

19<sup>th</sup> October, 2016

The Secretary,  
The BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400001

Dear Sir,

**Sub.: Submission of Company's 37<sup>th</sup> Annual Report (FY 2015-16)**  
**Ref: BSE Scrip Code: 518017**

With reference to the above mentioned subject please find enclosed herewith the 37<sup>th</sup> Annual Report (FY 2015-16) of our company for your kind information and record.

Thanking you,  
Yours truly,

**For BHEEMA CEMENTS LTD.**

*S. Kishore Chandra*  
**S. KISHORE CHANDRA**  
**(MANAGING DIRECTOR)**





**BHEEMA CEMENTS LIMITED**

**Manufacturers of**

**BHEEMA CEMENTS**

**SUPER GRADE**

**43 & 53 Grade**

**37<sup>th</sup> Annual General Meeting**

**Annual Report 2015-16**

## CONTENTS

	<b>Page</b>
Corporate Information	1
Notice	2
Directors' Report	13
Management Discussion and Analysis Report	21
Independent Auditors' Report	24
Secretarial Audit Report	31
Corporate Governance Report	35
Compliance Certificate Regarding Compliance of Conditions of Corporate Governance	44
Extract of Annual Return	45
MD/CFO Certificate	57
Balance Sheet	59
Statement of Profit and Loss	60
Notes to the Financial Statements	61
Significant Accounting Policies	68
Cash Flow Statement	75
Attendance Slip and Proxy Form	76

### **GREEN INITIATIVE**

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

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

## CORPORATE INFORMATION

**M/s BHEEMA CEMENTS LIMITED**  
(CIN - L26942TG1978PLC002315)

### **BOARD OF DIRECTORS**

Sri S. Chandra Mohan	Executive Chairman
Sri K.R.Chari	Independent Director (till 24 <sup>th</sup> May 2016)
Sri S.V.Reddy	Independent Director (till 24 <sup>th</sup> May 2016)
Sri S.Kishore Chandra	Managing Director (from 26 <sup>th</sup> May 2016)
Sri S.R.B.Ramesh Chandra	Managing Director (till 24 <sup>th</sup> May 2016)
Smt. Ameeta Trehan	Addl. Director (from 26 <sup>th</sup> May 2016)
Sri M.H.S.P.Prasad	Addl. Director (from 26 <sup>th</sup> May 2016)
Sri S.Karthik Sarath Chandra	Joint Managing Director and Chief Executive Officer (from 26 <sup>th</sup> May 2016)
Sri Ghanta Azad Babu	Addl. Director (till 30 <sup>th</sup> September 2015)

### **AUDITORS**

A. Ramachandra Rao & Co.,  
Chartered Accountants  
3-6-369/A/11, Himayatnagar,  
Hyderabad - 500029.

### **COST AUDITORS**

Asutosh and Associates,  
Priyabrata Sahoo Partner H.No.37-  
103/1/1,202,2<sup>nd</sup> Floor,  
Nagarjuna Arcade, Neredmet x Road,  
Secunderabad - 500056

### **BANKERS/FINANCIAL INSTITUTIONS**

Corporation Bank  
JM Financial Asset Reconstruction Company Pvt.  
Ltd, Mumbai

### **REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services Private Limited  
306, Right Wing, Amrutha Ville, Opp: Yashoda  
Hospital, Somajiguda, Rajbhavan Road,  
Hyderabad - 500082.

### **REGISTERED OFFICE**

6-3-652/C/A, Flat 5A, "Kautilya", Amrutha  
Estates, Somajiguda, Hyderabad - 500082,  
Telangana, India

### **WORKS**

Ramapuram, Mellacheruvu Mandal,  
Nalgonda District, Telangana - 508246

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 37th Annual General Meeting (AGM) of the Members of **BHEEMA CEMENTS LIMITED** (CIN: L26942TG1978PLC002315) will be held on Wednesday, 28<sup>th</sup> Day of September, 2016 at 9 a.m. at Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana, India to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the company for the year ended 31<sup>st</sup> march, 2016, along with the reports of the Board of Directors and Auditors thereon.
2. To Re-Appoint Sri S Kishore Chandra (DIN: 00974625) as a director, who retires by rotation, and being eligible offers himself for Re-Appointment
3. To ratify the continuation of the statutory auditors M/s. A. Ramachandra Rao & Co., Chartered Accountants are eligible for continuing appointment 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 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 35<sup>th</sup> AGM held on 24<sup>th</sup> 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 38<sup>th</sup> 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. **APPOINTMENT OF SRI S KISHORE CHANDRA (DIN: 00974625) AS THE MANAGING DIRECTOR OF THE COMPANY.**

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

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197 & 203 read with other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the consent of the of the members of the Company be and is hereby accorded in supersession of any earlier members approval to the appointment of Sri S Kishore Chandra, (DIN: 00974625), as the Managing Director of the Company for a period of 5 (five) years with effect from 26<sup>th</sup> May, 2016 upon 25<sup>th</sup> May, 2021 with a monthly remuneration in accordance with Part II of Schedule V of the Act as enumerated below:

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

- I. Company’s contribution towards provident funds/ superannuation fund / Annuity fund as per the rules of the Company.
- II. Gratuity: in accordance with the scheme as applicable to other senior management employees not exceeding as per statutory applicable provisions.”

**RESOLVED FURTHER THAT** Board be and is hereby authorized to revise the remuneration of the Managing Director with the mutual consult between the Board and Sri S Kishore Chandra provided that the remuneration payable shall not exceed the overall ceiling of the total managerial remuneration

as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** Sri. S Chandra Mohan, Director of the Company be and is hereby severally authorized to file the requisite form and documents to the statutory authorities by applying his Digital Signature thereto.

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

**5. APPOINTMENT OF SRI S KARTHIK SARATH CHANDRA (DIN: 07337078) AS WHOLE-TIME DIRECTOR, DESIGNATED AS THE JOINT MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 & 203 read with other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the appointment of Sri S Karthik Sarath Chandra (DIN: 07337078), Whole-Time Director designated as the Joint Managing Director and Chief Executive Officer of the Company for a period of 5 (five) years with effect from 26<sup>th</sup> May, 2016 upon 25<sup>th</sup> May, 2021 with a monthly remuneration in accordance with Part II of Schedule V of the Act as enumerated below:

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

- I. Company’s contribution towards provident funds/ superannuation fund / Annuity fund as per the rules of the Company.
- II. Gratuity: in accordance with the scheme as applicable to other senior management employees not exceeding as per statutory applicable provisions.”

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

**RESOLVED FURTHER THAT** Sri. S Chandra Mohan, Director of the Company be and are hereby severally authorized to file the requisite form and documents to the statutory authorities by applying his Digital Signature thereto.

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

**6. APPOINTMENT OF SMT. AMEETA TREHAN (DIN: 07087510) AS INDEPENDENT WOMAN DIRECTOR OF THE COMPANY IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013**

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 149 and 152 read with Schedule IV and all

other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Ameeta Trehan (DIN: 07087510) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 26<sup>th</sup> May, 2016, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director cum Woman Director of the Company with effect from 26<sup>th</sup> May, 2016 to hold office up to 25<sup>th</sup> May 2021, not liable to retire by rotation.”

**7. APPOINTMENT OF SRI MAJETY HARI SEKHARA PURNA PRASAD (DIN: 06468571) AS INDEPENDENT DIRECTOR OF THE COMPANY IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013**

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 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri Majety Hari Sekhara Purna Prasad (DIN: 06468571) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 26<sup>th</sup> May, 2016, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 26<sup>th</sup> May, 2016 to hold office up to 25<sup>th</sup> May 2021, not liable to retire by rotation.”

**8. TO RATIFY THE REMUNERATION PAYABLE TO COST AUDITORS, ASUTOSH & ASSOCIATES., COST ACCOUNTANTS FOR THE FINANCIAL YEAR 2016-17**

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), M/s Asutosh Associates, the Cost Auditors (Firm Registration No. 00258) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2016-17, be paid a remuneration of Rs. 30,000 (Rupees Thirty Thousand only) per annum plus out of pocket expenses, at actual and applicable taxes.

**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”

By order of the Board  
For BHEEMA CEMENTS LIMITED

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

Place: Hyderabad  
Date: 29<sup>th</sup> August, 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 and Secretarial Standard on General Meetings (SS-2), wherever applicable, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORMS SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
3. The Register of members and Share Transfer Books of the Company shall remain closed from 21<sup>st</sup> September 2016 to 28<sup>th</sup> September 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 - 500082 at least one week prior to the date of the Annual General Meeting to enable the Management to keep the information ready.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The annual report is available on Company's website [www.bheemacements.co.in](http://www.bheemacements.co.in). The annual report has been sent to all the members. If any of the member who has not received the Annual Report can send a request to the Company at 6-3-652/C/A, Flat 5A, Kautilya Amrutha Estates, Somajiguda, Hyderabad - 500082.
8. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.
9. Members/Beneficial Owners are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the meeting.
10. Brief details of the directors, who are being appointed / re-appointed, are annexed hereto as per the requirements of Regulation 36(3) of SEBI (LODR) Regulations, 2015.
11. The shares of the Company listed on BSE Limited but trading suspended.
12. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are **BIGSHARE SERVICES PRIVATE LIMITED** having their Registered Office at 306, Right Wing, Amrutha Ville, Opp: Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500082.
13. **VOTING THROUGH ELECTRONIC MEANS**
  - i. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015 the company is pleased to provide Members` facility to exercise their right to vote at the 37<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.
  - ii. P.Surya Prakash, Whole Time Practicing Secretary, R&A Associates (ACS: 18803, C.P.No.11142) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - iii. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member /



beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 21<sup>st</sup> September, 2016

- iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 21<sup>st</sup> September, 2016 only shall be entitled to avail the facility of remote e-voting and voting at AGM through polling paper.
- v. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 21<sup>st</sup> September, 2016, may obtain the User ID and password by writing to Bigshare at [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com) or contact 040-40144582. However, if the person is already registered for remote evoting then the existing user ID and password can be used for casting vote.
- vi. The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
- vii. The remote e-voting facility will be available during the following period:

**COMMENCEMENT OF REMOTE E-VOTING : FROM 9.00 A.M. (IST) ON 25<sup>TH</sup> SEPTEMBER, 2016**

**END OF REMOTE E-VOTING : UP TO 5.00 P.M. (IST) ON 27<sup>TH</sup> SEPTEMBER, 2016**

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

- viii. The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot first and thereafter through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall simultaneously be communicated to BSE Limited.
- ix. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 28<sup>th</sup> September, 2016.

#### **INSTRUCTION FOR E-VOTING**

- (i) The voting period begins on 25<sup>th</sup> September, 2016 at 9:00 AM (IST) and ends on 27<sup>th</sup> September, 2016 at 5:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](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 <BHEEMA CEMENTS LIMITED> 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).

14. All documents referred to in the accompanying notice and statement pursuant to Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 37<sup>th</sup> AGM of the Company.
15. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office of the Company).

By order of the Board  
For BHEEMA CEMENTS LIMITED

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

Place: Hyderabad  
Date: 29<sup>th</sup> August 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 dated 29<sup>th</sup> August, 2016:

**IN RESPECT TO ITEM NO. 4:**

Sri S Kishore Chandra has been associated with the Company since 1999 as promoter Director of the company and keeping in view of the cessation of the Sri. S.R.B. Ramesh Chandra from the post of Managing Director pursuant to the results of 36<sup>th</sup> Annual General Meeting, the Board of Directors at their meeting held on 26<sup>th</sup> May, 2016 appointed Sri S Kishore Chandra as "Managing Director" of the Company with effect from 26<sup>th</sup> May, 2016 and subject to necessary approvals as the "Managing Director" of the Company for a period of five years with effect from the said date till 25<sup>th</sup> May, 2021".

Additional information Pursuant to Regulation 36(3) of SEBI (LODR) Regulation, 2015 is annexed separately to this notice.

The appointment of Sri S Kishore Chandra is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Sri S Kishore Chandra as the Managing Director.

Except Sri. S. Chandra Mohan and Sri. S. Karthik Sarath Chandra and their relatives none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at item No. 4 of the notice.

#### **IN RESPECT TO ITEM NO. 5:**

The Board of Directors at their meeting held on 26<sup>th</sup> May, 2016 appointed Sri S Karthik Sarath Chandra as Whole-Time Director designated as the "Joint Managing Director" and "Chief Executive Officer" of the Company with effect from 26<sup>th</sup> May, 2016 and subject to necessary approvals as the "Joint Managing Director" and "Chief Executive Officer" of the Company for a period of five years with effect from the said date till 25<sup>th</sup> May, 2021".

Additional information Pursuant to Regulation 36(3) of SEBI (LODR) Regulation, 2015 is annexed separately to this notice.

The appointment of Sri S Karthik Sarath Chandra is appropriate and in the best interest of the Company. The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Sri S Karthik Sarath Chandra as the "Joint Managing Director" and "Chief Executive Officer" of the Company.

Except Sri. S. Chandra Mohan and Sri S Kishore Chandra and their relatives none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at item No. 5 of the notice.

#### **IN RESPECT TO ITEM NO. 6:**

The Board of Directors of the Company on 26<sup>th</sup> May, 2016, have appointed Smt. Ameeta Trehan (DIN:07087510) as an Additional Director of the Company, categorized as Independent, in terms of Section 161 of the Companies Act, 2013 only up to the date of the forthcoming Annual General Meeting. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Smt. Ameeta Trehan for the office of Independent Director cum woman director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013. The term of such Independent Directors is not liable to retire by rotation.

Additional information Pursuant to Regulation 36(3) of SEBI (LODR) Regulation, 2015 is annexed separately to this notice.

In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Smt. Ameeta Trehan, fulfils the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at item no.6 of this Notice for your approval

None of the other Directors/Key Managerial Personnel of the Company and their relatives except Smt. Ameeta Trehan herself are concerned or interested in the resolution set out at item No.6 of the notice.

