



HEMADRI CEMENTS LIMITED

**37th Annual Report
2018-2019**

HEMADRI CEMENTS LIMITED FIVE YEARS' FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Parameters/Year	2018-19	2017-18	2016-17	2015-16	2014-15
OPERATING RESULTS					
Net Sales	7541.70	8461.90	8542.13	9,204.53	8,452.27
Profit Before Tax	67.67	91.23	774.39	1,049.96	1,005.30
Profit After Tax	102.80	48.74	102.57	650.40	681.00
Net Cash Accrual	97.09	765.58	872.58	552.28	558.45
Dividend [incl. Div. Tax]	Nil	Nil	Nil	Nil	Nil
SOURCES & APPLICATION OF FUNDS					
SOURCE OF FUNDS					
Equity Share Capital	667.00	667.00	667.00	667.00	667.00
Reserves & Surplus	4113.93	4017.74	3860.15	3,209.75	2,528.75
Profit and Loss Account	96.20	55.01	102.57	650.40	681.00
Net Worth	4780.93	4684.74	4,629.72	4,527.14	3,876.75
Loan Funds	Nil	Nil	Nil	Nil	Nil
Deferred Tax Liability [Net]	5.99	51.42	31.81	58.22	40.66
APPLICATION OF FUNDS					
Fixed Assets: Net [Incl. WIP]	1013.94	1054.98	1106.82	845.97	834.59
Investments	60.00	60.00	60.00	60.00	60.00
Net Current Assets	798.41	1539.96	1545.76	1,567.44	984.27
Net Assets	1872.35	2654.94	2,712.58	2,473.41	1,878.86
RATIOS					
PBT to Sales (%)	0.90	1.08	9.07	11.41	11.89
PAT to Sales (%)	1.36	0.58	1.20	7.07	8.06
Earning per share	1.44	0.82	1.54	9.75	10.21

BOARD OF DIRECTORS

SHRI P. RAVI
SHRI S. VIVEKANANDAN MURUGAN
SHRI GOPALSAMY RAJAN
SHRI DBN RAO
SHRI B. RAMACHANDRA RAO
SHRI RA.NADESAN
SMT R. ANANDA PRIYA

CHAIRMAN
DIRECTOR & CEO
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR

AUDIT COMMITTEE

SHRI B. RAMACHANDRA RAO
SHRI RA.NADESAN
SHRI GOPALSAMY RAJAN

COMPANY SECRETARY

SMT HEMA PASUPATHEESWARAN

AUDITOR

M/s B.Purushottam & Co.
Chartered Accountants
3A, Pioneer Homes III Floor
23A, North Boag Road
Chennai - 600 017

BANKER

Axis Bank

ADMINISTRATIVE OFFICE

No.3, Veerasamy Street,
West Mambalam, Chennai 600 033.
044 - 4390 7067

REGD. OFFICE & FACTORY

Vedadri Village - 521 457
Jaggayyapet Mandal
Krishna District, Andhra Pradesh.
Phone : (08678) 284538

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NOTICE TO THE SHAREHOLDERS

Please take Notice that the 37th Annual General Meeting of the Members of HEMADRI CEMENTS LIMITED is scheduled to be held on Friday, the 27th day of September 2019 at 2.30 pm., at Vedadri Village, Jaggayapet Mandel, Krishna District, A.P. State to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, the Directors' Report and Auditor's Report thereon.
2. To appoint a director in the place of Shri P.Ravi (DIN 0675665) who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a director in the place of Shri S.Vivekanandan Murugan (DIN: 05223790), who retires by rotation and being eligible, offers himself for reappointment
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. B. Purushottam & Co., Chartered Accountants with Firm Registration No.002808S), the existing Auditor of the company be and is hereby re-appointed for a second term as the Statutory Auditor of the Company, to hold the office from the conclusion of this (37th) Annual General Meeting till the conclusion of the 42nd Annual General Meeting of the Company, at a remuneration of Rs.4,50,000/- per annum, plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

Special Business:

5. Re-appointment of Mr. P.Ravi as Whole Time Director
To consider and if thought fit, to pass the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and Articles of Association and other necessary approvals as may deem necessary, consent of the members of the Company be and is hereby accorded for re-appointment of Sri P.Ravi (DIN 00675665) as Director liable to retire by rotation and Whole Time Director of the Company for a period of 3 years from the conclusion of this AGM till the

conclusion of the AGM to be held in 2022, on payment of remuneration of Rs. 10,00,000 (Rupees Ten Lakhs Only) per month. The salary is consolidated and is inclusive of perquisites and is as approved by the Nomination and Remuneration Committee at its meeting held on 21.05.2019.

RESOLVED FURTHER THAT the remuneration stated above is payable irrespective of the fact that the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013 and is within the limits laid down under the said provisions.

6. Re-appointment of Mr.Gopalsamy Rajan as Independent Director of the Company
To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr.Gopalsamy Rajan (DIN 02348441) Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of 5 (five) consecutive years with effect from 27th September 2019 till the conclusion of the 42nd AGM of the Company”

7. Re-appointment of Mr. Badri Narayan Rao Dabir as Independent Director of the Company
To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr.Badri Narayan Rao Dabir (DIN 01180539) Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of 5 (five) consecutive years with effect from 27th September 2019 till the conclusion of the 42nd AGM of the Company”

8. Re-appointment of Mr.Ramachandra Rao Bollepalli as Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr.Ramachandra Rao Bollepalli (DIN 00637389) Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of 5 (five) consecutive years with effect from 27th September 2019 till the conclusion of the 42nd AGM of the Company”

**By Order of the Board
For HEMADRI CEMENTS LIMITED**

Place : Chennai
Date : 21th May 2019

Hema Pasupatheeswaran
Company Secretary

NOTES:

- (1) A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll on his behalf and the proxy need not be a member of the Company.
- (2) The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- (4) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (5) Members are requested to bring their attendance slip along with their copy of Annual Report to the Company, duly completed and signed. Attendance Slip shall be handed over at the entrance of the meeting venue.
- (6) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (7) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- (8) Members seeking any information with regard to the Accounts, are requested to write to the Company at least 7 working days prior to the date of the meeting to “cs@hemadricements.com” so as to enable the Management to keep the information ready at the meeting.
- (9) Additional information on Directors retiring by rotation and eligible for being re-appointed as required by SEBI (LODR) Regulations and SS-2 of ICSI is given in the Directors' Report, forming part of this Annual Report.
- (10) The respective Explanatory statements, pursuant to section 102 of the Companies Act, 2013, in respect of the business item nos 5, 6, 7 & 8 of the accompanying notice is annexed hereto
- (11) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub clause (1) & (2) of Clause 44 of SEBI regulations, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) (“remote e-voting”) will be provided by Central Depository Services Limited (CDSL). The detailed procedure to be followed in this regard has been given in Annexure – A to the notice. The members are requested to go through the same carefully.

Explanatory Statement

Annexed to the Notice convening the 37th Annual General Meeting of the Company in accordance with the requirement of Section 102 of the Companies Act 2013.

Item No.5

Mr. P. Ravi had been re-appointed as Whole Time Director of the Company for a period of 3 years, at the 34th AGM of the Company held on 28th September 2016, from the conclusion of that AGM, till the conclusion of the AGM to be held in 2019. The term of office of Mr. P. Ravi as Whole Time Director of the Company is due to expire on 27th September 2019. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. P. Ravi as Whole Time Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on 21st May 2019 has, subject to the approval of the Shareholders, reappointed Mr. P. Ravi for a further period of 3 years from 27th September 2019. The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on 21st May 2019 & subsequently by the Board of Directors at its Board Meeting held on even date. Therefore the Board proposes to seek the approval of the Shareholders of the Company, for Mr.P. Ravi's re-appointment and approving the payment of remuneration for a maximum of Rs.10,00,000 (Rupees Ten Lakhs Only) per month as consolidated pay, including all perquisites and allowances. The Board recommends the special resolution as mentioned in the Notice for your approval. Except for Mr. P.Ravi and his relatives as declared by him, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

ITEM Nos. 6, 7 and 8

Mr.Gopalsamy Rajan, Mr. Badri Narayan Rao Dabbir and Mr.Ramachandra Rao Bollepalli, are independent directors of the Company and were appointed in 2014 for a period of five years. As the above named independent directors will be completing their first term of appointment upon completion of five years from the respective dates of their appointment during the current year, they are eligible for reappointment for another term of five consecutive years subject to the approval of members by special resolution. They have consented to their reappointment and confirmed that they do not suffer from any disqualification from being re-appointed as independent directors.

It is proposed to appoint Mr.Gopalsamy Rajan, Mr.Badri Narayan Rao Dabbir and Mr.Ramachandra Rao Bollepalli as independent directors under section 149 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to hold office for 5 (Five) consecutive years for a term up to the conclusion of 42nd Annual General Meeting of the company to be held in the calendar year 2024.

The Company has received declarations from Mr.Gopalsamy Rajan, Mr. Badri Narayan Rao Dabbir and Mr.Ramachandra Rao Bollepalli that they meet with the criteria of independence

as prescribed under sub section (6) of section 149 of the Act. In the opinion of the Board, Mr.Gopalsamy Rajan, Mr. Badri Narayan Rao Dabbir and Mr.Ramachandra Rao Bollepalli fulfill the conditions for appointment as independent directors as specified in the Act.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr.Gopalsamy Rajan, Mr. Badri Narayan Rao Dabbir and Mr.Ramachandra Rao Bollepalli would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Brief resume of Mr.Gopalsamy Rajan, Mr. Badri Narayan Rao Dabbir and Mr.Ramachandra Rao Bollepalli, as stipulated under regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard 2 are given below.

Name	Mr.Gopalsamy Rajan	Mr.Badri Narayan Rao Dabbir	Mr.Ramachandra Rao Bollepalli
DIN	02348441	01180539	00637389
Age	84 years	72 years	74 years
Qualification	B.L.,	B.E.	B.E.
Expertise in specific area	Civil and Company Law	Cement, Building Materials and Mining	Cement, Engineering, Industry and Management
Share holding in the Company	Nil	Nil	Nil
List of other Directorships held	HCL Agro Power Limited	1. Sanghi Industries Limited 2. Seetharam Cements Limited 3. Sanghi Cements Limited 4. Sai Hemaja Aerobricks Private Limited	1. S.S.Infrastructure Development Consultants Limited 2. Bollepalli Technologies Private Limited 3.Sriramcharan Energy and Infra Private Limited 4. Sai Hemaja Aerobricks Private Limited
Brief Profile	He is a Practising Advocate before the Madras High Court for more than 50 years and has rich experience in Company and other matters and has represented various institutions before the said Court. He is also associated with various religious and philanthropic organizations. He has authored a few books on law and religion	He has more than 50 years of experience in cement products and mining. He has held various positions in the past like Chairman of Civil Engineering Divisional Council for Cement and Concrete, BIS and Ministry of Consumer Affairs, New Delhi, Director General of Building Materials and Technology Promotion Council, National Council for Cement and Building Materials, Ministry of Industries and Commerce, New Delhi	He is a Mechanical Engineer from Andhra Pradesh University, joined BHEL – Hyderabad Unit and worked in various product groups and functions like technology, manufacturing etc., He grew with BHEL and was eventually appointed as Executive Director where he served in the Jhansi and Hyderabad Units. At present he is a consultant and Director of some of the companies in both cement and other sectors.
Membership/ Chairmanship of other committees	Given under Corporate Governance Report	Given under Corporate Governance Report	Given under Corporate Governance Report

Copy of the draft letters for respective appointments of Mr.Gopalsamy Rajan, Mr. Badri Narayan Rao Dabir and Mr.Ramachandra Rao Bollepalli, as independent directors setting out terms and conditions are available for inspection by members at the registered office of the company. Mr.Gopalsamy Rajan, Mr. Badri Narayan Rao Dabir and Mr.Ramachandra Rao Bollepalli, and their relatives (are deemed) to be interested in the resolutions set out respectively at item nos. 6, 7 & 8 of the notice with regard to their respective appointments. Save and except above, none of the Directors/ Key Managerial Personnel of the company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The board commends the special resolutions set out at item nos. 6,7 & 8 of the notice for approval by the shareholders.

