



HEMADRI CEMENTS LIMITED

35th Annual Report
2016-2017

HEMADRICEMENTS LIMITED FIVE YEARS FINANCIAL HIGHLIGHTS

(As. in lakhs)

Parameters/Year	2016-17	2015-16	2014-15	2013-14	2012-13
OPERATING RESULTS					
Net Sales	8542.13	9,204.53	8,452.27	7,078.86	7,232.85
Profit Before Tax	774.39	1,049.96	1,005.30	388.43	401.78
Profit After Tax	102.57	650.40	681.00	55.81	291.76
Net Cash Accrual	872.58	552.28	558.45	325.59	645.00
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	3860.15	3,209.75	2,528.75	2,491.84	2,200.08
Profit and Loss Account	102.57	650.40	681.00	55.81	291.76
Nat Worth	4,629.72	4,527.14	3,876.75	3,214.64	3,158.84
Loan Funds	Nil	Nil	Nil	Nil	Nil
Deferred Tax Liability [Net]	31.81	58.22	40.66	6.36	32.17
APPLICATION OF FUNDS					
Fixed Assets: Net [Incl. WIP]	1106.82	845.97	834.59	1,204.75	1,096.20
Investments	60.00	60.00	60.00	60.00	60.00
Net Current Assets	1545.76	1,567.44	984.27	1,556.35	1,505.15
NatAssats	2,712.58	2,473.41	1,878.86	2,821.10	2,661.34
RATIOS					
PBT to Sales (%)	9.07	11.41	11.89	5.49	5.55
PAT to Sales (%)	1.20	7.07	8.06	0.79	4.03
Earning per share	1.54	9.75	10.21	0.84	4.37
Dividend (%)	Nil	Nil	Nil	Nil	Nil

BOARD OF DIRECTORS

SHRIPACHAMUTHU RAVI
 SHRIK.GOPIPRASAD
 SHRI GOPALSAMY RAJAN
 SHRIDBN RAO
 SHRIB. RAMACHANDRA RAO
 SHRIPACHAMUTHU SATYANARAYANAN
 SHRI RA.NADESAN
 SHRI VIVEK SIVARAMAN
 SMT R. ANANDA PRIYA

CHAIRMAN
 MANAGING DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR & CEO
 DIRECTOR

AUDIT COMMITTEE

SHRI RA.NADESAN
 SHRIK.GOPIPRASAD
 SHRI GOPALSAMY RAJAN
 SHRIB. RAMACHANDRA RAO

COMPANY SECRETARY
 MR. VELLI PARAMASIVAM

AUDITORS

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

BANKERS

Axis Bank
 Bank of India
 City Union Bank
 State Bank of India
 State Bank of Hyderabad

ADMINISTRATIVE OFFICE

No.3, Veerasamy Street,
 West Mambalam, Chennai 600 033.

REGD. OFFICE & FACTORY

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

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 35th Annual General Meeting of the Members of HEMADRI CEMENTS LIMITED will be held on 22nd September 2017 Friday, at 3.30.p.m at Vedadri Village, JaggayyapetMandai, KrishnaDistrict,A.P. State to transact the following business:

OrdinaryBusiness:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2017, the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in the place of Shri. K. Gopi Prasad (DIN:01025908), who retires by rotation and being eligible, offers himself for reappointment.
3. To reappoint Statutory Auditors

SpecialBusiness:

4. Reappointment of Shri. K. Gopi Prasad as Managing Director and remuneration payable:

To consider and to vote on the following resolution as an Ordinary Resolution:

MRESOLVED THAT Shri. K. Gopi Prasad is and be hereby reappointed as Managing Director of the Company for a period of one year from 01.04.2017 to 31.03.2018 with the existing remuneration as mentioned below

- (a) Salary: Rs. 50,000/= per month (Rupees Fifty Thousand only)
- (b) Perquisites: No specific perquisite as the salary is consolidated.

This shall be deemed to be his minimum remuneration in the event of lack or inadequacy of profits subject to the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013".