#### **IN RESPECT TO ITEM NO. 7:**

The Board of Directors of the Company on 26<sup>th</sup> May, 2016, have appointed Sri Majety Hari Sekhara Purna Prasad(DIN:06468571) as an Additional Director of the Company, categorized as Independent, in terms of Section 161 of the Companies Act, 2013 only up to the date of the forthcoming Annual General Meeting. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Sri Majety Hari Sekhara Purna Prasad for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013. The term of such Independent Directors is not liable to retire by rotation.

Additional information Pursuant to Regulation 36(3) of SEBI (LODR) Regulation, 2015 is annexed separately to this notice.

In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Sri Majety Hari Sekhara Purna Prasad, fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at item no. 7 of this Notice for your approval

None of the other Directors/Key Managerial Personnel of the Company and their relatives except Sri Majety Hari Sekhara Purna Prasad himself are concerned or interested in the resolution set out at item No. 7 of the notice.

**IN RESPECT TO ITEM NO. 8:**

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of M/s Asutosh 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 actuals and applicable taxes, to conduct the audit of the cost records of the Company for the financial year 2016-17.

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 by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 8 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17.

The Board recommends the resolution set forth in item No. 8 of the notice for approval of the members

None of the Directors/Key Managerial Personnel of the Company and their relatives are, concerned or interested in the resolution set out at item No. 8 of the notice.

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

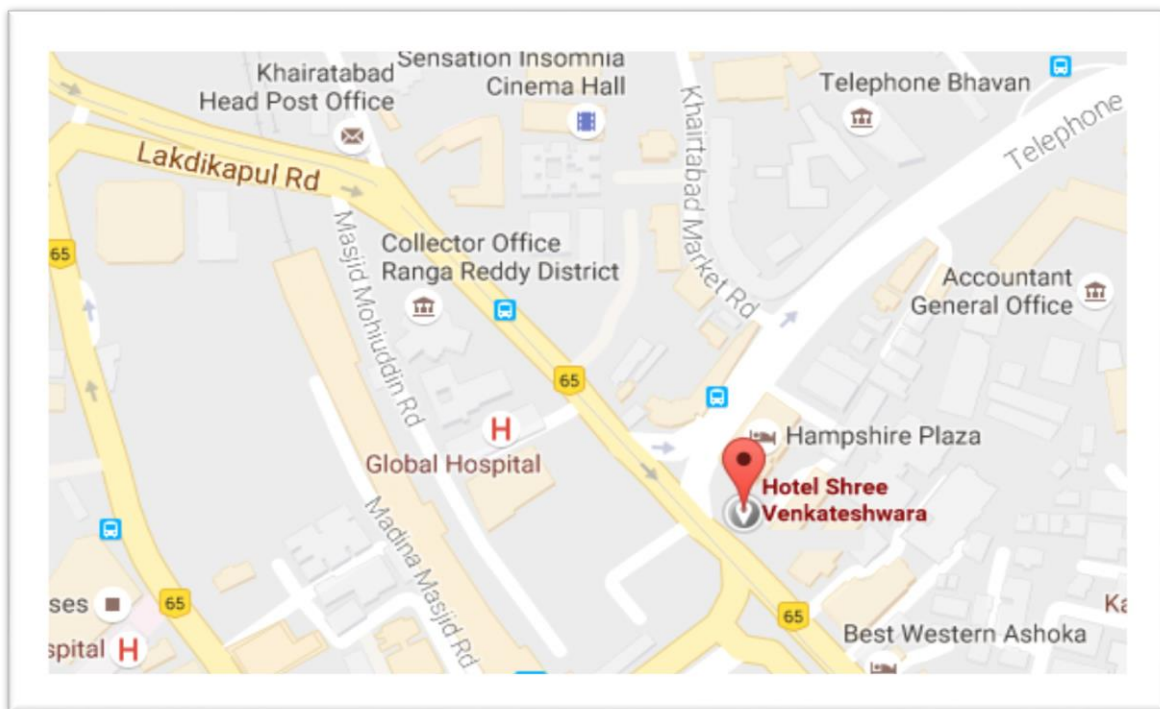
Name	S Kishore Chandra
Date of Birth	06/09/1958
Date of Appointment	29/04/1999
Qualification	B.Sc.
Directorship held in other Companies	Nil
Membership/Executive Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	1.He is also a promoter with Bheema Cements Limited since Inception 2. Has been in-charge of the marketing office at Vijayawada from 1995 onwards till now 3. He is in-charge of plant operations and day-to-day affairs of the plant. 4. He has worked as Executive Director till the year 2005 & Whole Time Director from 2005 till 2016.
Shares held in the Company	47,33,927

Name	S Karthik Sarath Chandra
Date of Birth	21/09/1979
Date of Appointment	26/05/2016
Qualification	B.E, MBA (Finance)
Directorship held in other Companies	Nil
Membership/Executive Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	<p>1. Played a very critical role in the revival process of the Bheema Cements from the past two years.</p> <p>2. Completed Ten End-to-End implementations in ERP solution (SAP) during the 12 years of IT Corporate Experience for the clients like Microsoft, Daimler AG, Emami, in Wipro, Infosys, Accenture &amp; Bheema Cements Limited</p> <p>2. Was awarded twice the ACE award (Accenture Centre of Excellence) highest in order @ Accenture, for "Good Samaritan" and "Catalyst" in the year 2013 and 2014.</p> <p>3. Rated "CSAPG" (Significantly Above Peer Group) 3 times in a total career of 6 years at Accenture &amp; got promoted thrice.</p> <p>4. Rated "CVTPG" (Very Top of Peer Group) for the Year 2010 @ Accenture across the peer group in 5 different projects in the Delivery Unit. Only top 5% of the peer group is rated at this level.</p> <p>5. Received several awards during the career &amp; education for the several projects (12) he has completed.</p>
Shares held in the Company	6,20,200 shares

Name	Ameeta Trehan
Date of Birth	10/12/1962
Date of Appointment	26/05/2016
Qualification	M.Com, MBA
Directorship held in other Companies	<p>1. Independent Woman Director - Steelco Gujarat Limited</p> <p>2. Director - Galada Power and Telecommunication Limited</p> <p>3. Director - Steelco Color Coating Limited</p>
Membership/Executive Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	<p>1. Over 30 years of work experience in Banking &amp; Financial Institutions in Corporation Bank &amp; ARCIL</p> <p>2. Expertise in handling Stressed Assets. Worked as Vice-President in ARCIL</p>
Shares held in the Company	NIL

Name	Majeti Hari Sekhara Purna Prasad
Date of Birth	25/10/1960
Date of Appointment	26/05/2016
Qualification	B.Com
Directorship held in other Companies	1
Membership/Executive Chairmanships of Committees across public Companies	Nil
Brief Profile covering experience, achievements etc.	1.Treasurer – Bharathi Vidya Bhavan, Guntur (2010-Present)  2.Over 20 years experience in the construction business  3.Has completed successfully more than 20 projects (like Lanco Township in 10 Acres, Sri Lakshmi Srinivasa Co-operative Housing Society Chirala – 82 independent houses, etc)
Shares held in the Company	NIL

**IN TERMS OF THE REQUIREMENTS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA, ROUTE MAP FOR THE LOCATION OF THE VENUE OF THE 37<sup>TH</sup> ANNUAL GENERAL MEETING IS GIVEN BELOW:**



Map Information:

Source/Author: Google Maps

Copyright Date: 2016

Title of Map: Hotel Shree Venkateswara

Map Type: Street Map

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

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are presenting the 37<sup>th</sup> Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March 2016

### 1. FINANCIAL RESULTS:

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

(Rs. in lakhs)

Particulars	FY 2015-16	FY 2014-15
Sales and Other Income	-	-
EBIDTA	(149.05)	(1883.50)
Interest	148.30	127.11
Depreciation	-	-
Profit Before Tax	(149.05)	(1883.51)
Provision for Tax*	-	-
Profit After Tax	(149.05)	(1883.52)
Net Worth	Rs 85,95	Rs 87,44

### 2. OPERATIONS :

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

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

As per the requirements Section 134(3) (I) of the Companies Act, 2013, we declare that, there are below significant material changes and commitments affecting financial position of the Company between 31<sup>st</sup> March, 2016 and the date of Board's Report.

#### Debt Restructuring & Working Capital

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. The Sanction letter for re-structuring of the loans was issued on March 11<sup>th</sup> 2016 by JMFARC. As there was significant change in the Board of Directors of BCL, there arrives a need for the revision of the Sanction letter with revised terms and conditions. Since then, the company has been negotiating with the ARC for the restructuring & rescheduling of the term loans assigned by the banks (Axis Bank, Karnataka Bank, ICICI Bank, SBH, United Bank, OBC) and also for additional working capital loan, company is in negotiations with various investors who can facilitate the working capital at a lower interest rate. The earlier issued Sanction letter would need to be revised with the latest changes in Board of Directors, other terms & conditions. The management is confident that a positive outcome will result from these efforts and the company will restart its operations shortly.

Company has requested the state government to consider 2 years Deferment & 36 months instalments for payment of statutory dues (Power, VAT and Mines Royalty) & the company is actively pursuing with the state government & the relief is expected shortly.

### 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 31<sup>st</sup> March, 2016 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, 2016 was Rs.55,70,35,600/- divided into 5,57,03,560 equity shares of Rs. 10/- each.

**6. DIVIDEND**

Our directors express their inability to recommend any dividend for the financial year 2015-2016 due to no operation in the business.

**7. FIXED DEPOSITS:**

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

**8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. RETIREMENT BY ROTATION:**

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

**B. APPOINTMENT:**

- ☞ Sri S.Karthik Sarath Chandra\* as the Whole time director designated as Joint Managing Director and Chief Executive Officer of the Company
- ☞ Sri S.Kishore Chandra\* as the Managing Director of the Company
- ☞ Smt. Ameeta Trehan\* as Additional director categorised as Independent Director cum Woman Director of the Company
- ☞ Sri Majeti Hari Sekhara Purna Prasad\* as Additional director categorised as Independent Director of the Company.
- ☞ Sri S.Kishore Chandra\*\* as the Chief Financial Officer

*\*appointed by the Board of Director in its Meeting held on 26<sup>th</sup> May, 2016.*

**C. CESSATION:**

- ☞ Sri S.R.B. Ramesh Chandra\* as the Director and Managing Director of the Company
- ☞ Sri S. V. Reddy\* as the Independent Director of the Company
- ☞ Sri K. R. Chari\* as the Independent Director of the Company
- ☞ Sri Ghanta Azad Babu\*\* as the additional director of the Company

*\*was not re-appointed in the 36<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> May 2016*

*\*\*Ceased to be a director w.e.f 30<sup>th</sup> September 2015*

**D. FAMILIARIZATION PROGRAM:**

The Independent Director were inducted into the Board and attended an orientation program. Further at the time of appointment they were issued a formal letter of appointment, outlining their duty, responsibilities, role and functions.

**E. EVALUATION OF THE BOARD'S PERFORMANCE:**

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

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

**F. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

**G. REMUNERATION POLICY:**

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

**H. DECLARATION BY INDEPENDENT DIRECTORS:**

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

**I. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

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

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

There were no complaints received during the year 2015-16.

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

**A. STATUTORY AUDITORS:**

The shareholders at their 35<sup>th</sup> AGM held on 24th May 2016, approved the re-appointment of M/s. A.Ramachandra Rao & Co., Chartered Accountants, Hyderabad (Firm Registration No : 002857S), as statutory auditors of the Company, to hold office from the conclusion of the 35<sup>th</sup> AGM up to

the conclusion of the 38<sup>th</sup>AGM.

In terms of first proviso of Section 139 of the Companies Act, 2013, the appointment of the auditors is subject to ratification by the shareholders at every subsequent AGM. Accordingly, the statutory auditors, M/s. A. Ramachandra Rao & Co., Chartered Accountants, have confirmed their eligibility under Section 141 of the Companies Act, 2013, Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of M/s. A. Ramachandra Rao & Co., Chartered Accountants, as statutory auditors of the Company from the conclusion of the 35<sup>th</sup>AGM till the conclusion of the 38<sup>th</sup>AGM, subject to ratification by the shareholders.

The Statutory Auditors' Report contain qualification:

The Statutory Audit report for the financial year 2015-16 is annexed herewith as *Annexure III* to this Report.