The Register of Members of the Company shall remain closed from Saturday, the 21st September 2019 to Friday, the 27th September 2019 (both days inclusive).

**By Order of the Board
For HEMADRI CEMENTS LIMITED**

Place : Chennai
Date : 21th May 2019

Hema Pasupatheeswaran
Company Secretary

Annexure A to the Notice of the 37th AGM

1. Information and Instructions relating to e-voting are as under:

Information:

- (i) The Board of Directors of the Company has appointed Mr. Balu Sridhar, Practicing Company Secretary, Partner, A.K. Jain & Associates, Chennai (email id : akjainassociates@gmail.com) as Scrutinizer to scrutinize the voting at AGM and the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- (ii) 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 ie., 21st September 2019;
- (iii) A person, whose name is recorded in the register of members as on 21st September 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through polling paper
- (iv) The remote e-voting facility will be available during the following period:
Commencement of remote e-voting: From 9.00 a.m (IST) on Tuesday, the 24th September 2019
End of remote e-voting: At 5.00 p.m. (IST) on Thursday, the 26th September 2019

- (v) The e-voting module shall be disabled by CDSL for voting thereafter.
- (vi) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results shall simultaneously be communicated to BSE Limited.
- (vii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 27th September 2019

Instructions

- (viii) Please read the following instructions before exercising the e-voting.
 - i. The shareholders should log on to the e-voting website <https://www.evotingindia.com/>
 - ii. Click on Shareholder
 - iii. Now Enter your User ID: 16 digits beneficiary ID,
 - iv. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v. Next enter the Image Verification as displayed and Click on Login
 - vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used;
 - vii. If you are a first time user follow the steps given below:
 - a. For Members holding shares in Demat Form and Physical Form PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical share holders) or
 - b. Enter the 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.
 - c. If both the details are not recorded with the depository or with the Company, please enter the member id / folio number in the Bank details field.
 - d. After entering these details appropriately, click on "SUBMIT" tab.
 - viii. 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.
 - ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - x. Click on the EVEN for the "Hemadri Cements Limited" on which you choose to vote.
 - xi. 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.

- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. 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 change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi. 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.
- xvii. Shareholders can also use Mobile app-“m-Voting” for e-voting. m-Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m-Voting using their e-voting credentials to vote for the company resolution(s).
- xviii. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution or 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.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

DIRECTORS' REPORT

Dear Members,

Your Directors herein present the Company's 37th Annual Report and the Audited Financial Statements of the Company for the FY ended 31st March 2019.

FINANCIAL RESULTS

The performance of the Company for the FY ended 31st March 2019 is as given below:

FINANCIAL HIGH LIGHTS DURING THE YEAR:

(Rs. in Lakhs)

Particulars	Year ended 2018-19	Year ended 2017-18
Gross Turnover	7988.11	8538.38
Profit /(loss) before interest, depreciation and tax	247.46	210.59
Less Interest	67.95	1.25
Profit/(Loss) before depreciation and tax	179.51	209.33
Less Depreciation	111.84	118.11
Profit / (Loss) before Tax	67.67	91.23
Tax Expenses:		
Current Tax	7.98*	61.00
Earlier year's Tax	-	16.51
Deferred Tax	(43.10)	(35.02)
Profit / (Loss) after Tax	102.79	48.74
Other Comprehensive income	(6.60)	6.27
Total Comprehensive Income	96.19	55.01

* includes excess provision reversed

PERFORMANCE OF THE COMPANY

Your Company ended up with a turnover of Rs.7988.11 lakhs. The revenues are in line with the general industry slowdown with the Indian Brand Equity Foundation Report, December 2018, recording least prices in the Southern markets. The other contributing factors were increase in cost of raw materials, competition from large players and the fluctuation in market demand, due to Government regulations in the real estate sector.

Your Company had during the FY put up a plant which adheres to the latest Pollution Control Board norms which is showing improvements in containing pollution and reducing wastage. New marketing strategies, along with the increased demand helped the Company in reversing the downward trend in the last quarter.

The detailed discussion and analysis of performance is elaborated in the Management Discussion Analysis which forms part of this Report.

DIVIDEND

Your Directors do not recommend any dividend for the FY, since your Company would like to plough back the profits for funding the future growth and investment plans.

DIRECTORS

Composition

The Company during the FY had 7 (seven) Directors, of whom 5 (five) are Independent Directors and 2 (two) are Executive Directors

Appointment and resignation of Directors / Key Managerial Personnel

During the year under review, in accordance with Section 152 of the Companies Act 2013, Mr. P.Ravi and Mr. S.Vivekanandan Murugan, retire by rotation and being eligible offer themselves for being reappointed at this Annual General Meeting. The Independent Directors are also to be re-appointed. The Directors recommend their re-appointment.

A brief resume of the said Directors is given below

Name	Mr.P.Ravi	Mr.S.Vivekanandan Murugan
DIN	00675665	05223790
Age	51 years	40 years
Qualification	MBA	B.Tech., M.S.,(USA), PMP (USA) ,CSM(USA)
Expertise in specific area	Management and Administration	Portfolio Management, Risk Management, Strategy Management and Administration.
Date of first appointment on the Board	26.11.2010	29.01.2014
Shareholding in the Company	Nil	200 shares
List of other Directorships held	Given under Related Party Transactions	SRM Speed Parcel Private Limited
Membership/Chairmanship of other committees	Given under Corporate Governance Report	Given under Corporate Governance Report

Mr. K.Gopi Prasad, ceased to be Director effective October 26, 2018 by virtue of his disqualification under Section 164(1) of the Companies Act 2013.

Declaration by the Independent Directors

The Company has received declaration from the Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Number of Meetings of the Board of Directors

The Board met four times during the financial year 2018-19 on 30.05.2018, 09.08.2018, 14.11.2018 and 12.02.2019. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. More details of the Board meetings have been provided in the 'Report on Corporate Governance', found elsewhere in the Annual Report.

Formal Annual Evaluation

The Board has carried out performance evaluation of itself, its Committees and each of the Directors (without participation of the concerned director). Independent Directors collectively evaluated the Board's performance, performance of the Chairman and other non-independent Directors. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

The performance evaluation concluded on the note that each of the Individual Directors, Committees and the Board as a whole, were contributing towards the common goal of the Company and to improve the efficiency and performance of the organization in its entirety.

RISK MANAGEMENT POLICY

The Audit Committee also functions as the Risk Management Committee and the Board also takes the responsibility in overseeing the risk management plan of the Company. The Risk Management Policy facilitates in identifying the risks associated with the operations of the Company and in giving suitable measures / solutions to mitigate the same. Risks identified in the business and functions are systematically addressed through mitigating actions on a continuous basis.

VIGIL MECHANISM

The Whistle Blower Policy of the Company provides a mechanism for employees / Board Members and others to raise "good faith concerns" about violation of any applicable law/ Code of Conduct of the Company and also provides for direct access to the Chairman of the Audit Committee/ other Independent Directors. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Company has generally been contributing to the welfare of the villages in and around the registered office of the Company, without any mandatory obligation.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments exceeding the limits specified under Section 186 of the Companies Act, 2013 during the year under review.

PUBLIC DEPOSITS

The Company has not invited or accepted any fixed deposits from the public as stipulated under the provisions of the Companies Act 2013.

RELATED PARTY TRANSACTIONS

The Audit Committee provides omnibus approval for all related party transactions and the said transactions are also placed on a quarterly basis before the Audit Committee and the Board, during which all interested directors abstain from participation in such discussions. All related party transactions entered into during the year under review were in the ordinary course of business, on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The details of the related party transactions entered during the year are given in the financial statements of the Company and in Form AOC 2 in Annexure III, which forms part of this Report.

AUDITORS

Statutory Auditor

In accordance with the provisions of the Companies Act 2013 and the rules framed thereunder, M/s.B.Purushottam & Co., Chartered Accountants, Chennai having Registration No.002828S was appointed as Statutory Auditor of the Company, at the AGM held on 08.09.2014 for a term of five consecutive years till the conclusion of the present AGM.

Your Directors recommend their re-appointment for a consecutive term of 5 (five) number of years.

INTERNAL AUDITOR

The Board has approved the appointment of M/s.DPV Associates,Chartered Accountants, Chennai, as the Internal Auditor of the Company to conduct the internal audit during the year under review. The areas of audit are being taken up in consultation with the Internal Auditor and as per the recommendations of the Audit Committee. The Internal Audit observations are discussed with senior officials and are placed before the Audit Committee and suitable actions are taken as directed by the said Committee.

SECRETARIAL AUDITOR

The Board has appointed Mr.G.Porselvam, Practising Company Secretary, Chennai as the Secretarial Auditor to conduct the Secretarial Audit of the Company during the year under review. The Secretarial Audit Report was considered by the Board at its meeting held on 7.8.2019 and is found elsewhere in the Annual Report.

MATERIAL CHANGES

There are no material changes and commitments affecting the financial position of the Company that occurred between the end of the Financial Year of the Company i.e. 31st March, 2019 and the date of Directors' Report i.e. 21st May 2019.

Further, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

LISTING

As on the date of this report, the shares of the Company with BSE Limited remain suspended from being traded.

CORPORATE GOVERNANCE

The Company has been adhering to the principles of Corporate Governance as laid down in the Companies Act 2013 and also the SEBI (LODR) Regulations 2015. A separate section on Corporate Governance is given elsewhere in this Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company is annexed herewith as **Annexure II** and forms an integral part of this Report.

CONSERVATION OF ENERGY

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided in **Annexure I** to this Report forming an integral part of this report.

COMPLIANCE WITH OTHER APPLICABLE LAWS

The Compliance Report of the Secretarial Auditor provides that the Company is compliant with all the relevant and necessary applicable laws. In specific the Company has not received any complaints or no cases have been filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

There were no instances of frauds identified or reported by the statutory auditors during the course of their audit pursuant to Section 143(12) of The Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the directors to the best of their knowledge and ability confirm that-

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

- (b)) the directors have 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) the directors have 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) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, raw material availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ACKNOWLEDGMENTS

The Directors wish to place on record their appreciation for the support and cooperation, which the Company continues to receive from various departments of the State and Central Governments, from its customers, shareholders, suppliers and Bankers. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success.