By Order of the Board
For HEMADRI CEMENTS LIMITED

Place: Chennai
Date : 30th May 2017

Velli Paramasivam
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 instead of himself 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 authorising their representative to attend and vote on their behalf at the Meeting.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. 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.
7. 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.
8. 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.
9. Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date to "velliparamasivamcs@hemadricements.com" so as to enable the Management to keep the Information ready at the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members

holding shares in physical form can submit their PAN to the Company / XL Softech Systems Limited, the Share Transfer Agent.

- 11 To support the "Green Initiative" Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- 12 Information and other instructions relating to e-voting are as under:
General Instructions:
- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 358 of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting').
 - (ii) The facility for voting through polling paper shall be made available at the AGM Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
 - (iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - (iv) The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
 - (v) The Board of Directors of the Company has appointed Mr. Balu Sridhar a Practising Company Secretary, Partner, A.K. Jain & Associates, Chennai (email id : alqainassociates@gmail.com) as Scrutinizer to scrutinize the voting at AGM and 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.
 - (vi) Voting rights shall be reckoned on the paid-up value or shares registered in the name of the member beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., 12th Sep 2017.
 - (vii) A person, whose name is recorded in the register of members or in the register of 12th Sep, 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through polling paper
 - (viii) The remote e-voting facility will be available during the following period:

Commencement of remote a-voting : from 9.00 a.m. (ISI) on 18th Sep 2017

End of remote e-voting : Upto 5.00 p.m. (ISI) on 21st Sep 2017.

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

- (ix) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote a-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.
- (x) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 22nd Sep 2017.
- (xi) Please read the instruction before exercising the e-voting.

(XII) **Instructions and other Information relating to remote e-voting:**

A. In case of Members receiving Notice through mail:

- a) Open e-mail and open PDF File viz. "..... pdf" with your client ID or folio No. as password. The said PDF File contains your user ID and password for a-voting. Please note that the password is an initial password.
- b) Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
- c) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- d) Enter the login credentials. Your Folio No/DP ID Client ID will be your user ID.
- e) After entering the details appropriately, click on LOGIN.
- f) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g) You need to login again with the new credentials.
- h) On successful login, the system will prompt you to select the EVENT i.e., Hemadri Cements Limited.

- i) On the voting page, enter the number of shares as on the cut-off date under FOR /AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- j) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- k) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
- l) Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- m) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer mail id with a copy marked to evoting@karyy.com.
- n) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karyy.com> or contact Karvy Computershare Pvt. Ltd at Tel No. 18003454001 (tollfree).

B. In Case of Members receiving notice through post/Courier:

- (i) Initial password is provided, as below, in the attendance slip of the AGM.

EVEN (Remote E-Voting Event Number)	User ID	Password / PIN

- (ii) Please follow all steps mentioned in Sr.No. (XII)(A)(b) to (xii)(A)(n) to cast your vote by electronic means.

Explanatory Statement

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

As required under Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts to the business mentioned under Item No.2 & 4 of the accompanying notice:

Item No. 2: To appoint a Director in the place of Shri. K. Gopi Prasad who retires by rotation and being eligible, offers himself for reappointment.

Item No. 4: Reappointment of Shri. K. Gopi Prasad as Managing Director of the Company and remuneration payable:

Shri K. Gopi Prasad aged about 59 years, is a qualified Mechanical Engineer. He worked for the Indian Navy till 1985. He joined in our Company as Executive Director since 1985. He became the Managing Director of the Company from the year 1991 onwards. He has vast and varied experience in the cement industry.

At present, he is also a Director of
Sai Hemaja Aerobricks (P) Ltd
Gopi Marine Services Pvt Ltd
Ratna Cements (Yadwad) Ltd
Celcon Products (India) Pvt Ltd
Hema Trading Company (India) Pvt Ltd

None of the Directors are interested in his reappointment as director and / or Managing Director of the company.

DIRECTORS' REPORT**TO THE MEMBERS OF HEMADRI CEMENTS LIMITED,**

The Directors have pleasure in presenting the 35th Annual Report of Hemadri Cements Limited together with the audited Financial Statements for the financial year ended 31st March 2017.