	<p>a) <b>Note No. 25.II</b> 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. In our opinion, the withdrawal of the sanction letter issued by the ARC will have an effect on the Going Concern Status of the Company. Notwithstanding the fact that the company has incurred cash losses during the current year as well as during the previous year and the withdrawal of the sanction letter issued by the ARC, the financial statements of the Company have been prepared on Going Concern Basis</p> <p><b>Management Reply</b></p> <p>As the pre-conditions mentioned in the sanction letter of JMFARC issued on 11th March have not been fulfilled and also as there has been significant change in Board of Directors &amp; lapse of time, the sanction letter needs a revision. Hence, the company is negotiating with JMFARC for the revised proposal regarding the restructuring of the debt and raising working capital from other investors at a lower interest rate or ROI. The working capital if availed from JMFARC then the interest rate shall be on higher side up to 25% annually payable monthly which can have significant effect on the cash flows &amp; the financials of the company. The company is very much confident that the revival of the company shall take place with required working capital at a low financial cost which can permit the cash flows for repayment of the loans.</p>
	<p>b) <b>Note No. 25.III</b> 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 bank fixing the final liability agreed for settlement. However, in the absence of adequate information we are unable to quantify the amount of interest not so provided and its impact on current year loss and liabilities.</p> <p>We are also of the opinion that the Company should have provided for the interest on the loans assigned to the ARC from the cut-off date as per the letter sanction till 31<sup>st</sup> March 2016 as per the terms and conditions provided in the sanction letter issued by ARC. The impact of non-provision of interest on the loans assigned to the ARC (based on the sanction letter issued by ARC) is that the loss for the year is understated by Rs. 1803 Lacs and the Liabilities are lower to that extent.</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>

	<p>c) Further, in view of the fact that the sanction letter issued by the ARC in March 2016 stands withdrawn subsequent to the date of balance sheet, in our opinion, the total liabilities dues to various banks should have been restored to and accounted at the amounts originally due to such banks including interest not provided and interest and other liabilities reversed in earlier years. Based on information provided and explanations offered to us, such liabilities should have been accounted at Rs. 35,179 Lacs instead of Rs. 20,758 Lacs. As a result, the loss of the company is understated by an amount of Rs. 14,421 Lacs and liabilities of the company have been understated by Rs. 14,421 Lacs.</p> <p><b>Management Reply</b></p> <p>The present management is very much confident that the revival of the company shall take place with required working capital at a lower financial cost which doesn't necessitate re-instating the entire Rs 351.79 Crores as their balances to be payable to JMFARC at this point.</p>
	<p>d) <b>Note No. 25.IV</b> which explains the circumstances in which Deferred Tax Liability was not provided for the current year i.e., 2015-16 and reversed for the previous year i.e. 2014-15. The financial impact of the same is non provision of deferred tax liability of Rs. 198.19 Lacs for the year 2015-16 and reversal of deferred tax liability provision for the year 2014-15 amounting to Rs. 196.90 Lacs. As a result, the loss for the year is understated to the extent of RS.395.09 Lacs and the liabilities are understated by an equal amount.</p> <p><b>Management Reply</b></p> <p>As there have been no operations of the company during the past couple of years, the management is of the opinion that the deferred tax liability should not be provided for the years FY14-15 and FY15-16. Hence, the deferred tax liability provided in the FY 14-15 has been reversed in the FY15-16.</p>
	<p>e) <b>Note No. 25.V</b> which explains the circumstances in which the liabilities towards power bills amounting to Rs. 381.55 Lacs, for the period April 2014 to September 2014, have been reversed based on a representation made to the South Power Distribution Company of Telangana Limited (DISCOM). We are of the opinion that the reversal of provision should have been done based only on a communication from the DISCOM about the withdrawal of such charges. The impact of the reversal of power charges of the previous year is that the loss for the current year is lower by Rs. 381.55 Lacs and the liabilities are understated by an equal amount.</p> <p><b>Management Reply</b></p> <p>The DISCOM has billed Bheema Cements Ltd for an excess amount of Rs 381.55 lacs in the form of MD, CMD charges &amp; Penalties even after the plant shutdown from March 4<sup>th</sup> 2014 till September 2014. BCL management has submitted the proposal to Industries Dept, Government of Telangana for wavier of these charges as the plant has been shutdown.</p>
	<p>f) <b>Note No. 25.VI</b> which explains the circumstances in which the salaries for the current year are provided at less than contracted values. We are of the opinion that the provision of salaries at less than contracted values is based on management's perception only and not on any agreement with the concerned parties and hence the salaries should have been provided at full as per the contracted values. The non-provision of salaries at contracted values results in the loss for the current year being lower at Rs. 253.30 Lacs and the liabilities are understated by an equal amount.</p> <p><b>Management Reply</b></p> <p>As there were no plant operations during the past 2+ years, the management is of the opinion for the year FY15-16, only the basic salaries &amp; other statutory provisions to be accounted as part of salaries &amp; wages. After the complete revival of the company, the management shall consider for making provision for balance salary &amp; wages.</p>

<p>g) <b>Note No. 25.VIII</b> 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. 1,442.90 lacs and overstatement of fixed assets by an equivalent amount.</p> <p><b>Management Reply</b></p> <p>As it is new machinery and as there was no physical deterioration of the Plant &amp; Machinery due to efflux of time and as there were no operations, hence depreciation was not provided.</p>	
	<p>h) <b>Note No.25 XVI</b> regarding non-provision of gratuity and provision for leave encashment, the impact of which is not ascertainable in the absence of adequate information.</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>

**B. SECRETARIAL AUDITOR:**

The Company has appointed P. Surya Prakash as Secretarial Auditor. The Secretarial Audit Report (SAR) for the financial year 2015-16 is annexed herewith as *Annexure IV* to this Report.

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

**C. COSTAUDITORS:**

The Board of Directors on the recommendation of the Audit Committee, appointed M/s Asutosh & Associates, as the Cost Auditors of the Company for the Financial Year 2016-17 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.

**10. TRANSFER TO RESERVES:**

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

**11. HUMAN RESOURCES :**

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

**12. CORPORATE GOVERNANCE:**

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

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

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015 the declaration signed by the Managing Director affirming compliance of the Code of Conduct by the Directors and Senior Management personnel of the Company for the financial year 2015-2016 is annexed and forms part of the Corporate Governance Report *Annexure V*.

**13. CORPORATE SOCIAL RESPONSIBILITY :**

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

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

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

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

**15. RELATED PARTY TRANSACTIONS:**

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 FY 2015-16.

Further, the Company has provided for remuneration during the year of Rs.9.6 Lacs and Rs. 2.4 Lacs to two relatives of Key Management Personnel. In this year as the turn around of the company has not yet taken place only the basic salaries & other statutory components have been considered for this year. Your Directors draw attention of the members to Notes 25 to the financial statement which sets out related party disclosures.

**16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

**17. DISCLOSURES:**

**A. EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the Company is annexed herewith as *Annexure 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 7 (seven) 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 2015-16. Share Trading is suspended.

On September 2, 2015, Securities & Exchange Board of India issued SEBI (LODR), Regulations 2015 streamlining the provisions of the Listing Agreement for different segments of Capital markets to

ensure better enforcement, hence enforcing the Companies to enter into fresh Listing Agreement with the stock exchanges where the shares are listed.

**18. RISK MANAGEMENT:**

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

The board reviews the policy in regular interval.

**19. FRAUD REPORTING:**

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

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

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

**21. GENERAL:**

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

- a. The Company has no subsidiaries, joint ventures or associate companies.
- b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- c. The Company has in place adequate internal financial controls with reference to financial statements. These controls ensure the accuracy and completeness of the accounting records and preparation of reliable financial statements.

**22. POLICY ON SEXUAL HARASSMENT:**

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

**23. ACKNOWLEDGEMENTS :**

Your Directors wish to take this opportunity to express their grateful appreciation and deep sense of gratitude to the Corporation Bank, 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: 29<sup>th</sup> August 2016

**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., New capital city in A.P, Polavaram Dam Project & Satellite cities across India 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 utilization of the industry.

**Risks and Concerns:**

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



### **Internal Control Systems and their adequacy:**

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

### **Cautionary Statement:**

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

## **ANNEXURE- II**

### **REMUNERATION POLICY**

#### **1. INTRODUCTION:**

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

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

#### **2. SCOPE AND EXCLUSION:**

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

#### **3. TERMS AND REFERENCES:**

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

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

**"Key Managerial Personnel"** means:

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

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

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

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

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

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

- i. A Non-Executive Director & Independent Director shall be entitled to receive sitting fees 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 retiral benefits. The variable component comprises performance bonus.

## **C. Remuneration to Other Employees:**

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

**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 2016, 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

i) **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. In our opinion, the withdrawal of the sanction letter issued by the ARC will have an effect on the Going Concern Status of the Company. Notwithstanding the fact that the company has incurred cash losses during the current year as well as during the previous year and the withdrawal of the sanction letter issued by the ARC, the financial statements of the Company have been prepared on Going Concern Basis

j) **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 bank fixing the final liability agreed for settlement. However, in the absence of adequate information we are unable to quantify the amount of interest not so provided and its impact on current year loss and liabilities.

We are also of the opinion that the Company should have provided for the interest on the loans assigned to the ARC from the cut-off date as per the letter sanction till 31<sup>st</sup> March 2016 as per the terms and conditions provided in the sanction letter issued by ARC. The impact of non-provision of interest on the loans assigned to the ARC (based on the sanction letter issued by ARC) is that the loss for the year is understated by Rs. 1803 Lacs and the Liabilities are lower to that extent.

k) Further, in view of the fact that the sanction letter issued by the ARC in March 2016 stands withdrawn subsequent to the date of balance sheet, in our opinion, the total liabilities dues to various banks should have been restored to and accounted at the amounts originally due to such banks including interest not provided and interest and other liabilities reversed in earlier years. Based on information provided and explanations offered to us, such liabilities should have been accounted at Rs. 35,179 Lacs instead of Rs. 20,758 Lacs. As a result, the loss of the company is understated by an amount of Rs. 14,421 Lacs and liabilities of the company have been understated by Rs. 14,421 Lacs.

l) **Note No. 25.IV** which explains the circumstances in which Deferred Tax Liability was not provided for the current year i.e., 2015-16 and reversed for the previous year i.e. 2014-15. The financial impact of the same is non provision of deferred tax liability of Rs. 198.19 Lacs for the year 2015-16 and reversal of deferred tax liability provision for the year 2014-15 amounting to Rs. 196.90 Lacs. As a result, the loss for the year is understated to the extent of RS.395.09 Lacs and the liabilities are understated by an equal amount.

m) **Note No. 25.V** which explains the circumstances in which the liabilities towards power bills amounting to Rs. 381.55 Lacs, for the period April 2014 to September 2014, have been reversed based on a representation made to the South Power Distribution Company of Telangana Limited (DISCOM). We are of the opinion that the reversal of provision should have been done based only on a communication from the DISCOM about the withdrawal of such charges. The impact of the reversal of power charges of the previous year is that the loss the current year is lower by Rs. 381.55 Lacs and the liabilities are understated by an equal amount.

n) **Note No. 25.VI** which explains the circumstances in which the salaries for the current year are provided at less than contracted values. We are of the opinion that the provision of salaries at less than contracted values is based on management's perception only and not on any agreement with the concerned parties and hence the salaries should have been provided at full as per the contracted values. The non-provision of salaries at contracted values results in the loss for the current year being lower at Rs. 253.30 Lacs and the liabilities are understated by an equal amount.

o) **Note No. 25.VIII** 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. 1,442.90 lacs and overstatement of fixed assets by an equivalent amount.

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

## **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 2016;*
- (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) As required under Section 143(3)(i) we annex our report on the Internal Financial Controls over Financial Reporting

f) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

g) 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. Based on the information provided to us, The Company has not entered into any derivative contracts.
- iii. An amount of Rs. 2,52,427 is outstanding to be transferred to the Investor Education and Protection Fund as on the date of balance sheet.

**Place: Hyderabad**  
**Date: 29.08.2016**

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

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

**ANNEXURE TO THE AUDITORS' REPORT  
(Ref. Bheema Cements Limited)**

*(Of even date referred to in Para 1 of our Standalone Financial Statements Report)*

- (i) In respect of its fixed assets:
- a) Based on the information provided explanations offered to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information
- b) As explained to us, the physical verification of fixed assets could not be carried out during the year, as the factory and operations of the Company have been suspended since March 2014. Based on the information provided and explanations offered to us, the Company has maintained proper records of fixed assets and we are not in a position to comment whether any material discrepancies noticed as the verification could not be taken up during the year. We have been explained that the physical verification will be taken up afresh after resumption of operations and thereupon the effect, if needed, for any material discrepancies will be given in the books of account;
- c) According to the information provided to us and explanations offered to us, as the title deeds of the immovable properties are in the custody of the Axis Bank on behalf of ARC (JM Financial Asset Reconstruction Company Private Limited) on the takeover of the dues from the Banks and we are unable to verify the same, as the same could not be made available to us.
- (ii) As explained to us, physical verification of inventories could not be carried out during the year, as the factory and operations of the company have been suspended since March, 2014. Based on the information provided and explanations offered to us, the Company has maintained proper records of inventories and we are not in a position to comment whether any material discrepancies noticed as the verification could not be taken up during the year. We have been explained that the physical verification will be taken up afresh after resumption of operations and thereupon the effect, if needed, for any material discrepancies will be given in the books of account;
- (iii) Based on the information and explanations provided to us, the company has not granted unsecured loans, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained u/s Sec. 189 of the Companies Act, 2013 and hence clauses 3(iii) (a) (b) and (c) are not applicable to the Company for the year.
- (iv) Based on the information and explanations provided to us, the Company has not granted / taken loans, investments, guarantees, nor offered security / taken security from parties covered under Section 185 and 186 of the Companies Act, 2013 and hence clauses 3(iv) is not applicable to the Company for the year.
- (v) Based on the information and explanations provided to us, the Company has not accepted deposits from the public during the year and hence, in our opinion, clause 3(v) of the Order is not applicable to the Company for the year.
- (vi) 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 not been regularly deposited with the appropriate

authorities. According to the information provided and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as of March 31, 2016 for a period of more than six months from the date of they becoming payable except to the extent shown below:

SI No	Name of the Statute	Nature of Dues	Amount - Rs Lacs	Period to which it relates
1	Central Excise Act	Excise Duty	260.20	March 2013 and April 2013
2	Central Excise Act	Service Tax	90.00	From 1.4.2013 onwards
3	Income Tax Act	TDS	171.80	1/4/2013 to 31/3/2016
4	EPF Act	Provident Fund	161.38	Oct-13 to 30-09-2016
5	Professional Tax Act	Professional Tax	5.35	1/12/2013 to 31/3/2016
6	ESI Act	ESI	7.77	November 2013 to March 2016
7	Mines & Mineral Development Act	Royalty on Limestone	463.12	01/08/2012 to 31/03/2016
8	APVAT Act	VAT	1593.10	01/08/2012 to 31/03/2016
9	Central Sales Tax Act	CST	237.10	01/08/2012 to 31/03/2016
10	Karnataka VAT Act	VAT	2.69	01/08/2012 to 31/03/2016
11	Maharashtra VAT Act	VAT	14.78	01/08/2012 to 31/03/2016
12	Orissa VAT Act	VAT	1.17	01/08/2012 to 31/03/2016

(d) 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 2016 on account of disputes are as given below:

SI No	Name of the Statute	Nature of Dues	Amount - Rs Lacs	Period to which it relates	Forum where the dispute is pending
1	Central Excise Act	Excise Duty	412.88	04/06 to 9/10	CESTAT Bangalore
2	Customs Act	Customs Duty	50.49	17-3-12 to 28-02-13	Commissioner, C&CE Guntur
3	Income Tax Act	Income Tax	31.56	AY 1994-95	Hon'ble High Court of Andhra Pradesh

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

Name of the Bank	Principal Due - Rs Lacs	Due Period
<b>Term Loan Capacity Expansion</b>		
JMFARC - ICICI Bank	543.25	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15 & 2015-16
JMFARC - State Bank of Hyderabad	879.68	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14
JMFARC - United Bank of India	692.20	and FY 2014-15 & 2015-16
<b>Total</b>	<b>2115.13</b>	
<b>Additional Term Loans</b>		
Corporation Bank	77.90	QE Dec'13, QE Mar'14, FY 2014-15 & 2015-16
JMFARC - ICICI Bank	108.75	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15 & 2015-16
JMFARC - Oriental Bank of Commerce	15.58	QE Dec'13, QE Mar'14, FY 2014-15 & 2015-16
JMFARC - State Bank of Hyderabad	178.27	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14
JMFARC - United Bank of India	147.2	and FY 2014-15 & 2015-16
<b>Total</b>	<b>527.70</b>	
<b>Grand Total</b>	<b>2642.83</b>	

(ix) Based on the information provided and explanations offered to us, the Company has not raised monies by way of Initial Public Offer or Further Public Offer, including debt instruments, during the current year. However, the term loans due to the Banks were assigned to an ARC during the year, which is only a substitution of debt, and in our opinion the same does not amount to raising of any money by way of term loans and accordingly clause 3(ix) of the Order is not applicable to the Company for the year.