Place: Chennai
Date: 21.05.2019

For and on behalf of the Board of Directors
Sd/- P. Ravi
Chairman
DIN: 00675665

Management Discussion & Analysis

Indian economic scenario

The Indian economy grew only at the rate of 6.8% in the FY 2018-19 as per the Monetary Policy Committee of the Reserve Bank of India, which is the least growth in the past five financial years.

Cement Industry – outlook and opportunities

The Cement industry witnessed expansion in the existing production capacity, with almost all the major players going for capacity addition, foreseeing greater demand for the product with the announcement of Government policies on infrastructure facilities, and Government schemes. However the market was volatile and the scenario was dominated by the major 20 players who accounted for 70% of the total production per Indian Brand Equity Foundation (IBEF) April 2019 Report.

In the years to come, the Government has plans for infrastructure development and as per the Department of Industrial Policy and Promotion (DIPP), is aiming for 100 smart cities. The Pradhan Mantri Awas Yojana (PMAY) announced by the Prime Minister, targets to construct 2 Crore homes for the urban poor by 31st March, 2022. These schemes may have a positive impact on the demand position.

Company perspective

The Company's performance for the year under review was in line with the previous year. The implementation of GST has removed the concessions provided in the pre GST regime for mini cement plants which had a huge impact on revenues. However, the Company's strategic and positional changes, along with the deployment of new marketing strategies, have helped achieve the present numbers. The new marketing strategies, viz., deployment of more field staff, focus on micro and rural markets, change in pricing strategy, have improved the brand "Hemadri".

Significant expenses were incurred towards financial costs which include mines expenses, legal expenses in the process of listing the Company with the Bombay Stock Exchange and for meeting statutory norms. During the Financial Year the Company had upgraded the plant to meet the Pollution Control Board norms.

Despite the impact of the increase in raw material costs like coal price, diesel and other raw materials, reduction in production costs was achieved during the current year, due to operational efficiency. The Company also purchased electricity from the open market, when the rates were cheaper when compared to the Electricity Board prices, thereby saving on costs.

The Company obtained environmental clearance for 660,000 tonnes capacity, thereby paving way for further expansion and upgradation. However for the future, there is the need for upgrading the equipment and expanding its capacity for bringing in greater efficiency. Further growth is dependent on upgradation of the plant and machinery.

With the growth being driven by volume, your Company is also looking for capacity addition by way of both organic and inorganic growth/expansion. With increasing impetus being given to infrastructure development, your Company is set to strategise by increasing its visibility and expand its existing market size.

ANNEXURE I TO DIRECTORS' REPORT**FORM A
CONSERVATION OF ENERGY**

A. POWER AND FUEL CONSUMPTION	2018-19	2017-18
1. ELECTRICITY:		
a) Purchased Units	22,754,754	24,870,140
Total Amount Rs.	152,100,474	172,419,752
Average Rate / Unit Rs.	6.68	6.93
b) Own Generation		
Through Diesel Generation Unit	---	---
Units Per Ltr. of Diesel Generation	---	---
Cost / Unit Rs.	---	---
2. COAL:		
Quantity (Tons)	40,528	44,089
Total Cost Rs.	251,302,944	259,290,993
Average Rate (Rs)	6201	5881
3. FURNACE OIL:	NA	NA
Quantity (Tons)	---	---
Total Cost Rs.	---	---
Average Rate (Rs)	---	---
4. OTHER /INTERNAL GENERATION:	NA	NA
Quantity	---	---
Total Cost Rs.	---	---
Rate / Unit	---	---

B. CONSUMPTION PER UNIT PRODUCTION:

	Standards		
Electrical Consumption			
Per ton of Cement	140.00 units	100.69 units	103.00 units
Coal Consumption			
Per ton of Cement	0.25 MT	0.18 MT	0.18 MT

TECHNOLOGY ABSORPTION FROM FOREIGN COUNTRIES:

Details of imported machinery

Details of imported technology

Nil

FOREIGN EXCHANGE EARNINGS AND OUT GO:

During the year, the Company had no foreign exchange earnings and out go.

FORM- B

A. RESEARCH AND DEVELOPMENT (R & D):	2018-19	2017-18
1. Specific areas in which R & D carried out by the Company	NIL	NIL
2. Benefits derived as a result of the above R & D	NIL	NIL
3. Future plan of action	NIL	NIL
4. Expenditure on R & D	NIL	NIL
a) Capital		
b) Recurring		
c) Total		
d) Total R & D expenditures as a percentage of total turnover	NIL	NIL
B. TECHNOLOGY ABSORPTION, ADOPTION INNOVATION:		
1. Efforts, in brief, made towards Technology absorption, adoption and innovation	NIL	NIL
2. Benefits derived as a result of the above efforts eg., product Improvement, cost reduction, Products development, import substitution etc.	NIL	NIL
3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year). Following information may be furnished	NIL	NIL
a) Technology imported:		
b) Year of import:		
c) Has technology been fully absorbed:		
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action:		

For and on behalf of the Board

Place: Chennai
Date: 21.05.2019P.Ravi
Chairman

ANNEXURE - II TO DIRECTOR'S REPORT

FORM NO. MGT- 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31st March 2019

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company Management & Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

i	CIN	L26942AP1981PLC002995
ii	Registration Date	20.04.1981
iii	Name of the Company	HEMADRI CEMENTS LIMITED
iv	Category/Sub-Category of the Company	Public Company / Limited by Shares
v	Address of the Registered Office & Contact Details	Vedadri Village, Jagayyapet Mandal, Krishna District, A.P. State. Phone:(08676) 284538; Email:cs@hemadricements.com
vi	Whether Listed Company	Yes
vii	Name, Address & Contact Details of the Registrar & Transfer Agent, if any	XL SOFTECH SYSTEMS LIMITED No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034. Phone:23545913/14/15, Fax - 040-23553214. Email:xlfield@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No:	Name and Description of the main Products/Services	NIC Code of the Product /Service	% to total turnover of the Company
1	Cement manufacturing and Sales of Cement	Clinker 252910-00 Intermediate product Cements 252329-10	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has neither subsidiary nor Associate Companies during the year 2018-19.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TO TOTAL EQUITY) AS AT 31ST MARCH 2019

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. Promoters									
(1) Indian									
a) Individual/HUF		268151	268151	4.02		204151	204151	3.06	(0.96)
b) Central Govt		0	0	0.00		0	0	0.00	
c) State Govt(s)		0	0	0.00		0	0	0.00	
d) Bodies Corporate		3578159	3578159	53.65		3898159	3898159	58.44	4.80
e) Bank/FI		0	0	0.00		0	0	0.00	
f) Any Other		0	0	0.00		0	0	0.00	
SUB- TOTAL (A)(1)		3846310	3846310	57.67		4102310	4102310	61.50	3.84
(2) Foreign									
a) NRI- Individuals		0	0	0.00		0	0	0.00	
b) Other Individuals		0	0	0.00		0	0	0.00	
c) Bodies Corporate		0	0	0.00		0	0	0.00	
d) Banks/FI		0	0	0.00		0	0	0.00	
e) Any Other- Director									
Relative NRI		0	0	0.00		0	0	0.00	
SUB TOTAL (A)(2)		0	0	0.00		0	0	0.00	
Total Shareholding of Promoter									
(A)= (A)(1)+ (A)(2)		3846310	3846310	57.67		4102310	4102310	61.50	3.84
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		0	0	0.00		0	0	0.00	
b) Banks/FI		0	0	0.00		0	0	0.00	
c) Central Govt		0	0	0.00		0	0	0.00	
d) State Govt(s)		0	0	0.00		0	0	0.00	
e) Venture Capital Fund		0	0	0.00		0	0	0.00	
f) Insurance Companies		0	0	0.00		0	0	0.00	
g) FIs		0	0	0.00		0	0	0.00	
h) Foreign Venture Capital Funds		0	0	0.00		0	0	0.00	
i) Others (specify)		1000	1000	0.01		1000	1000	0.01	
SUB TOTAL (B)(1)		1000	1000	0.01		1000	1000	0.01	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(2) Non Institutions									
a) Bodies corporates		0	0	0.00		0	0	0.00	
i) Indian		91717	91717	1.38		91717	91717	1.38	0.00
ii) Overseas		0	0	0.00		0	0	0.00	
b) Individuals									
i) Individual shareholder holding nominal share capital upto Rs. 2 Lakh		1469872	1469872	22.04		1469472	1469472	22.03	(0.01)
ii) Individual shareholder holding nominal share capital in excess of Rs. 2 Lakh		1252832	1252832	18.78		997232	997232	14.95	(3.83)
c) Others (specify)									
i) Clearing Members		0	0	0.00		0	0	0.00	
ii) Directors & their Relatives		0	0	0.00		0	0	0.00	
iii) Hindu Undivided Families		0	0	0.00		0	0	0.00	
iv) Non-Resident Indian		0	0	0.00		0	0	0.00	
v) Others		8269	8269	0.12		8269	8269	0.12	
SUB TOTAL (B)(2)		2822690	2822690	42.32		25566690	25566690	38.48	(3.84)
Total Public Shareholding									
(B) = (B)(1) + (B)(2)		2823690	2823690	42.33		2567690	2567690	38.50	(3.84)
C. Shares held by Custodian for GDRs & ADRs			0	0.00		0	0	0.00	
Grand Total (A+B+C)		6670000	6670000	100.00		6670000	6670000	100.00	0.00

(ii) Shareholding of Promoters:

SI 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 shares pledged/ encumbered to total shares	No. of Shares	% of total shares	% of shares pledged/ encumbered to total shares	
1	SRM TRP PROPERTIES & INVESTMENT	1304899	19.56	0	1496899	22.44	0	2.88
2	KILARU ARUNA	130000	1.95	0	130000	1.949	0	0.00
3	KILARU PADMAJA	92251	1.38	0	28251	0.424	0	(0.96)
4	SRIMANNARAYANA KILARU	20000	0.30	0	20000	0.30	0	0.00
5	KILARU VIDYA SAGAR VARMA	10000	0.15	0	10000	0.15	0	0.00
6	KOTHA PRASUNAMBA	7500	0.11	0	7500	0.11	0	0.00
7	P USHA	3000	0.04	0	3000	0.04	0	0.00
8	KOTHA MADHU MURTHY	2250	0.03	0	2250	0.03	0	0.00
9	G VENKATESWARA RAO	1594	0.02	0	1594	0.02	0	0.00
10	KOTESWARA RAO KOTHA	1500	0.02	0	1500	0.02	0	0.00
11	A SUSEELA	56	0.00	0	56	0.00	0	0.00
12	SRM CIVIL WORKS PVT LTD	2273260	34.08	0	2401260	36.00	0	1.92
	TOTAL	3846310	57.66	0.00	4102310	61.50	0	3.84

V. INDEBTEDNESS:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director(s), Whole Time Director and/or Manager:

(Rs. In Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary	Shri P. Ravi(Chairman)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	30.00	30.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others (specify)	-	-
5	Others - Productivity Incentive	-	-
	Total (A)	30.00	30.00

B. Remuneration to other Directors:

Sl. No	Particulars	Name of the Director					Total Amount
		Shri G.Rajan	Shri B.Ramachandra Rao	Shri R A Nadesan	Smt.R.Ananda Priya	Shri DBN Rao	
1	Independent Directors						
	a) Fee for attending Board/ Committee Meetings	0.36	0.30	0.36	0.20	0.20	1.42
	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL (1)	0.36	0.30	0.36	0.20	0.20	1.42
2	Other Non Executive Directors		NIL				
	(a) Fee for attending Board/ Committee Meetings		Nil				Nil
	(b) Commission		Nil				Nil
	(c) Others, please specify.		Nil				Nil
	TOTAL (2)		Nil				Nil
	TOTAL (B) = (1+2)						1.42
	Total Managerial						
	Remuneration(A+B)						31.42

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. In Lakhs)

Sl. No:	Particulars of Remuneration	Key Managerial Personnel		Total
		Director/CEO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	72,00,000	16,49,250	88,49,250
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	TOTAL	72,00,000	16,49,250	88,49,250

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties or punishments levied on the company, its Directors or Officers in Default during the year. Also, there was no necessity for the Company, its Directors or Officers in Default to compound any offence.