COMPANY PERFORMANCE:

Your Company has made a Net Profit of **Rs. 102.57 Lakhs** during the year, as against Net Profit of **Rs. 650.40 Lakhs** in the previous year. No transfer was made to General Reserve during the year under review.

The Cement industry scenario in India is encouraging and the "make in India" and "start up" initiatives by Govt are favoring our company's future growth in the year to come.

FINANCIAL HIGH LIGHTS DURING THE YEAR:

Particulars	(Rs. In Lakhs)	
	Year ended 2016-17	Year ended 2015-16
Sales and other Income	8630.67	9298.94
Profit / (Loss) before Interest and Depreciation	879.00	1172.03
Interest	3.51	15.95
Profit / (Loss) before Depreciation	875.49	1156.08
Depreciation	101.11	106.12
Profit / (Loss) before Tax	774.38	1049.96
Tax Expenses:		
Current Tax	304.50	382.00
Deferred Tax	(26.41)	17.56
Profit / (Loss) after Tax	496.29	650.40
Earlier year Income Tax paid	393.72	-
Carried forward to P&L a/c	102.57	650.40

DIVIDEND:

The board reviewed the financial performance and the Capital Expenditure requirement for the near future of the company. Your company proposed to further upgrade the Plant & Machinery, to meet the recently revised pollution control norms. Your company is planning to expand its production capacity to meet the competition as well as to improve and optimize the production facilities in the near future. In view of above, your directors are unable to propose a dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Indian economy registered a growth rate of 7.16% for the year under review when compared to 8.68% for the year 2015-16. The Cement industry has grown along with the economy.

The Government of India has undertaken various policy initiatives to improve the infrastructure facilities at the national level with priority and income tax benefit to the companies whose turnover is less than 50 Crores will have a positive impact on the manufacturing sectors. The Government emphasis on agricultural development and housing development are expected to propel the cement industries growth, in the near future.

The monetization of Indian currency during the year affected the real estate construction activity and sales turnover of cement industry. Your Company may face the usual market competition, but the infrastructure sector, growth will ease the situation in the positive direction.

Your directors are confident of overcoming the adverse factors by appropriate decisions and with the stake holder's support.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors met four (4) times once in every quarter during the year, to review the financial results and operations of the Company. More details are provided in the Corporate Governance Report which forms part of this report.

Pursuant to the provisions of the Companies Act, 2013, Shri. K.Gopi Prasad, Director, retires by rotation and is eligible for reappointment. The Board recommends his re-appointment and accordingly resolution seeking approval of the members for his re-appointment have been included in the notice of the forthcoming Annual General Meeting of the company along with his brief profile.

Shri. K.Gopi Prasad, who is the present Managing Director is recommended for the reappointment as Managing Director for one year w.e.f. 01.04.2017 and included as Special business in the notice of the ensuing AGM, for members' approval.

The Key Managerial Personnel of the company presently are Shri.K.Gopi Prasad Managing Director, Shri.Vivek Sivaraman Director & CEO and Mr.Velli Paramasivam, Company Secretary.

Note: Shri.P.Sathyanarayanan, Director of the company vacated his office as per section 167 of the Companies Act 2013 w.e.f. 30.05.2017.

DIRECTORS' RESPONSIBILITY STATEMENT:

On the basis of internal financial controls and systems relating to compliance maintained by the company, work done by the internal, statutory and secretarial auditors, the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2016-17.

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and based on the representations received from the management, the directors hereby confirm that:

- a) in the preparation of the Annual Accounts for the year 2016-17, the applicable accounting standards had been followed and there are no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March 2017 and of the profit of the company for that period;
- c) the directors had taken proper and sufficient care to the best of their knowledge and ability for the 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 fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDEPENDENT DIRECTORS DECLARATION:

Shri G.Rajan, Shri D.B.N.Rao, Shri B.Ramachandra Rao, Shri R.A.Nadesan and Smt.R.Ananda Priya who are independent directors, have submitted a declaration that each of them meets the criteria of independence as provided in sub-section (6) of section 149 of the Act and revised LODR.