- (x) Based on the information provided and explanations offered to us, no material fraud on or by the Company by its Officers or employees has been noticed or reported during the year.
- (xi) Based on the information provided and explanations offered to us, in our opinion the Company has provided for managerial remuneration in accordance with provisions of Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.
- (xii) Based on the information provided and explanations offered to us, the Company is not Nidhi Company in terms of the Nidhi Rules, 2014 and hence clause 3(xii) of the Order is not applicable to the Company for the year.
- (xiii) Based on the information provided and explanations offered to us, the transactions with related parties are in compliance of Section 177 and 188 of the Companies Act, 2013 wherever applicable and the disclosures required under the relevant Accounting Standards have been made in the Financial Statements.
- (xiv) Based on the information provided and explanations offered to us, the Company has not made any preferential allotment / private placement of shares or fully / partly convertible debentures during the year under review and hence clause 3(xiv) of the Order is not applicable to the Company for the year.
- (xv) Based on the information provided and explanations offered to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the period under review and hence clause No. 3(xv) of the Order is not applicable to the Company for the year.
- (xvi) Based on the information provided and explanations offered to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3 (xvi) of the Order is not applicable to the Company for the year.

For M/s A . RAMACHANDRA RAO & Co.  
Chartered Accountants  
ICAI FRN:002857S

(A. Ramachandra Rao)  
Partner  
Membership No : 9750

Place: Hyderabad  
Date: 29.08.2016

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE  
ON THE FINANCIAL STATEMENTS OF Bheema Cements Limited  
(Refer Para 2.2 (e) of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s Bheema Cements Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Unit for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**



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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Unit's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Unit;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Unit are being made only in accordance with authorisations of management and directors of the Unit; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Unit's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Basis of Qualified Opinion**

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

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

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the basis for qualified opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

**For M/s A. RAMACHANDRA RAO & Co.  
Chartered Accountants  
ICAI FRN:002857S**

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

**Place: Hyderabad  
Date: 29.08.2016**

**ANNEXURE- IV**

### **SECRETARIAL AUDIT REPORT**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016.**

*[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, 2016 has 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, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (" Listing Regulations")(with effect from 1<sup>st</sup> December, 2015)
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ***(Not applicable to the Company during the Audit Period);***
  - f) 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);***
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***(Not applicable to the Company during the Audit Period);***
  - h) 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;
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ***(Not applicable to the Company during the Audit Period);*** and
  - j) 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.
- ii. The Listing Agreement entered into by the Company with BSE India Limited (effective till 30<sup>th</sup> November, 2015).

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 appointed Woman Director pursuant to Section 149(1)(b) of Companies Act, 2013 during the reporting period. However, Company has appointed Ms. Ameeta Trehan, Woman Director w.e.f. 26<sup>th</sup> May, 2016 and complied with the requirements under the provision.
- b) Company has not appointed any Internal Auditor for the Company as required under provisions of Section 138 of the Companies Act, 2013.

- c) As per the provisions of Section 178 of the Companies Act, 2013 Nomination and Remuneration Committee shall consist of 3 or more Non - executive Directors out of which not less than one - half shall be independent Directors. However, the composition of the committee is not as per the requirement of the provisions.
- d) 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.
- e) Pursuant to the provisions of the section 173(i) of the Companies Act, 2013 the Company shall hold meetings of Board of Directors such a manner that the gap between two consecutive Board Meetings shall not exceed 120 days. However the Company has failed to comply with the requirements of the provisions as the gap between two consecutive Board meetings dated 27.03.2015 and 03.08.2015 exceeded 120 days gap.
- f) Pursuant to the Secretarial Standard-1 (SS-1) issued by Institute of Company Secretaries of India the Company shall hold meeting of Board of Directors every year in such a manner that in every quarter atleast one Board Meeting shall be held. However the Company has failed to hold Board meeting in the First quarter of the financial year 2015-16.

The Company has failed to comply with the requirements under listing agreement/listing regulations during the reporting period out of which major points are as follows:

- The Company has not submitted quarterly shareholding pattern during the reporting period.
  - Company has not paid Annual listing fees to Stock exchange.
  - Company has not submitted unaudited/audited financial statements to Stock exchanges during the period under review.
  - Company has not submitted Certificate from a practicing Company Secretary for the half year ended during the reporting period.
  - Company has not appointed any woman director to the Board of the Company. However, Company has appointed Ms. Ameeta Trehan, Woman Director w.e.f. 26<sup>th</sup> May, 2016 and complied with the requirements under the provision.
  - The gap between two consecutive Audit Committee meetings dated 28<sup>th</sup> January, 2015 and 23<sup>rd</sup> September, 2015 exceeded 4 months gap.
  - 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.
  - The Company has not submitted quarterly Corporate Governance Report for any quarter to stock exchange during the reporting period.
  - Company has not appointed or designated Compliance Officer for the company
  - Company has not submitted Compliance Certificate as required under the regulation for the half year ended 31<sup>st</sup> March, 2016.
  - The Company has not submitted the details about complaints under Shareholders Grievances Redressal Mechanism for the quarter ended on 31<sup>st</sup> December, 2015 and 31<sup>st</sup> March, 2016 to Stock exchange.
  - The Company has not entered into fresh listing agreement as required under the regulation within the stipulated period.
- g) 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 any of the quarter during the reporting period.
  - h) 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 30(1) by not submitting Annual Disclosure as required during the reporting period.

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

Notice was given to 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 were carried through, while the dissenting members views are captured and recorded as part of minutes.

We further report that there are no operations during the reporting period. To some extent, Company have 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.

We further report that during the reporting period, the Loans of State Bank of Hyderabad, ICICI, United Bank of India and Oriental Bank of Commerce have been acquired by JM Financial ARC Pvt. Ltd.

For R & A Associates

Place: Hyderabad  
Date: 29-08-2016

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: 29-08-2016

P. Surya Prakash  
Sr Associate  
ACS: 18803, C.P. No 11142

## ANNEXURE - V

### CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Company submits the Corporate Governance Report for the year ended 31<sup>st</sup> March 2016

#### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

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

#### **2. BOARD OF DIRECTORS:**

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

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

##### **a) Composition:**

As on 31<sup>st</sup> March 2016, the Board of the Company consisted of five directors, of whom three were executive (Chairman, Managing Director and Whole Time Director), two non-executive independent. The Board has no institutional nominee director. The Company has an Executive Chairman. According to regulation 17(1)(b) of SEBI (LODR) Regulations, 2015, where the chairperson of the Board is a executive director, at least half of the Board of directors shall comprise of independent directors.

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

**b) Number of Meetings of the Board:**

During the financial year 2015-16, the Board met seven times (details provided in Table 1) and the gap between any two meetings has been less than one hundred and twenty days except gap between Board meetings dated 27<sup>th</sup> March, 2015 and 3<sup>rd</sup> August, 2015 exceeded 120 days gap.

- i) 3<sup>rd</sup> August 2015
- ii) 23<sup>rd</sup> September 2015\*
- iii) 15<sup>th</sup> October 2015
- iv) 1<sup>st</sup> November 2015
- v) 11<sup>th</sup> February 2016\*
- vi) 8<sup>th</sup> March 2016
- vii) 19<sup>th</sup> March 2016\*

**c) Attendance record of directors:**

TABLE 1

Name of the Director	Category and Position	No. of Board Meetings		Whether attended last AGM	No. of Committees		No. of other Directorship held
		Held	Attended		Chairmanship	Member	
S.Chandra Mohan	Executive Chairman	7	7	Yes	-	4	-
S.V.Reddy	Independent	7	7	No	-	3	-
Ghanta Azad Babu**	Independent	7	2	No	-	-	8
S.R.B.Ramesh Chandra	Managing Director	7	5	Yes	-	2	-
S.Kishore Chandra	Whole Time Director	7	7	Yes	-	1	-
K.R.Chari	Independent	7	2	No	-	2	-

\*Board Meeting was adjourned to the next schedule day to discuss the outstanding items as per the agenda.

\*\* Ceased to be a director w.e.f 30<sup>th</sup> September 2015

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

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

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

- A) Audit Committee
- B) Remuneration Committee

- C) Shareholders/Investor's Grievance Committee
- D) Share Allotment Committee

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

### 3. AUDIT COMMITTEE:

The Company had set up its Audit Committee under erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement as a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted consisting of two Independent Directors and one Executive Director as Sub-Committee to the Board and considers the terms of reference as stipulated under Clause 49 of the Listing Agreement.

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

#### a. Constitution & Composition:

In compliance with Companies Act, 2013 and regulation 18(1)(c) of SEBI Listing Regulations, 2015, three members of the Audit Committee, viz. Sri. K.R. Chari (Chairman), Sri S.V. Reddy are independent directors and Sri S. Chandra Mohan, Executive Director.

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

#### b. Meetings and attendance:

During 2015-16, the Audit Committee met four times viz. (i) September 23, 2015, (ii) September 25, 2015, (iii) October 15, 2015 and (iv) February 12, 2016.

Composition of Audit Committee and attendance record of members for 2015-16

S.No.	Name of the Director	Category	Meetings Held	Meetings Attended
1	Sri. K.R. Chari	Independent	4	2
2	Sri S.V. Reddy	Independent	4	4
3	Sri S. Chandra Mohan	Promoter Director/Executive	4	4

### 4. NOMINATION & REMUNERATION COMMITTEE:

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

During the year under review, the Committee met three times viz. (i) August 3, 2015 (ii) September 23, 2015 and (iii) September 25, 2015

Composition of the Nomination and Remuneration Committee and attendance record of members for 2015-16:



S.No.	Name of the Director	Category	Meetings Held	Meetings Attended
1	Sri. K.R. Chari	Independent	3	2
2	Sri S.V. Reddy	Independent	3	3
3	Sri S. Chandra Mohan	Promoter Director/Executive	3	3

Remuneration Policy as per *Annexure-II*

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

**5. DETAILS OF REMUNERATION:**

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

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

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

Composition of the Stakeholders Relationship Committee is as follows:

S.No.	Name of the Director	Category
1	Sri S.R.B. Ramesh Chandra	Promoter Director/Executive
2	Sri S. Chandra Mohan	Promoter Director/Executive
3	Sri S. Kishore Chandra	Promoter Director/Executive

There were no complaints received from the shareholders during the year ended 31<sup>st</sup> March, 2016.

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

There are no pending share transfer complaints as on 31<sup>st</sup> March, 2016.

**FUNCTIONS:**

The functions of the committee are as follows:

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

As on 31<sup>st</sup> March, 2016, 1986281 (7.06%) Equity Shares are in demat accounts with Central Depository Services (India) Limited.

## 7. 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
Member	Sri S. Chandra Mohan	Promoter Director/Executive
Member	Sri S.V. Reddy	Independent Director
Chairman	Sri S.R.B. Ramesh Chandra	Promoter Director/Executive

c) **Meetings of the Committee:** During the year no meeting had been held.

## 8. GENERAL BODY MEETINGS:

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

AGM	Financial Year	Day/Date	Time	Venue	Special Resolutions
36 <sup>th</sup>	2014-15	24.05.2016	4 P.M	Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana	Debt Restructuring Scheme Conversion of Debt into Equity Shares and Issue of Equity Shares Resolution for borrowing power Secure the new Borrowing limits: Mortgage or Charge Creation
35 <sup>th</sup>	2013-14	24.05.2016	10 A.M	Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad - 500004, Telangana	Appoint Sri. S. V. Reddy (DIN 00107945) as Independent Director Appoint Sri. K. R. Chari (DIN 01038614) as Independent Director. Borrow money in excess of paid-up capital and free reserves Secure the new borrowing limits
34 <sup>th</sup>	2012-13	30.09.2013	10 A.M	Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad - 500082	Nil

### b. Postal Ballot Resolution

No Postal ballot resolution was passed during the year ended March 31, 2016. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

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

## 9. MEANS OF COMMUNICATION:

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

- ☞ The Company has 2555 shareholders as on 31st March, 2016. The Company mainly communicates with its shareholders through Annual Report, which includes the Director's Report, Management Discussion and Analysis Report, Report on Corporate Governance.
- ☞ No presentations have been made to institutional investors or to analysts

#### 10. GENERAL SHAREHOLDER INFORMATION:

- a) **37<sup>th</sup> Annual General Meeting:**  
 Date: 28<sup>th</sup> September, 2016  
 Time: 9 a.m  
 Venue: Hotel Shree Venkateswara, 6-1-74, Lakadikapul, Hyderabad – 500004.
- b) **Financial Year** : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016  
 c) **Date of Book Closure** : 21<sup>st</sup> September 2016 to 28<sup>th</sup> September 2016  
 d) **Dividend Payment Date** : No  
 e) **Financial Calendar** : For the FY 2016-17

Financial Results	Cut-off Date
Unaudited first quarter financial results	On or before August 14,2016
Unaudited second quarter financial results	On or before November 14,2016
Unaudited third quarter financial results	On or before February 14,2017
Approval of audited annual results for year ending 31 March, 2017	On or before May 30,2017

f) **Listing on Stock Exchange:**

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

The Company has not paid listing fees to BSE for the year 2016-17.