ANNEXURE III TO DIRECTORS' REPORT**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of Contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangements or transactions at arm's length basis.

Name(s) of the Related Party and nature of relationship	SRM Global Cements Corporation Limited Company in which a Director is interested	SRM Transports India Private Limited Company in which a Director is interested	SRM Civil Works Limited Company in which a Director is interested	SRM Hotels Private Limited Company in which a Director is interested
Nature of the Contract/ arrangements	Sale of Cement	Transportation of cement	Sale of Cement	Sale of Cement
Duration of Contract/ Arrangement/ transactions	Continuing contract - based on invoices raised	Continuing contract - based on invoices raised	Continuing contract - based on invoices raised	Continuing contract-based on invoices raised
Salient Terms of the contracts or arrangements or transactions including value if any	As per invoice terms and conditions	As per invoice terms and conditions	As per invoice terms and conditions	As per invoice terms and conditions
Date of approval of the Board if any	BM held on 30.05.2018	BM held on 30.05.2018	BM held on 30.05.2018	BM held on 30.05.2018
Amount paid as advance if any	Nil	Nil	Nil	Nil

Place: Chennai
Date :21.05.2019

P. Ravi
Chairman

ANNEXURE - IV TO DIRECTORS' REPORT

DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2018-19							
S. No:	Name of the body corporate	Nature of relationship	Purpose of loan / acquisition / guarantee / security	Rate of interest	Amount of loan / security / guarantee (Rs.in lakhs)	% to free Reserves	Purpose for which the loan / guarantee utilised by the recipient
1	HCL Agro Power Ltd	Company in which a Director is interested	Inter Corporate Loan	Existing Bank Rate	14.35	0.36	For Business purpose
	TOTAL				14.35	0.36	

ANNEXURE V TO DIRECTORS' REPORT**CSR ACTIVITIES OF THE COMPANY**

1. The Company's objective is to manage the business processes at profit and to produce an overall positive impact on the society and create wellness. Taking corporate social responsibility ('CSR') as a strategic social investment, the company aims to develop the society needs around the factory Village and other places for better future. The Company initiatives in the area of (a) social and economic welfare (b) education and skill development, (c) environmental sustain ability. (d) Health improvements as CSR Activities as decided by the CSR committee. For achieving the company's CSR objective, the CSR activities are being undertaken by the company independently. The activities are centred on mainly social and economic welfare and health improvements around factory located village.

2. The composition of the CSR committee :

The Committee comprises of the following directors to look into the CSR activities of the company.
a) Shri. P.Ravi - Chairman
b) Shri. S.Vivekanandan Murugan - Member
c) Shri. Nadesan R.A - Member

3. Details of CSR spent during the financial year:

The Company's profit for the financial year does not exceed Rs.5 crores as stipulated under Section 135 of the Companies Act 2013. Therefore the Company has not made any fresh contribution, except sustaining the facilities granted through its CSR activities in the preceding years.

4. We hereby declare that implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the company.

Place: Chennai
Date : 21.05.2019

P. Ravi
Chairman

REPORT ON CORPORATE GOVERNANCE

The Company's Corporate Governance Principles is in line with the Companies Act 2013 and SEBI (LODR) Regulations 2015.

Company's Philosophy on Corporate Governance:

The Board of Directors of the Company, view their role as trustees for the stakeholders and the society at large and it is their endeavour to observe and practice the best corporate governance principles, which inter alia include transparency, regulatory compliance, accountability and fairness in its dealings and pursuing a policy of corporate disclosures and communication in the functioning of the Company.

BOARD OF DIRECTORS

The size and composition of the Board of Directors is optimum and balanced, comprising of 5 independent directors and 2 Executive Directors

The composition of the Board as on 31st March 2019

Category	No of Directors	Percentage to total number of directors
Non-executive independent directors	5	71.4
Executive Directors	2	28.6
Total	7	100.00

Information flow to the Board

Information is provided to the Board for their review during Board Meetings, where the agenda for the meetings are circulated per statutory requirement. The financial statements are first presented to the Audit Committee and subsequently to the Board for their approval. Circular resolutions are also passed, depending on the urgency of the matter in question and the same are tabled before the ensuing Board Meeting.

Board Meetings and attendance

During the Financial Year ended 31st March 2019, four meetings of the Board of Directors were held as follows:

S.No.	Date	Board Strength	No of Directors present
1.	30.05.2018	8	8
2.	09.08.2018	8	7
3.	14.11.2018	7	7
4.	12.02.2019	7	7

Particulars of Attendance

Name of the Director	DIN No.	Category	Board Meeting	Audit Committee	Share transfer Committee	Remuneration Committee	CSR Committee	Whether attended AGM on 25 th Sep 2018
Shri.P.Ravi	00675665	Promoter/ Executive	4	NA	NA	NA	NA	Yes
Shri.K.Gopi Prasad**	01025908	Executive	1	1	1	NA	NA	Yes
Shri.Gopalsamy Rajan	02348441	Independent	4	4	4	1	NA	No
Shri.D.B.N.Rao	01180539	Independent	4	NA	NA	NA	NA	Yes
Shri.B.Ramachandra Rao	00637389	Independent	4	4	NA	1	1	No
Shri.R.A.Nadesan	02695412	Independent	4	4	4	1	1	Yes
Shri.Vivekanandan Murugan	05223790	Executive	4	NA	NA	NA	NA	Yes
Smt. R.Ananda Priya	01768355	Independent	4	NA	NA	NA	NA	No

**ceased to be director effective 26.10.2018 due to disqualification under Section164 of the Companies Act 2013

NA - Not Applicable

Audit & Risk Management Committee	Share Transfer & Stake Holders Relationship Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Management Committee
Shri. Nadesan R.A. - Chairman	Shri. G.Rajan - Chairman	Shri. G.Rajan - Chairman	Shri. P.Ravi - Chairman	Shri. P.Ravi - Chairman
Shri. K.Gopi Prasad	Shri. K.Gopi Prasad	Shri. R.A.Nadesan	Shri. R.A.Nadesan	Shri. S.Vivekanandan Murugan
Shri. B.Ramachandra Rao	Shri. R.A.Nadesan	Shri. B.Ramachandra Rao	Shri. S.Vivekanandan Murugan	Shri R.A.Nadesan
Shri G.Rajan				

Mrs.Hema Pasupatheeswaran, Company Secretary is the convenor and Compliance Officer of the Committees.

Functions of the Committees

Audit Committee:

The function of the Audit committee is to review the accounting policies and to oversee the process of Financial Reporting by the Company so as to ensure that the financial statements are correct and credible. The Audit Committee also functions as the Risk Management of the Committee and has formulated the Risk Management Policy and categorizes and reviews the business and overall risks that the Company may be subjected to.

The responsibility of the Audit committee, inter alia, is as follows:

1. Reviewing with the management-
 - i. The Annual financial statements before submission to the Board for approval with particular reference to:
 - ★ Matters required to be included in the Directors' Responsibility Statement
 - ★ Changes, if any, in the accounting policies and practices and reasons for the same
 - ★ Major accounting entries involving estimates based on judgment by the management
 - ★ Significant adjustments made in the financial statements arising out of audit findings.
 - ★ Compliance with listing and other legal requirements relating to financial statements
 - ★ Disclosure of any related party transactions and
 - ★ Qualifications in the draft audit report
 - ★ Risk assessment and evaluation
 - ii. The quarterly financial statements before submission to the Board for approval
 - iii. The statement of uses and application of funds
 - iv. Performance of statutory and internal auditors and adequacy of the internal control systems.
2. Discussion with
 - ★ Internal Auditors on any significant findings and follow up thereon
 - ★ Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Meetings of the Audit Committee and Attendance

S.No.	Date	Committee Strength	No present
1.	30.05.2018	4	4
2.	09.08.2018	4	3
3.	14.11.2018	3	3
4.	12.02.2019	3	3

B. Share Transfer & Stakeholders' Relationship Committee

This Committee oversees redressal of shareholder and investor grievances and inter alia, approves the share transfers/ transmission/ issue of duplicate share certificates etc.

Meetings of the Share Transfer & Stakeholders' Relationship Committee and attendance

S.No.	Date	Committee Strength	No present
1.	30.05.2018	3	3
2.	09.08.2018	3	2
3.	14.11.2018	2	2
4.	12.02.2019	2	2

C. Nomination & Remuneration Committee

This Committee acts on behalf of the Board on matters pertaining to fixation of nomination and remuneration and on policies of the Board.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance and the Directors individually as well as the evaluation of the working of its Board Governance, Nomination and Compensation Committee and other committees.

Meetings of the Nomination & Remuneration Committee and its attendance

S.No.	Date	Committee Strength	No present
1.	12.02.2019	3	3

DIRECTORS' REMUNERATION (as on 31st March 2019)

		Remuneration	Total
Shri.P Ravi,	Chairman	Rs. 30,00,000	30,00,000
Shri.Vivekanandan Murugan	Director & CEO	Rs. 72,00,000	72,00,000

The Company pays sitting fee of Rs.5000/- per meeting to non-executive directors for the meetings of the Board and Rs.2000/- per meeting for the meetings of various committees. The Non-executive directors are not paid any other remuneration.

D. Corporate Social Responsibility (CSR) Committee

The provisions of Section 135 of the Companies Act 2013, pertaining to CSR is not applicable to the Company for the FY 2018-19.

Meetings of the CSR Committee and its attendance

S.No.	Date	Committee Strength	No present
1.	12.02.2019	3	2

Other Shareholder information**PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT :**

A brief profile of the directors proposed for re-appointment is given below:

1. Shri P.Ravi is the promoter director of the Company. He holds Master's degree in Business Administration with 29 years of industry experience. He is the Chairman of the SRM Group and has been instrumental in acquiring the Company from BIFR and reviving the same. He has been very active in establishing several educational institutions, hospitals and has a niche for hospitality industry too.
2. Shri S.Vivekanandan Murugan is the CEO of the Company. He holds a B.Tech. degree and a M.S. degree from the Ohio State University, USA, and also has additional qualifications of PMP (USA), CSM (USA) to his credit. He has work experience of more than 20 years, of which his stint in US was for more than 10 years where he started off as a Project Engineer at Stantec and continued to become the Project Director at First American Corporation-Federal Solutions. He has been instrumental in bringing about a lot of changes in the day-to-day administration and functioning of the Company. He is also the Director of SRM Speed Parcel Private Limited in SRM Group.