RISK MANAGEMENT POLICY:

The Board takes responsibility in overseeing the risk management plan for 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 by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of the Companies Act 2013, the Corporate Social Responsibility Committee was formed for CSR Activities. Your Company has spent Rs.6,37,340/= towards CSR Activities as approved by the CSR Committee and the Board, as against the CSR responsibility of spending an amount of Rs. 14,29,626/= during the year 2016-17. A detailed CSR Activities of the company is furnished as Annexure V to this report.

BOARD EVALUATION:

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the company and obtained their feedback on overall Board effectiveness as well as each of the other directors.

Based on the questionnaire and feedback, the performance of every director was evaluated and it will be improved based on the suggestion.

Important key criteria for Directors performance evaluation are as follows:

Attendance at Board or Committee Meetings

Contribution at Board or Committee Meetings

Guidance/support to management outside Board/Committee meetings.

AUDITORS:**Statutory Auditors:**

In accordance with the provisions of Section 139 the Companies Act, 2013, and the rules framed thereunder, M/s. B. Purushottam & Co., Chartered Accountants, Chennai having Reg No: 0028288 were appointed as statutory auditors of the company till the conclusion of the 35th Annual General Meeting (AGM) to be held in the year 2017. The Board recommend for their re-appointment for the financial year 2017-18.

Internal Auditor:

M/s DPV & Associates, Chartered Accountants, Chennai, has been appointed as an internal auditor to conduct the internal audit for the company during the year under review. Their scope of work includes review of processes for safeguarding the assets of the company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Internal auditor's findings are discussed with the senior officials and suitable actions taken as directed by the Audit Committee on a regular basis to improve efficiency of the company.

Cost Auditor:

M/s J V Associates, Cost & Management Accountants, Chennai, has been appointed as Cost auditor to conduct the Cost audit for the company during the year under review. Their scope of cost audit will be as per Companies Act 2013 and cost accounting rules. They will advise the company for cost improvement and management techniques for cost control & cost reduction as may be required for the benefit of the company.

Secretarial Auditor:

Mr.G.Porselvam, Practicing Company Secretary Chennai has been appointed as the Secretarial Auditor to conduct the Secretarial audit for the Company during the year under review. The Secretarial Audit Report provided by him shall form part of this report.

LISTING:

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE). The shares are not quoted in the BSE because the criteria in terms of Minimum paid up capital and Net worth, for trading are not met by the Company. The Secretarial Auditor has qualified in their report on non trading of Company equity shares in BSE and its non compliance. Your company initiated to resolve the issue or other suitable measures upon experts advise on the issue.

CORPORATE GOVERNANCE:

The Company has been practicing the principles of good Corporate Governance over the years and lays strong emphasis on transparency, accountability, and integrity. A separate section on Corporate Governance annexed which form part of this Annual report.

PUBLIC DEPOSIT:

The Company has not accepted any fixed deposits under the provisions of the Companies Act, 2013.

DISCLOSURES:

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act 2013, read with the Companies (Accounts) Rules, 2014 are given in the Annexure I and forms part of this report.

B. EXTRACT OF THE ANNUAL RETURN

Extract of Annual return in the prescribed form MGT-9 is given as Annexure II to this report, in terms of the requirement of Section 134(3)(a) of Act 2013 read with the Companies (Accounts) Rules, 2014.

C. PARTICULARS OF EMPLOYEES REMUNERATION

The information required under section 197(12) of the Act, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the Annexure to this report.

D. TRANSACTIONS WITH THE RELATED PARTIES:

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 are furnished in Form AOC-2 to this report, as Annexure III

E. DETAILS OF LOANS / GUARANTEES / INVESTMENTS MADE:

The details of loans / guarantees / investments under Section 186 of the Act 2013 read with (Meeting of Board and its Powers) rules 2014 for the financial year 2016-17 are given as **Annexure IV** to this report.

OTHER LAWS:

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no significant and material orders passed by the regulators or courts or tribunals affecting the going concern status and future operations of the company.

ACKNOWLEDGEMENTS:

Your directors would like to place on record their appreciation for the guidance and support received from various departments of State and Central Governments.