- g) **ISI Number for NSDL & CDSL** : INE333H01012
- h) **Depositories**
- i. **Central Depository Services (India) Ltd.,**  
 Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400023.
  - ii. **National Securities Depository Ltd,**  
 Trade World, 4th Floor, Kamala Mills Compound,  
 Senapati Bapat Marg, Lower Parel, Mumbai-400013

- i) **Market Price Data** :  
 The Company's shares are not being traded in BSE Limited. Hence, information regarding the market price could not be provided.

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

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

**M/s BIGSHARE SERVICES PRIVATE LIMITED,**

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

**k) Share Transfer System:**

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

**l) Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

S. No.	Category	No. of share holders	No. of Shares held	Percentage to Total issued shares
1	Clearing Member	1	3006	0.01
2	Corporate Bodies	49	2049937	7.24
5	Non Resident Indians	10	47184	0.16
6	Promoters/Directors	13	17614586	62.22
7	Public	2482	8593257	30.35
	Total	2555	28307970	100

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

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

As on 31<sup>st</sup> March, 2016, (97.05%) Equity Shares are in Demat accounts with Central Depository Services (India) Limited and National Securities Depository Ltd (NSDL)

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

The Reconciliation of Share Capital Audit was carried out by Practicing Company Secretary for each of the quarters in the financial year 2015-16, to reconcile the admitted capital with Central Depository Services (India) Limited (CDSL) and National Securities Depository Ltd (NSDL) and total issued and listed capital. The audit reports confirm that the total issued/paid-up capital is an agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

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

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

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

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

q) **Address for Correspondence:**

For queries relating to financial statements, please write to:

**BHEEMA CEMENTS LIMITED,**  
Regd. Office: 6-3-652/C/A, Flat 5A,  
Kautilya, Amrutha Estates, Somajiguda, Hyderabad - 500082

E-mail ID: complianceofficer@bheemacement.co.in

r) **Plant Location of the Company:** Ramapuram Village, Mellachervu Mandal, Nalgonda District - 508246, Telangana

**11. DISCLOSURES**

i. **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 FY 2015-16

Further, the Company has provided for remuneration during the year of Rs. 9.6 Lacs and Rs 2.4 Lacs to two relatives of Key Management Personnel. In this year as the turn around of the company has not yet taken place only the basic salaries & other statutory components have been considered for this year.

ii. **COMPLIANCE OF VARIOUS LAWS:**

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

iii. **DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**

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

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

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

**12. DISCRETIONARY REQUIREMENTS:**

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

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

## ANNEXURE VI

### PARTICULARS OF EMPLOYEES

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

(Amount in Rs.)

Name of Director	Designation	Remuneration FY 15-16	Remuneration in FY 14-15	% of increase in remuneration	Ratio of remuneration to	
					Revenu es FY 15-16	Net Profit FY 15-16
S Chandra Mohan	Executive Chairman	Rs. 9,60,000 /-	Rs. 24,00,000 /-	Decreased by 60%	Nil	Nil
S R B Ramesh Chandra	Managing Director	Rs. 9,60,000 /-	Rs. 24,00,000 /-	Decreased by 60%	Nil	Nil
S Kishore Chandra	Whole Time Director	Rs. 9,60,000 /-	Rs. 24,00,000 /-	Decreased by 60%	Nil	Nil

- 1) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
- 2) It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.
- 3) In this year as the turn around of the company has not yet taken place only the basic salaries & other statutory components have been considered for this year.

**COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE**

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

To  
The Members  
Bheema Cements Limited

We have examined the compliance of conditions of Corporate Governance by Bheema Cements Limited for the year ended 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement with the stock exchange for the period from April 1<sup>st</sup> 2015 to 30<sup>th</sup> November, 2015 and the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) from the period December 1<sup>st</sup> 2015 to March 31<sup>st</sup> 2016.

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

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

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

For R & A Associates

Place: Hyderabad  
Date: 29-08-2016

P. Surya Prakash  
Sr Associate  
ACS: 18803, C.P. No 11142

**ANNEXURE VIII**

**DECLARATION FOR CODE OF CONDUCT**

As required under Part D of Schedule V of SEBI (LODR) Regulations, 2015, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year ended on 31<sup>st</sup> March, 2016.

Date: 29-08-2016  
Place: Hyderabad

Sd/-  
S. Kishore Chandra  
Managing Director

**MGT-9**

ANNEXURE - IX

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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):									
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	-	176,14,586	62.22	17614586	-	17614586	62.22	No Change
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d)Bodies Corporate	-	-	-	-	-	-	-	-	-
e)Bank/FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	<b>17614586</b>	<b>-</b>	<b>176,14,586</b>	<b>62.22</b>	<b>17614586</b>	<b>-</b>	<b>176,14,586</b>	<b>62.22</b>	No Change
<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)= (A)(1)+(A)(2)</b>	<b>176,14,586</b>	<b>-</b>	<b>176,14,586</b>	<b>62.22</b>	<b>176,14,586</b>	<b>-</b>	<b>176,14,586</b>	<b>62.22</b>	No Change

<b>B) Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	-	-	-		-	-	-	-		-
b) Banks/FI's	1827353	-	1827353	6.46	1827353	-	1827353	6.46		No Change
c) Central Govt.	-	-	-		-	-	-	-		-
d) State Govt.	-	-	-		-	-	-	-		-
e) Ventrure Capital Funds	-	-	-		-	-	-	-		-
f) Insurance Companies	-	-	-		-	-	-	-		-
g) FII's	-	-	-		-	-	-	-		-
h) Foreiegn Venture Capital	-	-	-		-	-	-	-		-
i)Others (Specify)	-	-	-		-	-	-	-		-
<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>6.46</b>		No Change
<b>2. Non-Institutions</b>										
a) Bodies Corporate	441766	12,303	4,54,069	1.60	379321	12,303	3,91,624	1.38		0.22
i) Indian	-	-	-		-	-	-	-		-
ii) Overseas	-	-	-		-	-	-	-		-
b) Individuals	-	-	-		-	-	-	-		-
i) Individual Shareholders holding nominal share capital in upto of Rs. 1 Lakh	1510409	4,62,849	19,73,258	6.97	1513475	4,60,699	19,74,174	6.97		No Change
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	6030246	3,57,500	63,87,746	22.57	6092543	3,57,500	64,50,043	22.79		-0.98%
c) Others										-
Trusts	0	-	-	-	0	-	-	-		-
Clearing members	3774	-	3,774	0.01	3006	-	3,006	0.01		No Change
Non-Resident Indians	47184		47,184	0.17	47184		47,184	0.17		No Change
Directors Relatives	0		-	-	0		-	-		-
Employees	0		-	-	0		-	-		-
Corporate Bodies Overseas	0		-	-			-	-		-
<b>Sub-Total (B)(2):-</b>	<b>80,33,379</b>	<b>8,32,652</b>	<b>88,66,031</b>	<b>31.32</b>	<b>80,35,529</b>	<b>8,30,502</b>	<b>88,66,031</b>	<b>31.32</b>		No Change
<b>Total Public Shareholding</b>	<b>98,60,732</b>	<b>8,32,652</b>	<b>106,93,384</b>	<b>37.78</b>	<b>98,62,882</b>	<b>8,30,502</b>	<b>106,93,384</b>	<b>37.78</b>		No Change
<b>C. Shares held by Custodians for ADR's &amp; GDR's</b>	-	-	-		-	-	-	-		-
<b>Grand Total (A+B+C)</b>	<b>274,75,318</b>	<b>8,32,652</b>	<b>283,07,970</b>	<b>100.00</b>	<b>274,75,318</b>	<b>8,32,652</b>	<b>283,07,970</b>	<b>100.00</b>		No Change

<b>ii) Shareholding of Promoters:</b>								
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%	-
2	S Chandra Mohan - HUF	500000	1.77%	-	500000	1.77%	-	-
3	S Lakshmi Mohan	100000	0.35%	-	100000	0.35%	-	-
4	S R B Ramesh Chandra	4733927	16.72%	14.96%	4733927	16.72%	14.96%	-
5	S R B Ramesh Chandra - HUF	527325	1.86%	-	527325	1.86%	-	-
6	S Vimala Kumari	100000	0.35%	-	100000	0.35%	-	-
7	S Kishore Chandra	4733927	16.72%	14.96%	4733927	16.72%	14.96%	-
8	S Kishore Chandra - HUF	537462	1.90%	-	537462	1.90%	-	-
9	S Sasi Rekha	414548	1.46%	-	414548	1.46%	-	-
10	S Karthik Sharat Chandra	620200	2.19%	-	620200	2.19%	-	-
11	S Chatur Swaroop Chandra	383238	1.35%	-	383238	1.35%	-	-
12	S Dharani	136127	0.48%	-	136127	0.48%	-	-
13	S Deepathi Sunethri	88,905	0.31%	-	88,905	0.31%	-	-
	<b>Total</b>	<b>176,14,586</b>	<b>62.22%</b>	<b>-</b>	<b>176,14,586</b>	<b>62.22%</b>	<b>-</b>	<b>-</b>
<b>(iii) Change in Promoters' Shareholding ( No Change)</b>								
S.No.		Shareholding at the beginning of the year		Cumulative Shareholding at the ending of the year				
1		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company			
1	At the beginning of the year	No Change	No Change	No Change	No Change			
2	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	No Change	No Change	No Change	No Change			
3	At the end of the year	No Change	No Change	No Change	No Change			

<b>(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):</b>					
<b>1</b>	<b>Venkata Vasudev</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	3029599	10.70	3029599	<b>10.70</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	3029599	10.70	3029599	<b>10.70</b>
	<b>Total</b>				
<b>2</b>	<b>United Bank of India</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	899544	3.18	91757	<b>0.32</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	899544	3.18	91757	<b>0.32</b>
	<b>Total</b>				
<b>3</b>	<b>ICICI Bank</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	758769	2.68	77283	<b>0.27</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	758769	2.68	77283	<b>0.27</b>
	<b>Total</b>				
<b>4</b>	<b>Preeti Tammineedi</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	160000	0.57	160000	<b>0.57</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	160000	0.57	160000	<b>0.57</b>
	<b>Total</b>				

5	<b>Pratap Gupta Satrasala</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	139761	0.49	139761	0.49
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	139761	0.49	139761	0.49
	<b>Total</b>				
6	<b>Om Prakash Kovuri</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	151251	0.53	116251	0.41
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	151251	0.53	116251	0.41
	<b>Total</b>				
7	<b>Kasamasetty Ramprasad</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	127651	0.45	127651	0.45
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	127651	0.45	127651	0.45
	<b>Total</b>				
8	<b>P Srinivasa Rao</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	126282	0.45	136782	0.48
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	126282	0.45	136782	0.48
	<b>Total</b>				

9	<b>S Venkateswarlu</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	88000	0.31	88000	<b>0.31</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	88000	0.31	88000	<b>0.31</b>
	<b>Total</b>				
10	<b>MRKR Constructions Private Limited</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	85000	0.30	85000	<b>0.30</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	85000	0.30	85000	<b>0.30</b>
	<b>Total</b>				
11	<b>Nayudamma Yarlagadda</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	80000	0.28	80000	<b>0.28</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	80000	0.28	80000	<b>0.28</b>
	<b>Total</b>				
12	<b>JM Financial Asset Reconstruction Company Pvt. Ltd.</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
	At the beginning of the year	-	-	1658313	<b>5.86</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)	-	-	-	-
	At the end of the year	-	-	1658313	<b>5.86</b>
	<b>Total</b>				<b>51</b>

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>					
<b>S.No.</b>	<b>Shareholder's Name</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>	<b>No. of Shares</b>	<b>% of Total Shares of the Company</b>
1	<b>S Chandra Mohan</b>				
	At the beginning of the year	47,38,927	16.74	47,38,927	16.74
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)				
	At the end of the year	47,38,927	16.74	47,38,927	16.74
2	<b>S R B Ramesh Chandra</b>				
	At the beginning of the year	47,33,927	16.72	47,33,927	16.72
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)				
	At the end of the year	47,33,927	16.72	47,33,927	16.72
3	<b>S Kishore Chandra</b>				
	At the beginning of the year	47,33,927	16.72	47,33,927	16.72
	Date wise Increase / Decrease in Promoters Shareholding during the year (specifying the reasons for increase/decrease)				
	At the end of the year	47,33,927	16.72	47,33,927	16.72

<b>V. INDEBTNESS</b>					
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>					
	<b>Secured Loans excluding deposits (Rupees In lakhs)</b>	<b>Unsecured Loans (Rupees In lakhs)</b>	<b>Deposits (Rupees In lakhs)</b>	<b>Total Indebtedness (Rupees In lakhs)</b>	
<b>Indebtedness at the beginning of the financial year</b>	17895.04		1863.82		
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>	17895.04		1863.82	19758.86	
<b>Changes in Indebtedness during the year</b>					
Addition			213.65		
Redution	665.68				
Net Change	665.68		213.65		
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount		-	2077.47	452.03	
ii) Interest due but not paid		-			
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>	17229.36		2077.47	19306.83	
<b>VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:</b>					
<b>A. Remuneration to Managing Director, Whole-Time Director and/or Manager:</b>					
S.No.	Particulars of Remuneration	Name			Total Amount
		S Chandra Mohan	SRB Ramesh Chandra	S Kishore Chandra	
1	Gross salary	960000	960000	960000	2880000
	(a) Salary as per provisions contained in section				
	(b) Value of perquisites u/s 17(2) Income-tax				
	(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				
	<b>Total (A)</b>	<b>960000</b>	<b>960000</b>	<b>960000</b>	<b>2880000</b>
	<b>Ceiling as per the Act</b>	<b>960000</b>	<b>960000</b>	<b>960000</b>	<b>2880000</b>