None of the other Directors are interested in their reappointment as directors of the Company.

DETAILS OF OTHER DIRECTORSHIPS OF INDEPENDENT DIRECTORS

Mr.G.Rajan	Mr.D.B.N.Rao	Mr.B.Ramachandra Rao
HCL Agro Power Limited (unlisted)	1. Sanghi Industries Limited (Listed) 2. Sanghi Cements Limited (unlisted) 3. Seetharam Cements Limited (unlisted)	1. S.S.Infrastructure Development Consultants Limited (Listed) 2. Bollepalli Technologies Private Limited 3. Sri Ramcharan Energy and Infra Private Limited 4. Sai Hemaja Aerobricks Private Limited

GENERAL BODY MEETINGS

Particulars of the General Body Meetings held for the last 3 years are given below:

S.No.	Date of the AGM	Venue
1.	28.09.2016 at 3.00 pm	Vedadri Village, Jaggayyapet Mandal, Krishna District, Andhra Pradesh
2.	22.09.2017 at 3.00 pm	Vedadri Village, Jaggayyapet Mandal, Krishna District, Andhra Pradesh
3.	25.09.2018 at 4.00 pm	Vedadri Village, Jaggayyapet Mandal, Krishna District Andhra Pradesh

Financial Calendar

Financial Year of the Company	: April-March
Quarterly Results	: 1st Quarter – on/before 14 th August 2nd Quarter- on/before 15 th October 3rd Quarter – on /before 14 th February 4th Quarter – on /before 15 th May
AGM	: on/before 30 th September

Hemadri Cement Limited's Code of Conduct

The HCL Code of Conduct, as adopted by the Board of Directors and found in the Company's website www.hemadricements.com under Investors – Policies, is applicable to all the Directors and senior management personnel of the Company. The code is based on five basic principles of governance and is a commitment by the Company to its stakeholders on good corporate governance.

Dematerialization of shares

Your Company has been admitted with Central Depository Services Limited (CDSL) and has been allotted ISIN INE07BK01011. Transferability of shares is permitted only in dematerialized form. As on date approximately 2% of shares held by public have been dematerialized.

Registrar & Share Transfer Agents

M/s.XL Softech Services Limited, Hyderabad, is the Registrar and Share Transfer Agent of the Company for carrying out share registration and other related activities

Address for correspondence

No.3, Sagar Society
Road No.2, Banjara Hills, Hyderabad 500034
Contact person: Mr.R.Ram Prasad, Manager
Email id: xlfield@gmail.com; ramprasadr@xlsoftech.com

Compliance Officer

Mrs.Hema Pasupatheeswaran, Company Secretary is the Compliance Officer under Regulation 6(1) of the SEBI (LODR) Regulations 2015.

Address for correspondence:

Vedadri Village 521457, Jaggayapet Mandal, Krishna District, Andhra Pradesh
Email id: cs@hemadricements.com

Distribution of Shareholding as on 31st March 2019

Shareholdings of Nominal value of	Share Holder		Share Holder	
	Nos	%	(Rs.)	%
Upto - 5,000	2998	83.93	5245130	7.86
5,001 - 10,000	346	9.69	2754630	4.13
10,001 - 20,000	113	3.16	1753460	2.63
20,001 - 30,000	36	1.01	923180	1.38
30,001 - 40,000	11	0.31	408240	0.61
40,001 - 50,000	14	0.39	663490	0.99
50,001 - 1,00,000	16	0.45	1205390	1.81
1,00,001 & above	38	1.06	53746480	80.54
Total	3572	100.00	66700000	100.00

Auditor's Certification

To The Members of Hemadri Cements Limited

We have examined the compliance of conditions of Corporate Governance by Hemadri Cements Limited for the year ended 31st March 2019 as stipulated in SEBI (LODR) Regulations of the said Company with the Stock Exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied majority conditions of Corporate Governance as stipulated in the above-mentioned LODR.

We state that in respect of investor grievances, there was no unresolved grievance received during the year ended 31st March, 2019.

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

B. PURUSHOTTAM & CO.
Chartered Accountants
Firm Reg. No. 002808S

B.S.Purushottam
PARTNER
M.No. 026785

Chennai
21.05.2019

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2019

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

The Members,
M/S. HEMADRI CEMENTS LTD
CIN: L26942AP1981PLC002995

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S. HEMADRI CEMENTS LTD; (hereinafter called the “company”) (CIN: L26942AP1981PLC002995) Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/S HEMADRI CEMENTS LIMITED 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 01/04/2018 to 31/03/2019, complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter, subject to the observation as given below :

“The shares, suspended from trading were compulsorily delisted 04th July, 2018. On Company’s request, ‘Delisting’ was lifted and the status of the company’s share remains in “Suspended Mode” vides order of BSE - LIST/COMP/AS/139/2018-19 dated August 02nd 2019.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. HEMADRI CEMENTS LIMITED for the financial year ended on 31/03/2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
The company has complied with the procedure laid under the Companies Act 2013, forms, returns in this connection have been filed.
- (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, Overseas Direct Investment and External Commercial Borrowings.

- (v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-(Not applicable as the Company has not issued any further share capital during the Period under review);
 - d) The Securities and Exchange Board of India (Share based Employees Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable as the Company has not issued any debt Securities);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - (Not applicable as the Company during the Period under review);
 - g) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:
The Company has complied with the SEBI (LODR) Regulations 2015.
- (vi) The Management has identified and confirmed the following Laws as specifically applicable to the Company :
1. Factories Act, 1948
 2. Industrial dispute Act, 1947
 3. Payment of Wages Act, 1936
 4. The Minimum Wages Act, 1948
 5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 6. Employees' State Insurance Act, 1948
 7. Equal Remuneration Act, 1976
 8. Shop & Establishment Act, 1948
 9. The Payment of Bonus Act, 1965
 10. The Payment of Gratuity Act, 1972
 11. The Contact Labour (Regulation and Abolition) Act, 1970
 12. The Maternity benefit Act, 1961
 13. The Child Labour Prohibition and Regulation Act, 1986
 14. The Industrial Employment (Standing Order) Act, 1946
 15. The Employee Compensation Act, 1923
 16. The Apprentices Act, 1961
 17. Mines and Minerals related Acts.

I 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 Company has complied with the SEBI (LODR) Regulations 2015.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulation, guidelines, etc, having a major bearing on the companies affairs.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.,

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including One Woman Director. There is no change in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Normally unanimous decision is carried through while the dissenting views, if any are captured and recorded as part of the minutes.

I further report that there are 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.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulation, guidelines, etc, having a major bearing on the companies affairs.

Place: Chennai
Date: 07/08/2019

Signature: sd/-
Name : G.Porselvam
Company Secretary in Practice
C P No : 3187

INDEPENDENT AUDITOR'S REPORT

To the members of HEMADRI CEMENTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Hemadri Cements Limited (“the Company”) which comprises the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, we give in the Annexure A, a statement on the matters specified in Para 3 and 4 of the said Order.
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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 33 to Financial Statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there is no provision required for material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B. PURUSHOTTAM & CO
Chartered Accountants
(Firm Regn.No.002808S)

Place : Chennai
Date : 21stMay, 2019.

B.S.PURSHOTHAM
Partner
M No: 026785

ANNEXURE - A TO THE AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of HEMADRI CEMENTS LTD on the accompanying IND AS financial statements for the year ended 31st March 2019, we report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are informed that the management has physically verified the fixed assets of the company at reasonable intervals and no discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) We are informed that the management has physically verified the inventory at reasonable intervals and the discrepancies if any noticed have been properly dealt with in the books of account.
- (iii) The company has not granted loans, secured or unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013, hence reporting under the clause iii (a), (b) and (c) does not arise.
- (iv) In respect of loans, investments, guarantees, and security, the company has complied the provisions of sec 185 and 186 of the Companies act 2013 wherever applicable.

- (v) The company has not accepted deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- (vi) In our opinion, the prescribed accounts and records have been made and maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) As per the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities and there were no undisputed amounts payable which were outstanding as on 31.03.2019 for a period of more than six months from the date on which they became due.
- (b) No dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except below :

S. No.	Nature of the Dues	Forum where Dispute is pending	Amount in Lakhs	Period to which amount relates
1	Income Tax due	Appeal before Income Tax Appellate Tribunal, Hyderabad.	265.86	A.Y 2008-09

- (viii) As per the information and explanations given to us and on our examination of records, the company has not raised funds from banks, financial institutions, Government and Debenture holders during the year under review hence reporting under this clause does not arise.
- (ix) In our opinion and according to the information and explanations given to us and on our examination of the records of the company, there are no fresh monies raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review.
- (x) According to the information and explanations given to us no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on our examination of records of the Company, the managerial remuneration has been paid or provided in accordance with the provisions of Section 197 read with Schedule V to the Companies Act..
- (xii) The Company is not a Nidhi Company hence reporting under this clause is not applicable.

- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and on our examination of records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and the provisions of section 42 of companies act 2013 are not applicable.
- (xv) According to the information and explanations given to us and on our examination of records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B. PURUSHOTTAM & CO
Chartered Accountants
(Firm Regn.No.002808S)

Place : Chennai
Date : 21.05.2019

B.S.PURSHOTHAM
Partner
M No: 026785

Annexure B to Auditor's Report of even date

Report on the Internal Controls on 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 Hemadri Cements Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 company'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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company'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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our 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 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. PURUSHOTTAM & CO
Chartered Accountants
(Firm Regn.No.002808S)

Place : Chennai
Date : 21.05.2019

B.S.PURSHOTHAM
Partner
M No: 026785

HEMADRI CEMENTS LIMITED
BALANCE SHEET AS AT 31st MARCH 2019
CIN : L26942AP1981PLC002995

Particulars	Note No:	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
ASSETS			
Non - current assets			
(a) Property, plant and equipment	3	101,394,348	105,497,735
(b) Capital work in progress	4	87,934,156	611,938
(c) Fixed Assets			
(i) Investments	5	6,000,000	6,000,000
(ii) Trade receivables		-	-
(iii) Other financial assets	6	28,726,134	29,726,134
(d) Deferred tax assets (net)		-	-
(e) Other non-current assets	7	176,035,422	181,600,568
Total Non-Current Assets		4,00,090,060	32,34,36,375
Current Assets			
(a) Inventories	8	80,417,320	81,072,131
(b) Financial Assets			
(i) Trade Receivables	9	109,107,276	63,581,539
(ii) Cash and cash equivalents	10	9,708,960	76,558,061
(iii) Bank balance other than (iii)	11	26,555,288	41,133,073
(iv) Other Financial Assets	12	2,810,438	801,346
(c) Other Current Assets	13	34,973,568	40,698,940
Total Current Assets		263,572,850	303,845,090
TOTAL ASSETS		663,662,910	627,281,465
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	66,700,000	66,700,000
(b) Other equity	15	411,393,135	401,773,606
Total Equity		478,093,135	468,473,606
Non - current liabilities			
(a) Long term provisions	16	1,238,758	3,817,543
(b) Deferred tax liabilities (net)	17	599,144	5,141,534
Total Non-Current Liabilities		1,837,902	8,959,077
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	67,236,705	-
(ii) Trade payables	19	43,760,349	22,742,066
(iii) Other financial Liabilities	20	15,712,647	47,988,316
(b) Other current liabilities	21	41,299,283	64,826,310
(c) Short term provisions	22	14,290,515	12,385,499
(d) Current Tax Liabilities (Net)	23	1,432,374	1,906,591
Total Current Liabilities		183,731,873	149,848,782
TOTAL EQUITY AND LIABILITIES		663,662,910	627,281,465