Banks and Financial Institutions have shown cordial understanding and support and your Directors place on record their appreciation for the same.

Your directors also place on record their appreciation of the services rendered and co-operation extended by all the employees of the Company.

The Directors also thank the investors and stake holders for their continued support to the Company.

For and on behalf of the Board

Place: Chennai
Date: 30.5.2017

P.Ravi
Chairman

ANNEXURE I TO DIRECTORS' REPORT

FORMA
CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION	2016-17	2015-16
1. ELECTRICITY:		
a) Purchased Units	25,887,161	27,693,240
Total Amount Rs.	170,919,579	178,086,887
Average Rate/Unit Rs.	6.60	6.43
b) Own Generation		
Through Diesel Generation Unit		
Units Per Ltr. of Diesel Generation		
Cost/ Unit Rs.		
2. COAL: Quantity		
(Tons) Total Cost	45,860	48,529
RS. Average Rate	245,897,950	286,403,541
(Rs)	5361.93	5901.70
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	98.92 units	103.01 units
Coal Consumption			
Per ton of Cement	0.25MT	0.17 MT	0.18 MT

TECHNOLOGY ABSORPTION FROM FOREIGN COUNTRIES:

During the year the Company had no occasion to absorb any foreign technology.

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):	2016-17	2015-16
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: 30.5.2017P.Ravi
Chairman

ANNEXURE • II TO DIRECTOR'S REPORT

FORM NO.MGT9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31st March 2017

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (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 / Uimited by Shares
v	Address of the Registered Office & Contact Details	Vedadri Village, Jagayyapet Mandai, Krishna District, A.P. State. Phone:(08676) 284538; Email:velliparamasivamcs@hemadricements.com
vi	Whether Usted 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@rediffmail.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 no subsidiary nor Associate Companies during the year 2016-17.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TO TOTAL EQUITY)

(i) Category-wise shareholding

Category of Shareholder	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									
II) Individual/HUF		1364552	1364552	20.46		1036151	1036151	15.53	-4.92
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		2929758	2929758	43.92		3258159	3258159	48.85	4.92
a) Bank/FI		0	0	0.00		0	0	0.00	
f) Arr/Other		0	0	0.00		0	0	0.00	
SUB- TOTAL (A)(1)		4284310	4284310	84.38		4294310	4284310	84.38	0.00
(2) Foreign									
B) 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/A		0	0	0.00		0	0	0.00	
a) Any Other- Director									
Relativa NRI		0	0	0.00		0	0	0.00	
SUB TOTAL (A)(2)		0	0	0.00		0	0	0.00	
IblalShlrehOidng01Pro...									
(A)(A)(1)+(A)(2)		4294310	4294310	84.38		4294310	4294310	84.38	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		0	0	0.00		0	0	0.00	
b) Banks/A		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	
a) Vantura 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	
0 Others (specify)		1000	1000	0.01		1000	1000	0.01	
SUB TOTAL (B)(1)		1000	1000	0.01		1000	1000	0.01	

HEMADRI CEMENTS LIMITED G

Category of Shareholder	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 Institutional									
a) Bodies corporales		0	0	0.00		0	0	0.00	
i) Indian		107593	107593	1.81		91717	91717	1.38	-24
ii) Overseas		0	0	0.00		0	0	0.00	
b) Individuals									
i) Individual shareholder holding nominal share capital upto Rs. 2 Lakh		130673	11306731	19.59		1475460	1475460	22.12	2.53
ii) Individual shareholder holding nominal share capital in excess of Rs. 2 Lakh		952097	9520971	4.27		799244	799244	11.98	-2.29
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	82611	0.12		8269	8269	0.12	
SUB TOTAL (B) (2)		237480	23746110	35.11		23746110	237480	35.11	0.00
Public Shareholding									
(B) = (8)(1) + (8)(2)		2375890	2375890	35.82		2375690	2375890	35.82	0.00
Share held by Custodian for GDR & ADR			0	0.00		0	0	0.00	
Grand Total (A+B+C)		11670000	11670000	100.00		11670000	11670000	100.00	0.00

(ii) Shareholding of Promoters:

Sl 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	984899	14.77	0	984899	14.77	0	0.00
2	KILARU ARUNA	130000	1.95	0	130000	1.95	0	0.00
3	KILARU PADMAJA	503601	7.55	0	412251	6.18	0	-1.37
4	SRIMANNARAYANA KILARU	20000	0.30	0	20000	0.30	0	0.00
5	K GOPIPRASAD	685051	10.27	0	448000	6.72	0	-3.55
6	KILARU VIDYA SAGAR VARMA	10000	0.15	0	10000	0.15	0	0.00
7	KOTHA PRASUNAMBA	7500	0.11	0	7500	0.11	0	0.00
8	PUSHA	3000	0.04	0	3000	0.04	0	0.00
9	KOTHA MADHU MURTHY	2250	0.03	0	2250	0.03	0	0.00
10	G VENKATESWARA RAO	1594	0.02	0	1594	0.02	0	0.00
11	KOTESWARA RAO KOTHA	1500	0.02	0	1500	0.02	0	0.00
12	ASUSEELA	56	0.00	0	56	0.00	0	0.00
13	SRM CIVIL WORKS PVT LTD	1944859	29.16	0	2273260	34.08	0	4.92
	TOTAL	4294310	64.38	0.00	4294310	64.38	0	0.00

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V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs.in Lakhs)

	Secured Loans excluding deposHs	Unsecured Loans	Depoalts	Total Indebtedness
Indebtedness at the beginning of the financialyear				
I) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
TOTAL (I+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financialyear				
Addition - Loan	Nil	Nil	Nil	Nil
Transferred on account of Demerger	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financialyear				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
TOTAL (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Fs. In L.akhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Shrl K.GopI Prud(MD)	Shrl P. Ravi(Chalrman)	
1	Gross salary			
	(a) Salary as per provisions contained in section17(1) ofthe Income TaxAct,1961.	6.00	30.00	6.00
	(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	-	7.70	7.70
	Total(A)	6.00	37.70	43.70

B.Remuneration to other Directors:

Sl. No	Particulars	Name of the Directors					Total Amount
		ShriG.Ralan	ShriB.Ramachandra Rao	Shrt R A Nadesan	Smt.R.Ananda Priya	ShriDBN Rao	
1	Independent Directors						
	a) Fee for attending Board/ Committee Meetings	0.38	0.30	0.35	0.15	0.20	1.38
	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL (1)	0.38	0.30	0.35	0.15	0.20	1.38
2	Other Non Executive Directors		Shri.P.Sathyarayanan				
	(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)						1.38
	Total Managerial Ramuneration(A+B)						45.08

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(As.In La.khs)

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.	70.24	15.43	85.67
	(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	70.24	15.43	85.87

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 :

(a)	Names of the related party and nature of relationship	SAM Global Cements Corporation Ltd., Directors Interested Company	SAM Transport India Pvt Ltd., Directors Interested Company
(b)	Nature of Contracts/ arrangements/transactions	Sale of Cements	Transport of Cements
(c)	Duration of Contracts/ arrangements/transactions	2016-17	2016-17
(d)	Salient terms of the contracts or arrangements or transactions including the value if any.	Irrespective of market fluctuations to sell the Cement at decided Quantity at fixed price per bag.	Transport of Cements to other states on regular basis at the agreed price per MT without any interruption
(e)	Justification for entering into such contracts or arrangements or transactions	Company ensures the production schedule, Sales and funds flow management.	Company ensures the Sales schedule at the fixed cost.
(f)	Date of approval by the Board, if any	Approved	Approved
(g)	Amount paid as advances, if any	Nil	Nil

2. Details of material contracts or arrangements or transactions at arm's length basis.

The Cement sales to SAM Civil Works Pvt. Ltd., SAM Hotels Pvt. Ltd., SAM Engineering & Technology and Loan to HCL Agro Power Limited are at arm's length basis and reported to Board periodically, in which directors are interested.