<b>B. Remuneration to other Directors:</b>					
S.No.	Particulars of Remuneration	Name of Director			Total Amount
		S V Reddy	K R Chari	G Azad Babu	
1	Independent Directors	-	-	-	-
	•Fee for attending Board Committee Meetings	35000	15000	-	50000
	•Commission	-	-	-	-
	•Others	7000	3000	-	10000
	Total (1)	42000	18000	-	60000
2	Other Non-Executive Directors	-	-	-	-
	•Fee for attending Board Committee Meetings	-	-	10000	10000
	•Commission	-	-	-	-
	•Others	-	-	2000	2000
	<b>Total (2)</b>	-	-	12000	12000
	<b>Total (B)(1)+(2)</b>	-	-	-	-
	<b>Total Managerial Remuneration (A + B)</b>	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	144000
		-	-	-	-
<b>C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD</b>					
S.No.	Particulars of Remuneration	Name of Key Managerial Person			Total Amount
1	<b>Gross salary</b>	-	-	-	-
	(a) Salary as per provisions contained in section	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax	-	-	-	-
	(c) Profits in lieu of salary under section 17(3)	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity Shares</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	- as %	-	-	-	-
	-others	-	-	-	-
5	Others	-	-	-	-
	<b>Total</b>	-	-	-	-

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					

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

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

**A. CONSERVATION OF ENERGY:**

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

**B. TECHNOLOGY ABSORPTION:**

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

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

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

	2015-16	2014-15
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	

**CERTIFICATION BY MD / CFO OF THE COMPANY**

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

We, S. Kishore Chandra, Managing Director and Chief Financial Officer of Bheema Cements Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss, its notes to the accounts and Cash Flow Statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:

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

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

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

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

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

a) significant changes in internal control during the year;

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

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

Date: 29-08-2016  
Place: Hyderabad

Sd/-  
S. Kishore Chandra  
Managing Director

<b>FORM - A</b>		
<b>(See Rule - 2)</b>		
<b>FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY</b>		
	<b>For the Year ended 31.03.2016</b>	<b>For the Year ended 31.03.2015</b>
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a. Purchased	-	-
Units (Nos.)	-	-
Amount (Rs.)	-	-
Rate/Unit (Rs.)	-	-
b. Own Generation		
i) Through Diesel generator (Unit/Nos.)	-	-
Units per Ltr. Of Diesel Oil		
Cost/Unit (Rs.)	-	-
ii) Through Steam Turbine Generator Unit per Ltr. Of fuel Oil/Gas Cost/Unit (Rs.)	-	-
2. Fuel		
Coal used in Kiln	-	-
Quantity (MTs)	-	-
Total Cost (Rs.)	-	-
Average Rate (Rs.)	-	-
3. Furnace Oil	-	-
4. Others/Internal Generation	-	-
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Standard Production (with details)</b>	-	-
<b>Electricity (Units/Ton of Cement)</b>	-	-
<b>Coal (% on Clinker)</b>	-	-

**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				
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2016				
(Rs.in Lakhs)				
	Particulars	Note No	For the Year ended 31.03.2016	For the Year ended 31.03.2015
I	Revenue from operations (Net of Excise Duty)	16	-	-
II	Other Income	17	577.98	723.08
III	Total Revenue (I + II)		577.98	723.08
IV	Expenses			
	Cost of material consumed	18	-	-
	Changes in Inventory of Finished Goods & Work - In - Progress	19	-	-0.00
	Employees Benefit Expenses	20	310.84	725.75
	Finance Cost	21	148.30	127.11
	Depreciation and Amortization Expenses	22	-	-
	Other Expenses	23	267.88	1,753.72
	Total Expenses		727.02	2,606.58
V	Profit / (Loss) before Exceptional and Extraordinary items and tax (III - IV)		(149.05)	(1,883.50)
VI	Exceptional Items		-	-
VII	Profit / (Loss) before Extraordinary items and tax (V - VI)		(149.05)	(1,883.50)
VIII	Extraordinary Items		-	-
IX	Profit / (Loss) before tax (VII - VIII)		(149.05)	(1,883.50)
X	Tax Expenses			
	(1) Current Tax		-	-
	(2) Deferred Tax Liability / (Asset)		-	(196.09)
	(3) Earlier Year's Income Tax		-	-
XI	Profit (Loss) for the period from continuing operations (IX - X)		(149.05)	(2,079.59)
	Net Surplus / (Loss) brought forward from the Previous Year		(9,613.81)	(7,534.21)
	Net Surplus / (Loss) transferred to Balance sheet		(9,762.86)	(9,613.81)
XII	Earnings per Equity Share			
	(1) Basic			
	(2) Diluted			
	(Refer note of NOTE NO 25 -XI)			
	Significant Accounting Policies	25	(0.53)	(7.35)
	Notes to Accounts	26	(0.53)	(7.35)
	Significant Accounting Policies	X		
	Notes to Accounts	Y		
As per our Report attached. for A. RAMACHANDRA RAO & CO., Chartered Accountants ICAI FRN; 0028575			For and on Behalf of the Board Sd/- S.Chandra Mohan Executive Chairman	
Sd/- A.RAMACHANDRA RAO Partner Membership No.9750 Place : Hyderabad Date : 29-08-2016			Sd/- S Kishore Chandra Managing Director	
			Sd/- S Karthik Sarath Chandra JT. Managing Director	

NOTE NO "1"		(Rs.in Lakhs)		(Rs.in Lakhs)	
<b>SHARE CAPITAL</b>		<b>As at</b>		<b>As at</b>	
		<b>31-03-2016</b>		<b>31-03-2015</b>	
<b>AUTHORISED</b> 420,00,000 Equity Shares of Rs. 10/- each (Previous Year 420,00,000 Equity Shares of Rs.10/- each) 36,00,000 Preference Shares of Rs. 100/- each (Previous Year 36,00,000 Preference Shares of Rs. 100/- each)		4,200.00		4,200.00	
		3,600.00		3,600.00	
		<b>7,800.00</b>		<b>7,800.00</b>	
<b>ISSUED , SUBSCRIBED AND PAID UP EQUITY SHARES</b>					
283,07,970 (Previous Year 283,07,970) Equity Shares of Rs.10/- each. Of the above 1,41,80,617 (PY 1,41,80,617) equity shares of Rs.10/- each were allotted as fully paid-up by way of bonus shares by capitalising free reserves in earlier years; 18,27,353 (18,27,353) Equity Shares of Rs.10/- each with a premium of Rs.78/- each were allotted as fully paid -up against FITL as per CDR package, which have now been taken over by JM Financials (ARC) on assignment by the respective banks		<b>2,830.80</b>		<b>2,830.80</b>	
<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 which are now transferred in the name of JM Financial (ARC) after assignment by the respective banks		1,247.00		<b>1,247.00</b>	
<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 which are now transferred in the name of JM Financial (ARC) after assignment by the respective banks		1,492.56		<b>1,492.56</b>	
		<b>5,570.36</b>		<b>5,570.36</b>	
<b>(a). Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>		<b>31-03-2016</b>		<b>31-03-2015</b>	
<b>(i) Equity Shares:</b> No of shares at the beginning of the year Issued during the year <b>Outstanding at the end of the year</b>		283,07,970 - <b>283,07,970</b>		283,07,970 - <b>283,07,970</b>	
<b>(ii) 6% Cumulative Redeemable Preference Shares</b> No of shares at the beginning of the year Issued during the year <b>Outstanding at the end of the year</b>		12,47,000 - <b>12,47,000</b>		12,47,000 - <b>12,47,000</b>	
<b>(iii) 0% Cumulative Redeemable Preference Shares</b> No of shares at the beginning of the year Issued during the year <b>Outstanding at the end of the year</b>		14,92,559 - <b>14,92,559</b>		14,92,559 - <b>14,92,559</b>	
<b>(b). Details of Share Holders holding more than 5% shares in the company</b>		<b>31-03-2016</b>		<b>31-03-2015</b>	
		<b>No of Shares</b>	<b>% Holding in the Class</b>	<b>No of Shares</b>	<b>% Holding in the Class</b>
<b>(i) Equity</b> S. Chandra Mohan SRB Ramesh Chandra S Kishore Chandra Venkat Vasudev		47,38,927 47,33,927 47,33,927 30,29,599	16.74% 16.72% 16.72% 10.70%	47,38,927 47,33,927 47,33,927 17,28,266	16.74% 16.72% 16.72% 6.15%



JM Financial Asset Reconstruction Company Private Limited (JMFARC Pvt Ltd)	16,58,313	5.85%		
<b>(ii) 6% Cumulative Redeemable Preference Shares</b>				
JMFARC - Axis Bank Ltd	3,81,744	30.62%	3,81,744	30.62%
JMFARC - Karnataka Bank Ltd	3,27,147	26.23%	3,27,147	26.23%
JMFARC - State Bank of Hyderabad	5,38,109	43.15%	5,38,109	43.15%
<b>(iii) 0% Cumulative Redeemable Preference Shares</b>				
JMFARC - Axis Bank Ltd	4,38,890	31.50%	4,38,890	31.50%
JMFARC - Karnataka Bank Ltd	3,36,277	24.14%	3,36,277	24.14%
JMFARC - State Bank of Hyderabad	6,17,918	44.36%	6,17,918	44.36%

NOTE NO "2"		(Rs.in Lakhs)		(Rs.in Lakhs)
RESERVES & SURPLUS		As at		As at
		31-03-2016		31-03-2015
<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		2,529.49		480.00
Additions During the year		-		2,049.49
Deletions during the year		-		
Closing Balance		2,529.49		2,529.49
<b>Security Premium</b>				
Opening Balance		1,425.34		1,425.34
Additions During the year				-
Deletions during the year				
Closing Balance		1,425.34		1,425.34
<b>Mineral Capitalization Reserve (Refer Note 25.X)</b>				
As per last Balance Sheet	8,560.73		8,560.73	
Add: Capitalization during the period	-		-	
	<b>8,560.73</b>		<b>8,560.73</b>	
Less: Transferred to Profit & Loss Account		<b>8,560.73</b>		<b>8,560.73</b>
<b>General Reserve</b>				
As per last Balance Sheet	246.53		246.53	
Add: Amount transferred from Profit and Loss Account	-	<b>246.53</b>		246.53
<b>Profit &amp; Loss Account</b>		(9,762.86)	<b>(9,613.81)</b>	(9,613.81)
		<b>3,024.97</b>		<b>3,174.03</b>

NOTE NO "4" - LONG TERM BORROWINGS - Refer Note No. 25-III		(Rs.in Lakhs)		(Rs.in Lakhs)
SECURED		As at		As at
(a) TERM LOAN		31-03-2016		31-03-2015
From Banks (Refer Note 1 below)		12,634.10		13,313.94
<b>GRAND TOTAL</b>		<b>12,634.10</b>		<b>13,313.94</b>

**STATUS PRIOR TO TAKE OVER OF DUES BY ARC**

(1). Out of the Term Loans outstandings from banks, of Rs.16243.09 Lakhs 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 aforementioned term loans are secured by equitable mortgage by deposit of title deeds by creating First Pari-Passu charge on immovable properties and second Pari-Passu charge by hypothecation of all current assets both present and future subject to First Pari-Passu charge on current assets 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.

#### STATUS AFTER TAKE OVER OF DEBT ARC

Assignor Banks	RESTRUCTURED DEBT 1	RESTRUCTURED DEBT 2
	Amount in Lacs	Interest accrued up to 31.3.2016
JFMARC -Axis Bank Limited	2533	645
JFMARC - Karnataka Bank Limited	3123	795
JFMARC -ICICI Bank Ltd	1928	491
JFMARC -State Bank of Hyderabad	3004	765
JFMARC -United Bank of India	2917	742
JFMARC -Oriental Bank of Commerce	480	
<b>Total</b>	<b>13985</b>	<b>3438</b>
<b>Interest accrued on the term loans - Restructured Debt 1</b>	<b>1803</b>	
<b>Repayment Terms for Restructured Debt 1</b>		
<b>A. Interest Calculation and Payment</b>		
1. To carry interest at 15% on monthly compounding basis with effect from the cut off date till the date of payment		
2. Interest starting from the cut off dates upto 6 months of restructuring date shall accrue and accrued interest shall be payable along with the restructured debt		
3. From the 7th month of restructuring date, out of the total monthly interest of 15% p.a. 5% p.a. on the outstanding amounts of the restructured debt and accrued interest thereon shall be paid on monthly basis. Interest to be paid on the last working day of each respective month		
4. Balance interest 10% p.a. each month shall accrued and shall be added to the outstanding accumulated interest -1.		
5. Accumulated interest - 1 will also carry interest 15% p.a. on monthly compounding basis from the respective dates of accrual.		
<b>B. Repayment of Restructured Debt and Accumulated interest - 1</b>		
1. Repayable within 18 months of restructuring date by way of refinancing of debt or infusion of fresh funds or within next 6 months by induction of strategic investor or within further six months by taking action as stipulated in the sanction letter		
<b>Repayment Terms for Restructured Debt 2</b>		
<b>A. Interest Calculation and Payment</b>		
1. To carry interest at 15% on monthly compounding basis with effect from the cut off date till the date of payment		
2. Interest shall accrue (accumulated interest - 2) and shall be payable along with Restructured Debt 2		
<b>B. Repayment of Restructured Debt and Accumulated interest - 2</b>		
1. Restructured Debt - 2 and Accumulated Interest - 2 to be payable on or before February 29, 2020		
2. The Entire restructured debt - 2 and accumulated interest - 2 to be waived off if the Restructured Debt -1 and accumulated interest - 1 are paid as per the terms envisaged in the sanction letter.		
<b>CONVERSION TO EQUITY</b>		
Only if the Working Capital Additional Loan is availed, then part of the financial assistance shall be converted into equity and allotted to JFMARC to the extent of 20.14% of the post conversion equity share capital of the Company		
As of the balance sheet date, the restructuring agreement between JFMARC and the company has not been signed and hence no instalments have become due.		