The significant accounting policies and accompanying notes form an integral part of these financial statements

As per our report of even date

For and on behalf of the Board

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 21.05.2019

HEMA PASUPATHEESWARAN
Company Secretary

HEMADRI CEMENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019
CIN : L26942AP1981PLC002995

Particulars	Note No:	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
I Revenue from Operations	24	754,169,614	846,190,040
II Other Income	25	44,641,685	7,648,382
III Total revenue (I + II)		798,811,299	853,838,422
IV Expenses			
Cost of materials consumed	26	173,253,453	198,271,967
Changes in inventories of finished goods, work in progress & stock-in-trade	27	6,495,710	(1,131,380)
Excise duty on sale of goods		-	23,877,328
Power and Fuel	28	403,403,421	431,710,740
Employee benefits expense	29	75,427,884	83,337,390
Finance costs	30	6,794,688	125,185
Depreciation and amortization	31	11,184,530	11,811,103
Other expenses	32	115,484,808	96,713,362
Total Expenses (IV)		792,044,494	844,715,695
V Profit/(Loss) before exceptional items and tax (III-IV)		6,766,805	9,122,727
VI Exceptional Items		-	-
VII Profit/(Loss) before tax		6,766,805	9,122,727
VIII Tax expense:			
(1) Current tax		2,229,100	6,100,000
(2) Deferred tax		(4,310,442)	1,650,925
(3) Excess Provision reversed		(1,431,542)	(3,502,347)
IX Profit/(Loss) for the period		10,279,689	4,874,149
X Other Comprehensive Income Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(892,107)	936,940
Less : Deferred tax expense on above		(231,948)	309,780
		(660,159)	627,160
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		9,619,530	5,501,309
XII Earning per equity share:			
(1) Basic		0.14	0.08
(2) Diluted		0.14	0.08

The significant accounting policies and accompanying notes form an integral part of these financial statements

As per our report of even date

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 21.05.2019

HEMA PASUPATHEESWARAN
Company Secretary

HEMADRI CEMENTS LIMITED
CIN : L26942AP1981PLC002995

Statement of Change in Equity

Particulars	Share Capital	Reserves and Surplus				Other Components of Equity	Total
		Capital Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2017	66,700,000	13,351,587	1,435,690	974,250	381,112,938	(602,168)	462,972,297
Profit / (Loss) for the period			-		4,874,149	-	4,874,149
Other Comprehensive Income for the Year			-			627,160	627,160
Balance as at March 31, 2018	66,700,000	13,351,587	1,435,690	974,250	385,987,087	24,992	468,473,606
Profit / (Loss) for the period			-		10,279,689		10,279,689
Other Comprehensive Income for the Year						(660,159)	(660,159)
Balance as at March 31, 2019	66,700,000	13,351,587	1,435,690	974,250	396,266,776	(635,168)	478,093,135

The notes attached form an integral part of Financial Statements

As per our report of even date
For B. PURUSHOTTAM & CO
Chartered Accountants
(Firm Regn.No.002808S)

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 21.05.2019

HEMA PASUPATHEESWARAN
Company Secretary

HEMADRI CEMENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2019
CIN : L26942AP1981PLC002995

Particulars	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Cash flows from operating activities		
Total Income for the Period(PBT)	5,874,698	10,059,667
Adjustments:		
- Interest income	(2,293,670)	(5,228,522)
- Depreciation and amortization	11,184,530	11,811,103
- Bank Guarantee commission paid and interest expense	6,794,688	125,185
Operating cash flow before working capital changes	21,560,246	16,767,433
<i>Changes in</i>		
- Decrease/(Increase) In Trade Receivables	(45,525,737)	(23,324,682)
- Decrease/(Increase) In Inventory	654,811	(2,808,079)
- Decrease/(Increase) In Other current Financial Asset(s)	12,568,693	12,419,109
- Decrease/(Increase) In Other current Asset(s)	6,200,421	1,200,842
- Decrease/(Increase) In Other non-current financial assets	1,000,000	(142,611)
- Decrease/(Increase) In Other non-current asset	5,565,146	(9,920,491)
(Decrease)/Increase In Long term Provisions	(2,578,785)	(2,551,044)
(Decrease)/Increase In Trade Payables current	21,018,283	(12,599,563)
(Decrease)/Increase In other current liabilities	(23,527,027)	19,622,060
(Decrease)/Increase In Other financial liabilities current	(32,275,669)	2,507,476
(Decrease)/Increase In Short Term provisions current	1,905,016	710,257
Income taxes paid	(1,746,824)	(10,445,973)
Cash generated from / (used in) operations	(35,181,426)	(8,565,266)
Cash flows from investing activities		
Purchase of fixed assets	(94,403,361)	(7,238,652)
Interest received	2,293,670	5,228,522
Net cash generated from/(used in) investing activities [B]	(92,109,691)	(2,010,130)
Cash flows from financing activities		
Proceeds from/(repayment of) long term and short term borrowings	67,236,704	-
Bank Guarantee commission paid and interest expense	(6,794,688)	(125,185)
Net cash used in financing activities	60,442,016	(125,185)
Increase /(Decrease) in cash and cash equivalents	(66,849,101)	(10,700,581)
Cash and cash equivalents at the beginning of the year	76,558,061	87,258,642
Cash and cash equivalents at the end of the year	9,708,960	76,558,061
Components of cash and cash equivalents (refer note 10)		
Cash on hand	161,642	131,136
Balances with banks	9,547,318	76,426,925
Total cash and cash equivalents	9,708,960	76,558,061

Notes forming part of Financial statements as at and for the year ended March 31, 2019
3 - Property Plant and Equipment

Description	Land	Buildings	Plant and Machinery	Electrical Installation	Furniture and Fixtures	Computers	Office Equipment	Vehicles	Total
Cost as at 01 April 2017	17,297,691	33,010,935	62,986,036	982,016	67,318	295,813	596,979	5,556,041	120,792,829
Additions during the year	-	-	6,517,567	-	-	-	109,150	-	6,626,717
Deletions during the year	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2018	17,297,691	33,010,935	69,503,603	982,016	67,318	295,813	706,129	5,556,041	127,419,546
Additions during the year	2,358,300	-	3,514,749	1,208,094	-	-	-	-	7,081,143
Deletions during the year	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2019	19,655,991	33,010,935	73,018,352	2,190,110	67,318	295,813	706,129	5,556,041	134,500,689
Depreciation and amortization									
Accumulated Depreciation as on									
01st April 2017	-	1,425,036	6,929,617	122,952	18,086	136,313	191,297	1,287,407	10,110,708
Charge for the year	-	897,489	9,244,800	122,952	13,190	67,185	179,708	1,285,779	11,811,103
Deletions during the year	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on									
31st March 2018	-	2,322,525	16,174,417	245,904	31,276	203,498	371,005	2,573,186	21,921,811
Charge for the year	-	895,710	9,081,109	155,612	9,622	17,010	144,005	881,462	11,184,550
Deletions during the year	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on									
31st March 2019	-	3,218,235	25,255,526	401,516	40,898	220,508	515,010	3,454,648	33,106,341
Net Carrying amount as at 31 March 2019	19,655,991	29,792,700	47,762,826	1,788,594	26,420	75,305	191,119	2,101,393	101,394,348
Net Carrying amount as at 31 March 2018	17,297,691	30,688,410	53,329,186	736,112	36,042	92,315	335,124	2,982,855	105,497,735

4. Capital work in progress:

(Amount in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
i) Plant & Machinery		
Opening Balance	611,938	-
Add: Additions	87,322,218	611,938
Less: Capitalised during the year	-	-
Total	87,934,156	611,938

5. Non Current Investments:

Investments in Equity Instruments (Fair valued through OCI)	6,000,000	6,000,000
Total	6,000,000	6,000,000
5.1 Aggregate amount of unquoted investments	6,000,000	6,000,000
(Less): Impairment on above investments	-	-
Net value of unquoted investments	6,000,000	6,000,000

6. Other Non Current Financial Assets

Long Term Security Deposit (Unsecured considered good)	28,726,134	29,726,134
Total	28,726,134	29,726,134

7. Other Non Current Assets

Capital advances	-	7,000,000
Loans and advances to related parties (Refer Note- 36)	176,035,422	174,600,568
Total	176,035,422	181,600,568

8. Inventories:

i) Raw materials	25,855,693	23,203,135
ii) Work in progress	20,276,465	27,218,725
iii) Finished goods	4,588,500	4,141,950
iv) Stores and spares	28,768,887	25,305,296
v) Others- Packing materials	927,775	1,203,025
Total	80,417,320	81,072,131

9 - Trade Receivables:

(Amount in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured Considered good	109,107,276	63,581,539
Total	109,107,276	63,581,539

10. Cash and cash equivalents

i) Balances with banks:		
-In current accounts	9,547,318	76,426,925
ii) Cash on hand	161,642	131,136
Total	9,708,960	76,558,061

11. Bank Balances (other than in note 10 above)

Bank Balances held as Margin Money	24,115,061	29,033,073
Deposits with more than 3 months maturity	2,440,227	12,100,000
Total	26,555,288	41,133,073

12. Other Current Financial Assets

Unsecured, considered good;		
- Advance to Employees	188,316	311,497
- Others	2,622,122	489,849
Total	2,810,438	801,346

13. Other Current Assets

Unsecured considered good		
IT refund receivable	4,823,517	5,298,566
Cenvat (or) GST Input receivable	3,596,032	1,543,156
Advances to Suppliers	25,626,952	26,805,309
Prepaid expenses	927,067	7,051,909
Total	34,973,568	40,698,940

14- Equity Share Capital

(Amount in Rs.)