Place: Chennai
Date :30.05.2017

P. Aavi
Chairman

ANNEXURE IV TO DIRECTORS' REPORT

DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2016-17							
S.No:	Name of the body corporate	Nature of relationship	Purpose of loan / acqulshion / guarantee/ security	Rate of Interest	Amount of loan / securHy / guarantee (Rs.in lakhs)	%to free Reserves	Purpose for which the loan / guarantee utilised by the recipient
1	HCL Agro Power Ltd	Directors Interested Company	Inter Corporate loan	Existing Bank Rate	51.19	1.11	For Business purpose
	TOTAL				51.19	1.11	

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 our 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 sustainability. (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 centered 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. Vivek Sivaraman- Member
c) Shri. Nadesan R.A- Member
3. The Net profit of the company for last three financial years are, Rs.89,18,428/= for the year 2013-14 and Rs.10,05,29,857/= for the year 2014-15 and Rs.10,49,95,544/= for the year 2015-16. The Average profit of the above 3 years is Rs.7,14,81,276/= as per Sec 198 of the Companies Act 2013.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) is Rs.14,29,626/=
5. Details of CSR spent during the financial year:

The Company has spent Rs.6,37,340/= towards CSR Activities related to Medical camp at vedadri village and rural development as approved by the CSR Committee and the Board, as against the CSR responsibility of spending an amount of Rs.14,29,626/= during the year 2016-17. The CSR committee geared up for CSR activities during the current financial year 2017-18.
6. We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR objectives and policy of the company.

Place: Chennai
Date : 30.05.2017

P. Ravi
Chairman

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

Your Board of Directors view their role as trustees for various stakeholders and the society at large and it is their endeavor to observe the best corporate governance practices which inter alia include transparency, accountability and fairness in all dealings and pursuing a policy of corporate disclosures and communication.

BOARD OF DIRECTORS

Your Board consists of 9 Directors and is in conformity with LODR of BSE.

The composition of the Board is given below:

Shri. P.Ravi	Promoter /Non -executive	Chairman
Shri. K.Gopi Prasad	Promoter/executive	Managing Director
Shri. Gopalsamy Rajan	Independent/Non – executive	Director
Shri. P.Satyanarayanan	Promoter/Non – executive	Director
Shri. D.B.N.Rao	Independent/Non – executive	Director
Shri. B.Ramachandra Rao	Independent/Non – executive	Director
Shri. R.A.Nadesan	Independent/Non-executive	Director
Shri. Vvek Sivaraman	Executive	Director
Smt. R.Ananda Priya	Independent/Non – executive	Director

Shri P.Ravi and Shri.P.Satyanarayanan are related as brothers

BOARD MEETINGS AND ATTENDANCE

The Board of the Company met 4 times during the year under review on

- 31st May 2016
- 5th August 2016
- 11th November 2016 and
- 9th February 2017

Particulars of Attendance

Name of the Director	DIN No.	Category	Board Meetings	Audit Committee	Shareholder Committee	Remuneration Committee	CSR Committee	Whether attended AGM on 28 th Sep 2016
Shri.P.Ravi	00675665	Promoter	4	NA	NA	NA	1	No
Shri.K.GopiPrasad	01025908	Promoter	2	2	2	NA	NA	Yes
Shri.Gopalsamy Rajan	02348441	Independent	4	4	4	1	NA	Yes
Shri.P.Satyanarayanan	01532804	Promoter	0	NA	NA	NA	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	NA	Yes
Shri.R.A.Nadesan	02695412	Independent	3	4	4	1	1	Yes
Shri.Vivek Sivaraman	05223790	Executive	4	NA	NA	NA	1	Yes
Smt.R.Ananda Priya	01768355	Independent	3	NA	NA	NA	NA	No

NA - Not Applicable

Shri.P.Satyanarayanan vacated his office w.e.f 30.5.2017 as per Sec 167 of the Companies Act 2013

COMMITTEES OF THE BOARD

The following are the composition of various committees.