2. Finance leases are secured by hypothecation of specific assets.

3. Details of instalments over due on term loans

Name of the Bank	Principal Due	Due Period
<b>Term Loan Capacity Expansion</b>		
JMFARC - ICICI Bank	543.25	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15 & 2015-16
JMFARC - State Bank of Hyderabad	879.68	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14 and FY 2014-15 & 2015-16
JMFARC - United Bank of India	692.20	
<b>Total</b>	<b>2,115.13</b>	
<b>Additional Term Loans</b>		

Corporation Bank	77.90	QE Dec'13, QE Mar'14, FY 2014-15 & 2015-16
JMFARC - ICICI Bank	108.75	QE Sept'13, QE Dec'13, QE Mar'14, and FY 2014-15 & 2015-16
JMFARC - Oriental Bank of Commerce	15.58	QE Dec'13, QE Mar'14, FY 2014-15 & 2015-16
JMFARC - State Bank of Hyderabad	178.27	QE Jun'13, QE Sept'13, QE Dec'13, QE Mar'14 and FY 2014-15 & 2015-16
JMFARC - United Bank of India	147.20	
<b>Total</b>	<b>527.70</b>	
<b>Grand Total</b>	<b>2,642.83</b>	

NOTE NO "5" - OTHER LONG TERM LIABILITIES		(Rs.in Lakhs)	(Rs.in Lakhs)
		As at	As at
		31-03-2016	31-03-2015
<b>UNSECURED LOANS</b>			
From Promoters & Associates			-
Security Deposits from Dealers, Contractors & Others	2,077.47		1,863.82
	<b>2,077.47</b>		<b>1,863.82</b>

NOTE NO "6" - LONG TERM PROVISIONS		(Rs.in Lakhs)	(Rs.in Lakhs)
		As at	As at
		31-03-2016	31-03-2015
a. Provision for Gratuity		-	-
b. Provision for Leave Encashment	25.19		25.19
<b>TOTAL</b>	<b>25.19</b>		<b>25.19</b>

NOTE NO "7" - SHORT TERM BORROWINGS		(Rs.in Lakhs)	(Rs.in Lakhs)
		As at	As at
		31-03-2016	31-03-2015
<b>Loans Payable on Demand (Secured)</b>			
JMFARC - Axis Bank Limited	130.78		130.78
JMFARC - Corporation Bank	2,026.72		2,026.72
JMFARC -Karnataka Bank Ltd	1,297.17		1,297.17
JMFARC - Oriental Bank of Commerce	1,126.43		1,126.43
From Banks	<b>4,581.10</b>		<b>4,581.10</b>

Cash Credits from the aforementioned banks is secured by First Pari-Passu charge on Current Assets and Second Pari-Passu charge on Fixed Assets of the Company, and is guaranteed by promoter directors in their individual capacities and also by pledge of 1,27,01,781 shares belonging to promoters as an additional security.

NOTE NO "8" - TRADE PAYABLES		(Rs.in Lakhs)	(Rs.in Lakhs)
		As at	As at
		31-03-2016	31-03-2015
a. For Materials	4,417.06		4,718.32
	<b>4,417.06</b>		<b>4,718.32</b>

NOTE NO "9" - OTHER CURRENT LIABILITIES		(Rs.in Lakhs)	(Rs.in Lakhs)
		As at	As at
		31-03-2016	31-03-2015
(a) Current Maturities of Long Term Debt	3,542.89		2,642.83
(b) Current Maturities of finance lease obligation			
(i) From Banks			
(ii) From Others	-	2.06	2.06
(c) For Expenses	1,730.35		1,763.66
(d) For Other Payables	6,742.89		6,596.19
<b>TOTAL</b>	<b>12,016.12</b>		<b>11,004.74</b>

**BHEEMA CEMENTS LTD**

SI.No	PARTICULARS	GROSS BLOCK (AT COST)				FIXED ASSETS		DEPRECIATION		For the year		Adjustment year		NET BLOCK		(Rs.in Lakhs)	
		As at 01.04.2015	Additions During the year 01.04.2015	Sales Adj During the year 01.04.2015	As at 31-03-2016	As at 31-03-2016	As at 01.04.15	As at 31-03-2016	01.04.2015	31-03-2016	As at 31-03-2016	As at 31-03-2016	As at 31-03-2016	As at 31-03-2016	As at 31-03-2016	As at 31-03-2016	As at 31-03-2016
			31-03-2016	31-03-2016					Refer Note No. 25 - V								
	<b>TANGIBLE ASSETS</b>																
1	LAND	475.30			475.30			-				-		475.30			475.30
2a	BUILDINGS-FACTORY	2,752.28	0.00		2,752.28			338.91				-		2,413.37			2,413.37
3	PLANT & MACHINERY	33,266.14		31.43	33,234.72			2,829.22				5.90		30,411.39			30,436.92
4	ELECTRICAL INSTALLATION	2,596.05	0.00		2,596.05			300.05				-		2,296.01			2,296.02
5a	FURNITURE & FIXTURES	323.69	2.56	4.71	321.53			183.51				0.72		138.75			140.19
6	LABORATORY EQUIPMENT	89.93	0.00	-	89.93			21.76				-		68.16			68.16
7	VEHICLES	232.89		23.06	209.83			105.12				6.38		111.09			127.78
8	MINING DEPOSITS - Refer Note No. 25-VII	10,725.59	-	-	10,725.59			4,071.57				-		6,654.02			6,654.02
	<b>SUB TOTAL - I</b>	<b>50,461.87</b>	<b>2.56</b>	<b>59.20</b>	<b>50,405.23</b>			<b>7,850.13</b>				<b>13.00</b>		<b>42,568.10</b>			<b>42,611.76</b>
	<b>INTANGIBLE ASSETS</b>																
1	MINING LEASE RIGHTS - Refer Note No. 25-VII	2,933.41	-	-	2,933.41			1,026.69				-		1,906.72			1,906.72
	<b>SUB TOTAL - II</b>	<b>2,933.41</b>	<b>-</b>	<b>-</b>	<b>2,933.41</b>			<b>1,026.69</b>				<b>-</b>		<b>1,906.72</b>			<b>1,906.72</b>
	<b>TOTAL</b>	<b>53,395.28</b>	<b>2.56</b>	<b>59.20</b>	<b>53,338.64</b>			<b>8,876.82</b>				<b>13.00</b>		<b>44,474.81</b>			<b>44,518.48</b>

NOTE NO "11"	(Rs.in Lakhs)		(Rs.in Lakhs)
<b>INVENTORIES</b>	<b>As at</b>		<b>As at</b>
	<b>31-03-2016</b>		<b>31-03-2015</b>
<b>(Valued and Certified by Management)</b>			
a) Raw Materials	180.22		180.22
b) Work-in-Process	3.75		3.75
c) Finished Goods	15.71		15.71
d) Stores, Spares and Consumables	230.39		231.96
<b>TOTAL</b>	<b>430.08</b>		<b>431.64</b>

NOTE NO "12"	(Rs.in Lakhs)		(Rs.in Lakhs)
<b>TRADE RECEIVABLES</b>	<b>As at</b>		<b>As at</b>
	<b>31-03-2016</b>		<b>31-03-2015</b>
<b>(Unsecured, Considered good)</b> <b>(Receivables recoverable in cash or for value to be received)</b>			
Out standing for over six months from due date			
Doubtful	1,573.85		1,573.85
Considered Good	750.48		750.11
Other Debts	-		-
Less: Provision for doubtful debts	1,573.85		1,573.85
<b>TOTAL</b>	<b>750.48</b>		<b>750.11</b>

NOTE NO "13"	(Rs.in Lakhs)		(Rs.in Lakhs)
<b>CASH AND CASH EQUIVALENTS</b>	<b>As at</b>		<b>As at</b>
	<b>31-03-2016</b>		<b>31-03-2015</b>
Cash Balance on Hand	0.37		1.12
Balance With Banks			
i) In Current Accounts	14.28		87.15
ii) Earmarked Balances with Banks	10.45		60.24
iii) In Fixed Deposit Accounts With Banks	0.68		32.85
<b>TOTAL</b>	<b>25.79</b>		<b>181.36</b>
Earmarked Balances of Rs. 10.45 Lacs with Banks represent the Balances held with Banks towards unclaimed dividends, gratuity etc. and are subject to confirmation and reconciliation.			
Fixed Deposit with Banks represents Deposits as margin money against BGs Rs. 0.68 Lacs 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.			

NOTE NO "14"	(Rs.in Lakhs)		(Rs.in Lakhs)
<b>SHORT TERM LOANS &amp; ADVANCES</b>	<b>As at</b>		<b>As at</b>
	<b>31-03-2016</b>		<b>31-03-2015</b>
<b>LOANS AND ADVANCES</b> <b>(Unsecured, Considered good)</b> <b>(Advances recoverable in cash or kind for value to be received)</b>			
a) Advances For Materials etc.,	132.45		132.44
b) Advances For Capital Goods	24.54		24.54
c) Advances For Others	711.87		614.61
d) Balance with Central Excise	408.32		408.32
e) Earnest Money Deposits	7.40		7.40
f) Deposits	455.65		452.65
g) Provision for Doubtful Advances	220.00		220.00
	<b>1,520.22</b>		<b>1,419.96</b>

NOTE NO "15"	(Rs.in Lakhs)		(Rs.in Lakhs)
<b>OTHER CURRENT ASSETS</b>	<b>As at</b>		<b>As at</b>
	<b>31-03-2016</b>		<b>31-03-2015</b>
Interest receivable	0.55		1.61

NOTE NO "16"	(Rs.in Lakhs)		(Rs.in Lakhs)
<b>SALES</b>	<b>For the year ended</b>		<b>For the year ended</b>

	31-03-2016	31-03-2015
Sale of Cement	-	-
Sale of Clinker	-	-
Others	-	-
<b>Total</b>	-	-
Less: Excise Duty	-	-
<b>Net Total</b>	-	-

NOTE NO "17"	(Rs.in Lakhs)	(Rs.in Lakhs)
OTHER INCOME	For the year ended 31-03-2016	For the year ended 31-03-2015
Sale of Scrap	-	-
Interest received	0.34	2.83
Excess Working Capital Term Loans reversed	-	688.22
Excess deferred tax liability of earlier years written back	196.09	-
Excess power bills of earlier years written back	381.55	-
Miscellaneous income	-	32.03
<b>Total</b>	<b>577.98</b>	<b>723.08</b>

NOTE NO "18"	(Rs.in Lakhs)	(Rs.in Lakhs)
COST OF MATERIAL CONSUMED	For the year ended 31-03-2016	For the year ended 31-03-2015
Consumption of Raw Materials	-	-
Consumption of Stores & Spares	-	-
Consumption of Packing Material	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

NOTE NO "19"	(Rs.in Lakhs)	(Rs.in Lakhs)
INCREASE/(DECREASE) IN STOCKS	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>(a) Work in Process :</b>		
Opening Stock	3.75	3.75
Closing Stock	3.75	3.75
		-
<b>(b) Finished Goods :</b>		
Opening Stock	15.71	15.71
Closing Stock	15.71	15.71
	0.00	0.00
	0.00	0.00

NOTE NO "20"	(Rs.in Lakhs)	(Rs.in Lakhs)
EMPLOYEES' BENEFIT EXPENSES	For the year ended 31-03-2016	For the year ended 31-03-2015
Salaries, Wages & Bonus	258.95	688.08
Contribution To Provident Fund	23.49	28.93
Contribution To ESI	2.27	2.90
Gratuity	-	-
Workmen & Staff Welfare Expenses	26.13	5.84
<b>Total</b>	<b>310.84</b>	<b>725.75</b>

NOTE NO "21"	(Rs.in Lakhs)	(Rs.in Lakhs)
FINANCE COST	For the year ended 31-03-2016	For the year ended 31-03-2015
Interest On Working Capital	-	21.14
Interest On Term Loan	-	-
Other Finance Charges	148.30	105.97
<b>Total</b>	<b>148.30</b>	<b>127.11</b>

NOTE NO "22"	(Rs.in Lakhs)	(Rs.in Lakhs)
DEPRECIATION AND AMORTIZATION EXPENSES	For the	For the

		year ended 31-03-2016		year ended 31-03-2015
<b>Depreciation</b>				
Gross Amount as per Note No - 10		-		-
Less: Transfer from Mining Revaluation Reserve				-
		-		-

NOTE NO "23"		(Rs.in Lakhs)		(Rs.in Lakhs)
OTHER EXPENSES		For the year ended 31-03-2016		For the year ended 31-03-2015
<b>Manufacturing Expenses</b>				
Power Consumed	103.92		761.40	
Coal Consumed	-	103.92	-	761.40
<b>Repairs &amp; Maintenance</b>				
Machinery	6.02		24.83	
Buildings	0.22		0.98	
Other Fixed Assets	1.53	7.77	1.71	27.52
<b>Administrative Expenses</b>				
Rent	32.51		44.06	
Rates & Taxes	1.98		1.96	
Insurance	0.19		0.27	
Bank Charges	1.91		9.91	
Miscellaneous Expenses	85.38		139.58	
Directors Sitting Fees	0.72		0.24	
Cost Audit Fee	0.30		0.84	
Loss on Sale of Fixed Assets	11.04		49.03	
<b>Auditor's Remuneration:</b>				
Statutory Audit Fee	5.62		5.62	
		139.64	-	251.51
<b>Sales Expenses</b>				
Provision for doubtful debts	-		690.00	
Other Sales Expenses	16.54		23.28	
	-	16.54	-	713.29
<b>Total</b>		<b>267.88</b>		<b>1,753.72</b>

#### NOTE NO "24"

#### SIGNIFICANT ACCOUNTING POLICIES:

##### I. BASIS OF PREPARATION:

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles and generally accepted in India and comply with mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 2013, except in respect of mineral deposits and rights which are recorded at estimated realizable value.