Particulars	As at 31.03.2019	As at 31.03.2018
<u>Authorised Share Capital</u>		
1,00,00,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Total	100,000,000	100,000,000
<u>Issued, Subscribed and Paid Up</u>		
66,70,000 Equity Shares of Rs.10/- each	66,700,000	66,700,000
Total	66,700,000	66,700,000

14.1 Movement in respect of Equity Shares is given below :

Particulars	As at 31.03.2019		As at 31.03.2018	
	Numbers	Amount in Rs	Numbers	Amount in Rs
At the beginning of the period	6,670,000	66,700,000	6,670,000	66,700,000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	6,670,000	66,700,000	6,670,000	66,700,000

14.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Re.10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of share holders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2019		As at 31.03.2018	
	Numbers	% held	Numbers	% held
SRM TRP Properties and Investments P Ltd	1,496,899	22.44%	1,304,899	19.57%
SRM Civil works P Ltd	2,401,260	36.00%	2,273,260	34.08%
Total	3,898,159	58.44%	3,578,159	53.65%

15. Other Equity**(Amount in Rs.)****For the year ended March 31, 2019**

Particulars	Reserves and Surplus			Other Components of Equity		Total
	General Reserve	Investment allowance reserve utilised	Other Reserves	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2018	13,351,587	1,435,690	974,250	385,987,087	24,992	401,773,606
Provision For Dividend and taxes	-	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	10,279,689	(660,159)	9,619,530
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at 31.03.2019	13,351,587	1,435,690	974,250	396,266,776	(635,168)	411,393,135

For the year ended March 31, 2018

Particulars	Reserves and Surplus			Other Components of Equity		Total
	General Reserve	Investment allowance reserve utilised	Other Reserves	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2017	13,351,587	1,435,690	974,250	381,112,938	(602,168)	396,272,297
Provision For Dividend and taxes	-	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	4,874,149	627,160	5,501,309
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at March 31, 2018	13,351,587	1,435,690	974,250	385,987,087	24,992	401,773,606

16. Long Term Provisions

Particulars	As at 31.03.2019 Rs	As at 31.03.2018 Rs
Provision for Employee Benefits	1,238,758	3,817,543
Total	1,238,758	3,817,543

17- Deferred Tax Liability**Tax recognised in Statement of profit and loss****Amount in Rupees**

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Current income tax		
Current year	2,229,100	6,100,000
Sub Total (A)	2,229,100	6,100,000
Deferred tax expense		
Origination and reversal of temporary differences	(4,310,442)	1,650,925
Change in accounting policy		
Sub Total (B)	(4,310,442)	1,650,925
Total (A+B)	(2,081,342)	7,750,925

Tax recognised in other comprehensive income

Amount in Rupees

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Defined benefit plan actual gains (losses)- net of tax expense	(231,948)	309,780
Total	(231,948)	309,780

Reconciliation of effective tax rates

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Profit before tax	5,874,698	10,059,667
Enacted tax Rate (under Normal Provisions)	26.00%	33.06%
Enacted tax Rate (under MAT)	20.39%	20.39%
Computed Expected Tax Expenses - Normal Provision*	2,229,100	6,100,000
OCI Income	-	-
Current tax	2,229,100	6,100,000
Deferred Tax	(4,542,390)	1,960,706
Total Expenses for the year	(2,313,290)	8,060,706

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Deferred Tax Liability		
Property, Plant & Equipment	4,638,684	6,300,526
Others		
Sub Total	4,638,684	6,300,526
Deferred tax Assets		
On account of timing differences in recognition of expenditure between books of accounts and Taxation	4,039,540	1,158,992
Sub Total	4,039,540	1,158,992
Net Deferred Tax Assets/ (Liabilities)	(599,144)	(5,141,534)

18. Borrowings - Current

Particulars	As at 31.03.2019	As at 31.03.2018
Secured - At Amortised cost Working Capital Loans From Banks Rupee Loans	67,236,705	-
Total	67,236,705	-

Working capital loans from Axis Bank of Rs.6,72,36,705 (PY Nil) are secured by hypothecation of both present and future current assets and entire movable fixed assets of the company.

19. Trade Payables

Amount in Rupees

Particulars	As at 31.03.2019	As at 31.03.2018
Trade payables		
- Dues to Micro and Small Enterprises(Refer Note -33)	-	-
- Others	43,760,349	22,742,066
Total	43,760,349	22,742,066

20. Other Financial Liabilities

Outstanding Liabilities for Expenses	11,835,751	41,976,910
Payable to employees	3,876,896	6,011,406
Total	15,712,647	47,988,316

21. Other Current Liabilities

Statutory Liabilities	24,525,175	20,206,841
Advance from customers	16,774,108	44,619,469
Total	41,299,283	64,826,310

22. Short term provision

Provision for Employee benefits	14,290,515	12,385,499
Total	14,290,515	12,385,499

23. Current Tax Liabilities (Net)

Provision for income tax for current year (Net)	1,432,374	1,906,591
Total	1,432,374	1,906,591

24. Revenue From Operations

Sale of Products (Including Excise Duty)	754,169,614	846,190,040
Total	754,169,614	846,190,040

25. Other Income

Interest on Fixed Deposit	2,293,670	5,228,522
Interest on Electricity Deposit	1,867,719	1,797,588
Other Non-operating Income	15,753,856	622,272
Creditors written back	24,726,440	-
Total	44,641,685	7,648,382

26. Cost of materials Consumed

Amount in Rupees

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Consumption of raw materials	115,474,953	129,035,998
Consumption of stores and spares	20,217,096	33,311,628
Consumption of Packing material	37,561,404	35,924,341
Total	173,253,453	198,271,967

Additional Disclosure**Consumption of Major Raw materials**

Clay consumption	-	33,684
Fly Ash consumption	8,083,427	6,983,565
Gypsum consumption	21,855,520	21,737,426
Iron Ore consumption	98,266	-
Lateriate & Dolomite consumption	29,393,824	33,627,210
Lime stone consumption	56,043,917	66,654,113

27. Changes in Inventories of Finished Goods , Work-in-Progress and stock in trade

Opening Balance		
Work in Progress	27,218,725	25,557,345
Finished goods	4,141,950	4,671,950
Less :Closing Balance		
Work in Progress	20,276,465	27,218,725
Finished goods	4,588,500	4,141,950
Total	6,495,710	(1,131,380)

28. Power and Fuel

Power charges	152,100,474	172,419,753
Coal consumption	251,302,947	259,290,987
Total	403,403,421	431,710,740

29. Employee benefits expense

Salaries, wages and bonus	52,135,890	59,223,180
Contribution to provident and other funds	2,791,474	2,927,301
Directors remuneration	10,200,000	10,200,000
Directors remuneration - Commission on profit	-	-
Staff welfare expenses	5,621,885	5,784,994
Earned leaves	3,506,238	3,485,883
Gratuity	1,172,397	1,716,032
Total	75,427,884	83,337,390

30. Finance Cost

Interest cost on financial liabilities measured at amortized cost		
Others	6,794,688	125,185
Total	6,794,688	125,185

31. Depreciation and Amortisation**Amount in Rupees**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Depreciation / Amortisation for the year		
- Tangible Assets	11,184,530	11,811,103
Total	11,184,530	11,811,103

32. Other expenses

Selling and distribution expenses		
Selling expenses	4,167,685	3,672,046
Freight Outward	69,699,340	46,039,881
	73,867,025	49,711,927
Administration and Other expenses		
Conveyance expense	2,427,789	3,990,861
Freight Coolie and cartage	1,165,346	3,427,091
Rental charges	412,000	1,506,000
Repairs and maintenance		
- Factory	15,082,821	15,948,875
- Buildings	-	183,417
- Machinery	1,968,323	3,007,091
Insurance	493,278	480,214
Payment made to auditors (Refer note below)	470,370	469,409
Legal and Professional Charges	2,929,758	1,623,054
Rates and taxes	462,733	1,680,147
BSE Expenses	1,808,447	-
License fee	708,149	1,051,034
Printing and stationery	599,603	691,088
Communication expenses	906,065	1,184,639
Corporate Social Responsibility Expenditure (CSR)	-	780,000
Security Charges	2,922,776	3,375,875
Miscellaneous expenses	2,936,069	996,599
General expenses	5,070,342	4,496,125
Bank charges	228,913	109,916
Donation	1,025,000	2,000,000
	41,617,783	47,001,435
Total	115,484,808	96,713,362

Note (*)

Particulars	Year ended March 31, 2019	Amount in Rupees Year ended March 31, 2018
Payment made to statutory auditors :		
i. Audit Fee	400,000	400,000
ii. For taxation matters	50,000	50,000
iii. For reimbursement of expenses	20,370	19,409

1. NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2019

Note 1. Corporate Information

Hemadri Cements Limited one of the leads in the Cement Manufacture industry, was incorporated as a Public Limited Company on 20th April,1981under the provision of the Companies Act 1956. The registered office of the company is located at Hemadri Cements, Vedadri village, Jaggayapet Mandal, Krishna District, Andhra Pradesh – 521 457.

Note 2. Significant Accounting Policies

(a) Basis of preparation and presentation:

The management has opted for voluntary adoption of Indian Accounting Standards (IND AS) from FY 2017-18.

These financial statements are prepared in accordance with IND AS, under the historical cost convention on the accrual basis except for certain financial instruments and net defined benefit liability that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. The IND AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amend rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Critical accounting estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/non current classification. An asset is treated as current when it is:

- i) When it is expected to be realized or intended to be sold or consumed in normal operating cycle.

- ii) Held for the purpose of trading
- iii) Expected to be realized within twelve months after the reporting period, or
- iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of the assets for processing and their reclassification in cash and cash equivalents. The company has identified 12 months as its operating cycle.

Useful lives of property, plant and equipment and intangible assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

Impairment testing: Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

Fair value measurement of financial instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date. Fair value of financial instruments, that are traded in active market is determined from market prices as reduced by

estimated cost of trading.

Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(c) Functional currency :

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

(d) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprise of sale of Cement and Clinker. Revenue is recognised when following conditions are satisfied:

- the company transfers to the buyer the significant risks and rewards of ownership of the goods
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(f) Employee Benefits (other than for persons engaged through contractors):

i Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement

of Profit and Loss during the year. The contributions as specified under the law are paid to the EPFO.

ii. **Gratuity Fund**

The Company makes annual contributions to gratuity funds administered by the LIC. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. **Compensated Absences**

Entitlement to annual leave is recognised when it accrues to employees. The Company determines the liability for such accumulated leave at each Balance Sheet date and the same is charged to revenue accordingly.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of the depreciable assets is in accordance with rules prescribed under part " C " of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of Property, plant and equipment as on 01st April 2016.

Land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress represents projects under which the property, plant and equipment's under installation /under development as at the balance sheet date and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- i) the technical feasibility and Company's intention and ability of completing the project;
- ii) the probability that the project will generate future economic benefits;
- iii) the availability of adequate technical financial and other resources to complete the project; and
- iv) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(k) Inventories:

Finished goods are valued as follows :

All finished goods are valued at lower of weighted average cost or net realizable value.

- Work in progress is valued at lower of weighted average cost or net realizable value of the finished goods duly adjusted according to the percentage of progress.
- Raw materials, stores, spares, materials in transit are valued at weighted average cost. However, when the net realizable value of the finished goods they are used in is less than the cost of the finished goods and if the replacement cost of such materials etc. is less than their holding cost in such an event, they are valued at replacement cost.

(l) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(m) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(n) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note to financial statements.

Contingent assets are not recognized in the financial statements.

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(p) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of

acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(q) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(r) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(s) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets, in the case of financial assets not recorded at fair value through profit or loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely

payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments are classified as FVTOCI. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any.

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.
- c) Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

OTHER NOTES FORMING PART OF ACCOUNTS:**33. Corporate Social responsibility**

The Company charges its CSR expenditure during the year to the statement of profit and loss. Section 135 of The Companies Act, 2013 is not applicable to the company for the financial year 2018-19.

