has no related parties from the key management personnel and relatives of such personnel in terms of Accounting Standard 18, in respect of the related party disclosure. The company provided for remuneration to the Executive Chairman, Managing Director, and Whole time Director among the key management personnel of Rs.24.00 Lacs each (Previous Year of Rs. 24.00 Lacs each) respectively. In addition, the Company has provided Rs. 0.24Lacs (Previous Year Rs.1.50 Lacs) as Directors Sitting fee to all the Directors.

Further, the Company has provided for remuneration during the year of Rs.22 Lacs and Rs.18 Lacs to two relatives of Key Management Personnel.

#### **X. TAXATION**

##### **a. Current Year Taxation**

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

##### **b. Minimum Alternate Tax (MAT)**

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

##### **c. Deferred Taxation**

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

Particulars	(Rs.in Lakhs)	(Rs.in Lakhs)
	As at 31.03.2015	As at 31.03.2014
<b>A Deferred Tax Assets</b>		
Unabsorbed allowances	0.00	0.00
Provision for expenses	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
<b>B Deferred Tax Liabilities</b>		
Fixed Assets	3,059.74	2,863.65
Leave Encashment	0.00	0.00
<b>C Deferred Tax Liability (Net) (A-B)</b>	<b>3,059.74</b>	<b>2,863.65</b>

#### **XI. EARNINGS PER SHARE:**

The computation of Earnings per Share is set out below:



Particulars	2014-15	2013-14
(a) Earnings (Amount in Rupees Lakhs)	(2,079.61)	(4,166.22)
(b) <b>Weighted average number of equity shares- Lacs</b>		
Outstanding during the year	283,07,970	283,07,970
(c) <b>Weighted average number of equity shares- Lacs</b>		
Outstanding during the year- Diluted	283,07,970	283,07,970
<b>Earnings per share</b>		
Basic (face value of Rs.10/-)(Rs.)	(7.35)	(14.76)
Diluted ( Face value of Rs.10/-)	(7.35)	(14.76)

## **XII. MANAGERIAL REMUNERATION**

(Rs.in Lakhs)		
Particulars	2014-15	2013-14
Payable to Executive Chairman	24.00	24.00
Payable to Managing Director	24.00	24.00
Payable to Whole Time Director	24.00	24.00
<b>Total</b>	<b>72.00</b>	<b>72.00</b>

The managerial remuneration has been provided in terms of the resolution passed for this purpose and read with the provisions of Schedule XIII of the Companies Act, 1956 (as existing and applicable at the time of appointment).

## **XIII. 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.

**XIV.** 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.

## **XV. REALIZATION OF ASSETS**

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


**XVI. Reconciliation of opening and closing balances of the deferred benefit obligation**

The actuarial valuation for Gratuity and leave encashment for the year 2014-15 could not be obtained and hence the liability for the same could not be estimated and provided for in books.

**XVII.** Consumption of Raw Materials and value of Inventories includes Royalty and other levies paid to Government to the extent of Rs.0.00 Lakhs (previous year Rs.306.72 Lakhs).

**XIX. Raw Materials consumed during the year**

SL. No.	Particulars	2014-15 (Rs. in Lakhs)	2013-14 (Rs. in Lakhs)
1	Lime Stone	0.00	744.87
2	Gypsum	0.00	283.32
3	Fly ash	0.00	711.23
4	Others	0.00	170.00
	<b>Total</b>	<b>0.00</b>	<b>1,909.42</b>

**XX. Foreign Exchange transactions**

Details	2014-15 (Lac Rs.)	2013-14 (Lac Rs.)
Towards capital Expenditure	NIL	NIL
Foreign Travel	NIL	NIL
Towards non capital expenditure	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

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

S.No	Particulars	2014-15		2013-14	
		Value (Rs. in Lakhs)	% Of Consumption	Value (Rs. in Lakhs)	% Of Consumption
1	<u>Raw materials</u>				
	a) Imported	0	-	0	-
	b) Indigenous	0	-	1,909.42	100%
2	<u>A. Consumables</u>				



a) Imported	0	-	0	-
b) Indigenous	0	-	460.19	100%
<b><u>B. Coal</u></b>				
a) Imported	0	-	0	-
b) Indigenous	0	-	3,251.57	100%

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

**XVII.** The amounts except the Share data and quantitative information have been rounded off to the Nearest lakh Rupees and fraction thereof up to two decimals.