##### II. USE OF ESTIMATES:

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

##### III. FIXED ASSETS:

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

Depreciation on fixed assets other than those mentioned hereunder 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. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

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

**XI. DEFERRED INCOME TAXES:**

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

**NOTE NO "25"**

**NOTES TO ACCOUNTS**

**I. Contingent Liabilities not provided for:**

- a) Bank guarantees given for Rs. NIL Lacs (Previous Year Rs. 118.56 Lacs)
- b) Estimated Amount of Contracts remaining to be executed on capital account and not provided for Rs.25Lacs (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 Lacs)
  - In respect of Customs Duty matters Rs. 50 .48 Lacs (Previous Year Rs 50 .48 Lacs)
  - In respect of Income Tax Matters Rs. 31 .56 Lacs (Previous Year Rs. 31 .56 Lacs)
- d) Arrears of fixed cumulative Dividend Rs .323 .14 Lacs (Previous Year Rs. 248 .32 Lacs)

**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 past two financial years, the operations of the company have been affected on account of non-availability of working capital and the suspension of operations since March, 2014. During the year, the company was informed by all the Banks (except Corporation Bank) that the debts of the Company due to the banks have been assigned to JM Financial Asset Reconstruction Company Private Limited (hereinafter called as "ARC: under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act)). Subsequently the Company has, on 9<sup>th</sup> March 2016, received an in principle sanction from the ARC detailing the terms of repayment of the debts taken over by ARC and also terms & conditions for sanction of fresh loan for working capital purposes.

However, subsequent to the balance sheet, in June 2016, the Company was informed by the ARC that sanction letter issued by the ARC in March, 2016 stands withdrawn due to non-compliance of some of the sanction conditions, delay. Subsequent to this, the Company is in active discussions with the ARC so that the letter of sanction issued in March 2016 is revised and implemented.

The withdrawal of the sanction letter by the ARC has an effect on the Going Concern Status of the Company. However, the accounts have been prepared on Going Concern basis, as the Company is actively pursuing with the ARC, along with other investors and is confident that the

letter of sanction issued in March 2016 will be revised and implemented. Further the Management is making efforts to raise additional and alternative funds. It is also in advanced stage of negotiations for joint venture opportunities and other investors with a view to raise working capital for revival of the Company and also as an alternative, for a total loan takeover from JFMARC. It is hopeful that all these efforts would be successful during the subsequent year. Further also it is of the opinion that all the assets of the company have a realizable value at least to the extent reflected in the accounts of account and that the company will be able to meet its liabilities. In these circumstances the accounts have been prepared on Going Concern Basis.

### **III. NON PROVISION OF INTEREST ON TERM LOANS**

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

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

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

Despite the withdrawal of the sanction letter of March 2016 by the ARC, the Company has not affected changes in the accounts for the effect of the assignment of the debts to ARC and has not restated the term loans to the value accepted in the Sanction letter issued by ARC. Since the Company is actively pursuing for revival of the sanction letter, such adjustments will be made after the revival of the sanction letter is obtained. The amount of such interest not provided in the accounts works out to Rs. 1803 Lacs.

### **IV. NON PROVISION / REVERSAL OF DEFERRED TAX LIABILITY**

In the facts and circumstances of the company that the company has not carried on any business during the last two years read with the provisions of the income-tax act, 1961, in the opinion of the management the provision for deferred tax need not be made for the current financial year and for previous financial year. Consequently no provision for deferred tax is made for the current financial year and the provision made for deferred tax for previous financial year has been reversed during the current financial year. The amount so reversed is Rs.196.19 lakhs and has been accounted under other income.

### **V. REVERSAL OF POWER CHARGES FOR THE PERIOD APRIL 2014 TO SEPTEMBER 2014**

The Power connection of the Company was disconnected in the month of March 2014 and thereafter the Company has not used nor purchased any power from South Power Distribution Company of Telangana Limited (hereinafter called "DISCOM") thereafter. However, the DISCOM has charged power charges on the Company on minimum charges basis for the period April 2014 to September 2014. Thereafter the DISCOM has stopped raising the bills as the Company was not using any power.

The Company has represented to the DISCOM to withdraw the bills raised for the period April 2014 to September 2014 (being the minimum usage charges) and the Company expects a favourable waiver from the DISCOM. In anticipation of a favourable waiver from the DISCOM, the Company has reversed an amount of Rs. 381.55 Lacs being the power charges booked for the months April 2014 to September 2014. The amount so reversed has been accounted as other income.

**VI. NON PROVISION OF SALARIES**

The Company has not been carrying any activities for more than two years. However, some employees and workers are still on the payrolls of the Company. The company is negotiating with employees and workers for settlement of dues at amounts lower than the liability accounted. The Company has made provision for the salaries payable to them on an estimated basis assuming that the basic salaries & statutory provisions will be paid of the contracted amount. The amount not so provided is Rs. 253.30 Lacs.

**VII. CONFIRMATION OF BALANCES**

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

**VIII. 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 so provided is Rs.1442.90 (Rs. 1435.74) Lacs based on the estimated useful life as per the policy of the company as explained herein above.

**IX. 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.

**X. 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.2,933.41Lacs on account of Mining Rights totaling to Rs.13,659.00Lacs. 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.

**XI. 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. 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.

## XII. RELATED PARTY TRANSACTIONS

The Company has no related parties other than the key management personnel and relatives of such personnel in terms of Accounting Standard 18, in respect of the related party disclosure. The company provided for remuneration to the Chairman, Managing Director, and Whole Time Director among the key management personnel of Rs.9.6 Lacs each (Previous Year of Rs. 24.00 Lacs each) respectively as against Rs. 24.00 Lacs per annum each, approved by the shareholders. In addition, the Company has provided Rs.0.72Lacs (Previous Year Rs.0.24 Lacs) as Directors Sitting fee to all the Directors.

Further, the Company has provided for remuneration during the year of Rs. 9.60 Lacs and Rs. 2.64 Lacs to two relatives of Key Management Personnel.

## XIII. TAXATION

### a. Current Year Taxation

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

### b. Minimum Alternate Tax (MAT)

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

### c. Deferred Taxation

Deferred Tax Liability included in the Balance Sheet Comprises the following

S.No	Particulars	As at	As at
		31.03.2016	31.03.2015
		(Rs in Lacs)	(Rs in Lacs)
<b>A</b>	<b>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</b>	<b>Deferred Tax Liabilities</b>		
	Opening Balance	3059.74	
	Fixed Assets	-196.09	3059.74
	Leave Encashment**	0.00	0.00
<b>C</b>	<b>Deferred Tax Liability (Net) (A-B)</b>	<b>2863.65</b>	<b>3059.74</b>

## XIV. EARNINGS PER SHARE:

The computation of Earnings per Share is set out below:

		2015-16	2014-15
(a)	Earnings (Amount in Rupees Lacs)	-(149.05)	-(2079.61)
(b)	<b>Weighted average number of equity shares</b>		
	Outstanding during the year	2,83,07,970	2,83,07,970

(c)	<b>Weighted average number of equity shares</b>		
	Outstanding during the year- Diluted	2,83,07,970	2,83,07,970
	<b>Earning per share</b>		
	Basic (face value of Rs.10/-)(Rs)	(0.53)	(7.35)
	Diluted ( Face value of Rs.10/-)	(0.53)	(7.35)

## XV. MANAGERIAL REMUNERATION

Particulars	Rupees in Lacs	
	2015-16	2014-15
Chairman	9.60	24.00
Managing Director	9.60	24.00
Whole Time Director	9.60	24.00
<b>Total</b>	<b>28.80</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) and after taking into account the decision not to provide salaries as per contracts.

## XVI. 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.

XVII. 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.

## XVIII. REALIZATION OF ASSETS

The Management of 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.

## XIX. Actuarial valuation of Gratuity and Leave Encashment

The actuarial valuation for Gratuity and leave encashment for the year 2015-16 could not be obtained and hence the liability for the same could not be estimated and provided for in accounts.

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

XXI. The Company has disposed of used assets, which are subject to charge, with gross block value of Rs. 52.9 Lacs during the year to overcome cash flow requirements.

## XXII. Raw Materials consumed during the year NIL (PY NIL)

## XIV. Foreign Exchange transactions - During the year NIL (PY NIL)

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

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.

<b>BHEEMA CEMENTS LIMITED</b>		
<b>CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2016</b>		
	<b>For The Period Ended 31.03.2016 (Rs. In Lakhs)</b>	<b>For The Year Ended 31.03.2015 (Rs. In Lakhs)</b>
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Exceptional and Extraordinary items and tax	(149.05)	(1,883.51)
<b>Extraordinary items adjusted for:</b>		
Interest	148.30	127.11
Depreciation	-	-
Earlier Year's Income Tax	-	-
(Profit) / Loss on sale of Fixed Assets & Investments	11.04	49.03
<b>Operating Profit before Working Capital changes</b>	<b>10.29</b>	<b>-1,707.38</b>
Adjusted for:		
(Increase) / Dec. in Inventories	1.56	(6.13)
(Increase) / Dec. in Trade Receivables	(0.37)	760.93
(Increase) / Dec. in Short Term Loans and Advances	(100.26)	(17.44)
(Increase) / Dec. in Other Current Assets	1.06	23.14
Increase / (Dec.) in Current Liabilities	710.13	1,120.80
<b>Cash Generated from Operations</b>	<b>622.41</b>	<b>173.92</b>
less : Interest on Working Capital, term loan and others	148.30	127.11
less : Provision for Taxation	-	-
less : Provision for proposed dividend and tax	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>474.11</b>	<b>46.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2.56)	-0.64
Sale of Fixed Assets & Investments	35.16	35.27
<b>Net Cash Flow from Investing Activities</b>	<b>32.60</b>	<b>34.63</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Forfeiture of Share Application Money-Convertible Warrants	-	-
Proceeds from Equity Deposit / Share Capital / Security Premium	-	-
<b>Inc. / (Dec.) in Long Term Borrowings</b>	<b>(679.84)</b>	<b>(274.28)</b>
Inc. / (Dec.) in Other Long Term Liabilities	213.65	133.02
Inc. / (Dec.) in Long Term Provisions	0.00	0.36
<b>Net Cash Flow from Financing Activities</b>	<b>(466.19)</b>	<b>(140.90)</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>40.52</b>	<b>(59.46)</b>
Cash and Cash Equivalents as at the commencement of the year	181.36	240.82
<b>Cash and Cash Equivalents as at the close of the year</b>	<b>221.88</b>	<b>181.36</b>

Cash Balance on Hand	0.37	1.12
Balance With Banks		
i) In Current Accounts	14.28	87.15
ii) Earmarked Balances with Banks	10.45	60.24
iii) In Fixed Deposit Accounts With Banks	0.68	32.85
	<b>25.79</b>	<b>181.36</b>

<p>As per our Report attached. for A. RAMACHANDRA RAO &amp; CO., Chartered Accountants ICAI FRN; 0028575</p> <p style="text-align: center;">Sd/- A.RAMACHANDRA RAO Partner Membership No.9750 Place : Hyderabad Date : 29-08-2016</p>	<p>For and on Behalf of the Board Sd/- S.Chandra Mohan Executive Chairman</p> <p style="text-align: center;">Sd/- S Kishore Chandra Managing Director</p> <p style="text-align: center;">Sd/- S Karthik Sarath Chandra JT. Managing Director</p>
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**BHEEMA CEMENTS LTD**  
Registered Office: 6-3-652/C/A, Flat 5A, 'Kautilya' Amrutha Estates,  
Somajiguda, Hyderabad - 500 082  
**THIRTY SEVENTH 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 Seventh Annual General Meeting of the Company, the 28th Day of September 2016 at 09:00 AM, 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:

Signature of the Shareholder / Proxy

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

**BHEEMA CEMENTS LTD**  
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**THIRTY SEVENTH 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 Seventh Annual General Meeting of the Company, the 28th day of September 2016 at 09:00 AM, 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, 2016, along with the reports of the board of directors and auditors thereon.		
2	To Re-Appoint Sri S Kishore Chandra (DIN 00974625) as a director, who retires by rotation, and being eligible offers himself for Re-Appointment		
3	To ratify the continuation of the statutory auditors m/s. A. Ramachandra rao & co., chartered accountants are eligible for continuing appointment and if thought fit, to pass with or without modification (s)		
	<b>Special Business</b>		
4	Appointment of Sri S Kishore Chandra (DIN: 00974625) as the Managing Director of the company.		
5	Appointment of Sri S Karthik Sarath Chandra (DIN: 07337078) as Whole-Time Director, designated as the Joint Managing Director And Chief Executive Officer of the company		
6	Appointment of Smt. Ameeta Trehan (DIN: 07087510) as Independent Woman Director of the company in terms of section 149 of the Companies Act, 2013		
7	Appointment Of Sri Majety Hari Sekhara Purna Prasad (Din: 06468571) As Independent Director of the company in terms of section 149 of the Companies Act, 2013		
8	To ratify the remuneration payable to cost auditors, Asutosh & Associates., Cost Accountants for the financial year 2016-17		

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



## Printed Matter

To

If undelivered, please return to:



No. 6-3-652/C/A, Flat 5A, "KAUTILYA", Amrutha Estates, Beside Medinova,  
Somajiguda, Hyderabad - 500082