34. Contingent Liabilities

A:Guarentees: Outstanding Guarantees furnished by banks on behalf of the company is Rs.2,40,94,039. (PY Rs.2,90,33,073)

B. Demands raised on the company by the respective authorities are as under:

Amount Rs. in Lakhs

Particulars	As at 31.03.2019	As on 31.03.2018
Income tax appeal for AY 2008-09 pending before Income tax Appellate Tribunal – Hyderabad	265.86	265.86
Total	265.86	265.86

35. Information in respect of Micro, Small and Medium Enterprises

Amount remaining unpaid to any supplier:

- a) Principal Amount – Nil (PY Nil)
- b) Interest due thereon – Nil (PY Nil)

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the Act have not been given.

- 36.** The Company has entered into an agreement with HCL Agro Power Limited for purchase of 1.5 M.W. of power per hour from 1.7.2013 on a captive basis and relevant declarations have also been given to APSPDCL. Payments of Rs.17,60,35,422/- were made periodically calculating the power requirements but as their generation did not stabilize, no power was flown till March 2019. However, there are no operations in HCL Agro Limited but the company is confident of recovering the advance hence treated as good.

Disclosure requirements of Indian Accounting Standards
37. Disclosures in respect of Ind AS 107 - Financial Instruments

a. Financial Instruments by Categories

(March 31, 2019)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	2,87,26,134		
Non-Current Investments			60,00,000
Current Trade Receivables	10,91,07,276		
Cash & Cash Equivalents	97,08,960		
Other Bank Balances	2,65,55,288		
Other Financial Assets	78,63,236		
Liabilities:			
Other Financial Liabilities	8,29,49,352		
Trade Payables	4,37,60,350		

(March 31, 2018)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	2,97,26,134		
Non-Current Investments			60,00,000
Current Trade Receivables	6,35,81,539		
Cash & Cash Equivalents	7,65,58,061		
Other Bank Balances	4,11,33,073		
Other Financial Assets	8,01,346		
Liabilities:			
Other Financial Liabilities	4,79,88,316		
Trade Payables	2,27,42,066		

(April 01, 2016)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	2,85,63,534		
Non-Current Investments			60,00,000
Current Trade Receivables	3,16,78,561		
Cash & Cash Equivalents	5,52,27,549		
Other Bank Balances	7,36,20,724		
Other Financial Assets	7,80,786		
Liabilities:			
Other Financial Liabilities	5,27,50,762		
Trade Payables	3,24,52,666		

- a. Fair value Hierarchy
- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
 - Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

38. Financial risk management

The Company's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market Risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the Company's Trade Receivables, Advances and deposit(s) made

Trade receivables :

The company has outstanding trade receivables amounting to Rs.10,91,07,276 and Rs.6,35,81,539 as of March 31,2019 and March 31,2018 respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Further for amounts overdue are constantly monitored by the management and provision towards expected credit loss are made in the books. Management estimated of expected credit loss for the Trade Receivables are provided below with the classification on debtors.

Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

Particulars	March 31, 2019		March 31, 2018	
	Gross	Impairment	Gross	Impairment
0 to 180 days	10,88,38,726	-	6,33,12,989	-
More than 180 days	2,68,550	-	2,68,550	-

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

Movement in defined benefit obligation:

Particulars	31.03.2019	31.03.2018
Defined benefit obligation - Beginning of the year	78,69,822	73,13,632
Current service cost	9,99,965	9,93,540
Net Interest Cost	1,72,432	3,81,770
Benefits Paid	(17,75,305)	(2,82,934)
Re-measurements - actuarial loss/(gain)	8,11,244	(9,36,940)
Defined benefit obligation - End of the year	84,17,519	78,69,822

Movement in Plan asset:

Particulars	31.03.2019	31.03.2018
Fair value of plan assets at beginning of year	2,991,218	-
Employer contributions	50,52,384	32,14,120
Benefits paid	(17,75,305)	(2,82,934)
Re-measurements - Return on plan assets	(80,863)	98,048
Re-measurements - actuarial (loss)/gain	8,11,244	9,36,940
Fair value of plan assets at end of year	65,26,795	29,91,218

Amount recognised in Statement of Profit and Loss

Particulars	31.03.2019	31.03.2018
Current service cost	9,99,965	9,93,540
Curtailment cost/(credit)	-	-
Expected return on Plan Assets	-	-
Net Interest on Net Defined Benefit Liability/(assets) (B)	1,72,342	3,81,770
Past service cost	-	3,40,722
Cost Recognized in P&L	11,72,397	17,16,032

Amount recognised in Statement of Other Comprehensive Income

Particulars	31.03.2019	31.03.2018
Actuarial (gain)/loss due to assumption changes	8,11,244	(9,74,956)
Return on Plan assets	80,863	38,016
Actuarial (gain)/loss recognized in OCI	8,92,107	(9,36,940)

Actuarial Assumptions

Particulars	31.03.2019	31.03.2018
Discount rate	7.35%	7.33%
Rate of salary increase	4%	4%
Attrition Rate(Past Service 0 to 40)	2%	2%
Retirement Age		
Average Future Service	9.6%	10.13%

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and Short term facilities from banks.

The company manages liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, advances received from customers during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Interest Rate Risk

The company has a limited exposure to Interest rate risk, as it does not have any variable interest rate exposure.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets or by adequate funding by the shareholders to absorb the losses of the Company. The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

39. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

i) General description of various defined employee's benefits schemes are as under:

a. Provident Fund:

The company's Provident Fund is managed by EPFO. The company pays fixed contribution to provident fund at pre-determined rate.

b. Gratuity:

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

ii) The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

**40. Disclosure in respect of Indian Accounting Standard (Ind AS)-37
“Provisions, Contingent Liabilities and Contingent Assets”**

(March 31, 2019)

Description	At the beginning of the year	Addition	Used	At the end of the year
Provision for leave encashment (including sick and C off leaves)	78,58,504	42,25,644	15,44,808	1,05,39,339
Provision for gratuity	48,78,604	-	-	48,78,604
Provision for Income Tax	26,01,466	40,76,100	7,66,404	59,11,162

(March 31, 2018)

Description	At the beginning of the year	Addition	Used	At the end of the year
Provision for leave encashment	79,25,483	33,32,319	33,99,928	78,58,504
Provision for gratuity	73,13,632	7,79,092	32,14,120	48,78,604
Provision for Income Tax	54,56,671	61,00,000	89,55,205	26,01,466

41. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

a. Names of related parties and description of relationship:

1	Key Managerial Personnel:	Mr. P. Ravi (Chairman) Mr. Vivek Sivaraman (Director & CEO) Mrs. Hema Pasupatheeswaran (Company Secretary)
2	Companies in which directors are interested:	M/s HCL Agro Power Ltd M/s SRM Transports India Pvt Ltd M/s SRM Civil Works Pvt Ltd M/s SRM Engineering Construction Corporation Ltd M/s SRM Global Cements Corporation Ltd M/s SRM Infrastructures Ltd M/s SRM Hotels Private Limited
3	Relatives of Key Management Personnel	Mr. T.R.Pachamuthu Mr. P. Satyanarayanan

b. Transactions with related parties during the year:

Particulars	KMP	Director Interest Companies	Relative of KMP
Sales of Goods			
HCL Agro Power Ltd		Nil (Nil)	
SRM Civil Works Pvt Ltd		1,49,71,773 (3,31,100)	
SRM Global Cements Corporation Ltd (including duties and taxes)		23,18,26,037 (29,45,82,135)	
SRM Hotels Private Limited		Nil (10,28,830)	
SRM Engineering Construction Corporation Ltd		Nil (Nil)	
SRM Engineering Science & Tech		Nil (Nil)	
Expenses			
SRM Transports India Pvt. Ltd (Transport outward)		Nil (27,61,130)	
Remuneration			
P Ravi - Chairman (including Incentive)	30,00,000 (30,00,000)		
S. Vivekanandan Murugan - Director&CEO	72,00,000		
Hema Pasupatheeswaran - Company Secretary (Including Bonus and Earned leaves)	16,49,250 (8,02,580)		
Rent Paid			
Mr. T.R. Pachamuthu			3,00,000 (3,00,000)
Loans and Advances Given			
HCL Agro Power Ltd		14,34,854 (29,20,471)	

c. Closing Balances at the year ended 31st March 2019:

Particulars	KMP	Director Interest Companies	Relative of KMP
Loans and Advance Receivable			
HCL Agro Power Ltd		17,60,35,422 (17,46,00,568)	
SRM Transports India Pvt Ltd		Nil (2,85,24,486)	
Trade Receivables			
SRM Civil Works Pvt Ltd		33,22,372 (1,61,700)	
SRM Global Cement Corporation Ltd		7,35,95,737 (5,64,69,700)	
Trade Payable			
SRM Institute of Science & Technology		3,08,000 (Nil)	

Note :Values in the bracket represent previous year values.

(*) Reimbursement of expenses is not considered in the above related party transactions.

41. Operating Segments

The Company is engaged in the production and sale of “Cement” and therefore, has only one reportable segment in accordance with Ind AS 108 ‘Operating Segments’.

Information relating to geographical areas

The company's operation is restricted to India and the whole of company's revenue is received from sales within India. The company's only manufacturing facility is located in Andhra Pradesh, India and no non-current assets are held outside India.

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Number of external customers each contributing more than 10% of total revenue	1	1
Total revenue from the above customers	18,06,25,385	23,01,42,616

As per our report of even date

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

For and on behalf of the Board

B.S.PURSHOTHAM

Partner

M No: 026785

PRAVI

Chairman

DIN: 00675665

S.VIVEKANANDAN MURUGAN

CEO & Director

DIN: 05223790

Place: Chennai

Date: 21.05.2019

HEMA PASUPATHEESWARAN

Company Secretary

HEMADRI CEMENTS LIMITED

CIN : L26942AP1981PLC002995

Regd Office & Factory: Vedadri Village, Jagayyapet Mandal, Krishna District, Andhra Pradesh

ATTENDANCE SLIP

Member's Folio/DP ID Client ID No.	
Member's / Proxy's name in Block Letter	
No. of shares held	

I/We hereby record my/our presence at the 37th Annual General meeting of the Company, to be held on Friday, the 27th September 2019 at 2.30 pm

SIGNATURE OF SHAREHOLDER/ PROXY

Form No. MGT-11

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 / DP ID - Client ID No

I/We, being the member holding..... shares of M/s. Hemadri Cements Ltd hereby appoint :

1. Name :

Address : _____ Signature _____ or failing him;
 Email ID _____

2. Name :

Address : _____ Signature _____ or failing him;
 Email ID _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th General meeting of the Company, to be held on Friday, 27th September 2019 at 2.30 pm at the Registered Office of the Company at Vedadri Village and at any adjournment thereof in respect of such resolutions as mentioned in the AGM notice.

Signed this _____ day of _____ 2019

Signature of shareholder _____ Signature of Proxy holder(s) _____

Note:

1. 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.

**BOOK - POST
PRINTED MATTER**

If Undelivered, please return to :
XL Softech Systems Ltd.
(Unit : Hemadri Cements Ltd)
3, Sagar Society, Road No. 2
Banjara Hills, Hyderabad - 500 034.



PLEASE NOTE :
No gift/coupons
will be given at the
AGM