As per our Report Attached

for and on behalf of the Board

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

Chartered Accountants  
ICAI FRN: 002857S

**Sd/-**

**A.RAMACHANDRARAO**  
Partner

**Sd/-**

**S.CHANDRA MOHAN**  
Executive Chairman

**Sd/-**

**S KISHORE CHANDRA**  
Whole Time Director

**Sd/-**

**S.R.B. RAMESH CHANDRA**  
Managing Director

Membership No.9750

Place: Hyderabad  
Date: 15.10.2015





BHEEMA CEMENTS LIMITED, HYDERABAD		
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 <sup>ST</sup> MARCH, 2015		
	For the Year ended 31-03-2015 (Rs. In Lakhs)	For the Year ended 31-03-2014 (Rs. In Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Exceptional and Extraordinary Items and Tax	(1,883.51)	(4,230.43)
Extraordinary Items adjusted for :		
Interest	127.11	1,885.67
Depreciation	-	971.98
Earlier Year's Income Tax	-	-
(Profit) / Loss on Sale of Fixed Assets & Investments	49.03	3.88
<b>Operating Profit Before Working Capital Changes</b>	<b>(1,707.38)</b>	<b>(1,368.91)</b>
Adjusted For:		
(Incraser) / Dec. in Inventories	(6.13)	4,426.17
(Incraser) / Dec. in Trade Receivables	760.93	3,136.71
(Incraser) / Dec. in Short Term Loans and Advances	(17.44)	(398.91)
(Incraser) / Dec. in Other Current Assets	23.14	(9.07)
(Incraser) / Dec. in Current Liabilities	1,120.80	8,355.46
<b>Cash Generated from Operations</b>	<b>173.92</b>	<b>14,141.46</b>
Less : Investment on Working Capital, term loan and others	127.11	1,885.67
Less : Provision for Taxation	-	-
Less ; Provision for proposed Dividend and Tax	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>46.81</b>	<b>12,255.80</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(0.64)	(184.22)
Sale of Fixed Assets & Investments	35.27	6.40
<b>Net Cash Flow from Investing Activities</b>	<b>34.63</b>	<b>(177.82)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Forfeiture of Share Application Money-Convertible Warrants	-	(4,825.16)
Proceedings from Equity Deposit / Share Capital / Security Premium	-	548.19
Inc. / (Dec.) in Long Term Borrowings	(274.28)	(2,128.15)
Inc. / (Dec.) in Other Long Term Liabilities	133.02	(5,809.52)
Inc. / (Dec.) in Long Term Provisions	0.36	0.23
<b>Net Cash Flow From Financing Activities</b>	<b>(140.90)</b>	<b>(12,214.41)</b>



<b>D. NETINCREASE IN CASH AND CASH EQUIVALENTS</b>	(59.47)	(136.43)
Cash and Cash Equivalents as sat the commencement of the year	240.82	377.25
<b>Cash and Cash Equivalents as at the close of the year</b>	<b>181.36</b>	<b>240.82</b>
<b>Cash Balance on Hand</b>	1.12	4.11
<b>Balance With Banks</b>		
1) In Current Accounts	87.15	85.98
2) Earmarked Balances with Banks	60.24	60.24
3) In Fixed Deposit Accounts with Banks	32.85	90.50
	<b>181.36</b>	<b>240.83</b>
<p>As per our Report attached  For A. Ramachandra Rao &amp; CO  Chartered Accountants  ICAI FRN : 0028575  Sd/-  A. RAMACHANDRA RAO  Partner</p> <p>For and on Behalf of the Board</p> <p>Sd/-  S. CHANDRA MOHAN  Executive Chairman</p> <p>Membership No. 9750  Place : Hyderabad  Date : 15/10/2015</p> <p>Sd/-  S. KISHORE CHANDRA  Whole Time Director</p> <p>Sd/-  S.R.B. RAMESH CHANDRA  Managing Director</p>		

**BHEEMA CEMENTS LTD**

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

**THIRTY SIXTH 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 Sixth Annual General Meeting of the Company, the 24<sup>th</sup> Day of May 2016 at 04:00 PM, to be held at Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana

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:

Proxy

Signature of the Shareholder /

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 SIXTH ANNUAL GENERAL MEETING****PROXY FORM**

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

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

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

1. Name :  
Address :  
Email ID :  
Signature :

or failing him



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

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Thirty Sixth Annual General Meeting of the Company, the 24<sup>th</sup> Day of May 2016 at 04:00 PM, to be held at Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana or at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Particulars	FOR	AGAINST
	<b>Ordinary Business</b>		
1	To receive, consider and adopt the financial statements of the Company for the year ended 31 <sup>st</sup> March, 2015, including the Audited Balance Sheet as at 31 <sup>st</sup> March, 2015 and the Statement of Profit and Loss of the Company for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.		
2	To re-appoint Sri S. R. B. Ramesh Chandra, who retires by rotation, and being eligible offers himself or re-appointment.		
3	To ratify the continuation of the Statutory Auditors		
	<b>Special Business</b>		
4	To approve the remuneration payable to cost auditors, M/s Asutosh and Associates, for the financial year 2015-16.		
5	To Approve Debt Restructuring Scheme in relation to the Company's debts		
6	Conversion of Debt into Equity Shares and Issue of Equity Shares		
7	Resolution for borrowing power		
8	To secure the new Borrowing limits: Mortgage or Charge Creation		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
stamp

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

**ROUTE MAP TO THE AGM VENUE – Hotel Shree Venkateswara**

Map Information:

Source/ Author : Google Maps

Copyright Date: 2016

Title of Map: Shree Venkateswara Hotel

Map Type : Street Map

URL : <https://goo.gl/maps/eVkXLuHnwjn>