- I. AUDIT COMMITTEE
 - a) ShriNadesan R.A. - Chairman
 - b) ShriK.Gopi Prasad ShriG.
 - c) Rajan
 - d) ShriB.Ramachandra Rao

- II. SHARE TRANSFER & STAKE HOLDERS RELATIONSHIP COMMITTEE
 - a) ShriK.Gopi Prasad - Chairman
 - b) ShriNadesan R.A.
 - c) ShriG.Rajan

- III. NOMINATION & REMUNERATION COMMITTEE
 - a) ShriG.Rajan- Chairman
 - b) ShriNadesan R.A.
 - c) ShriB.Ramachandra Rao

- IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
 - a) ShriP.Ravi - Chairman
 - b) ShriNadesan R.A.
 - c) Shri Vivek Sivaraman

- V. MANAGEMENT COMMITTEE
 - a) ShriP.Ravi - Chairman
 - b) ShriK.Gopi Prasad
 - c) ShriP.Sathyanarayanan
 - d) ShriNadesan R.A.
 - e) Shri Vivek Sivaraman

- VI. TECHNICAL COMMITTEE
 - a) ShriP.Ravi - Chairman
 - b) ShriNadesan R.A.
 - c) ShriD.B.N. Rao
 - d) Shri Vivek Sivaraman

Mr.Velli Paramasivam, Company Secretary would be the convener and Compliance Officer

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 responsibility of the Audit committee, inter alia,

- 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 reason 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
 - 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.

The Audit committee met 4 times during the year on 23rd May 2016, 5th Aug 2016, 11th Nov 2016 and 9th Feb 2017

DIRECTORS' REMUNERATION

		Remuneration	Incentive	Total
Shri.P. Ravl	Chairman	Rs.30,00,000	7,70,000	37,70,000
Shri.K.GopiPrasad	Managing Director	Rs. 6,00,000		6,00,000
Shri.VivekSivaraman	Director & CEO	Rs.70,24,000		70,24,000

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.

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT:

A brief profile of the director proposed for re-appointment is,

1. Shri K. Gopi Prasad:

Shri K. Gopi Prasad aged about 59 years, is a qualified Mechanical Engineer. He worked for the Indian Navy till 1985. He joined in our Company as Executive Director Since 1985. He became the Managing Director of the Company from the year 1991 onwards. He has vast and varied experience in the cement industry.

At present, he is also a Director of
Sai Hemaja Aerobricks (P) Ltd
Gopi Marine Services Pvt Ltd
Ratna Cements (Yadwad) Ltd
Celcon Products (India) Pvt Ltd
Hema Trading Company (India) Pvt Ltd

None of the Directors are interested in his reappointment as director and/or Managing Director of the company.

GENERAL BODY MEETINGS

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

a.	08.09.2014 at 11.30 am	Venue: Regd Office of the Company at
b.	23.09.2015 at 12.30 pm	Vedadri Village, Jaggayyapet Mandai
c.	28.09.2016 at 3.00 pm	Krishna District, Andhra Pradesh

DISCLOSURES:

- Related Party Disclosures:

During the year under review, certain transaction of material nature has been entered into by the Company with its promoters, the directors or relatives, etc that may have a potential to be in conflict with the interests of the Company. Such contracts have been entered into the beneficial interest of the company in the competitive environment. The register of contracts containing transactions, in which directors are interested, is placed before the Board regularly.

The particulars of transactions between the Company and its related parties as per Accounting Standard 18 (AS 18) is set out in the Annual Report.

- Compliance by the Company:

There has been no instance of non-compliance by the Company on any matter relating to Capital Markets during the last three financial years. The Bombay Stock Exchange had suspended

trading of the shares of the Company for non-compliance of revised norms on paid up share capital or net worth. The Company is in the process of fulfilling the conditions for re-listing, along with demate.

- Compliance of Mandatory requirements :

The Company has complied with all major mandatory requirements as per LODR of BSE.

SHAREHOLDERS' GENERAL INFORMATION:

- a) Date, time and venue of the Annual General Meeting:
 Date: 22nd Sep 2017 Venue: Regd. Office of the Company at Vedadri
 Time: 3.30 p.m. Village, Jaggayyapet Mandai, Krishna District
 A.P. State.
- b) Financial Calendar:
 Financial Year : April-March
 Quarterly Results : 10 14th August 110 15th October
 1110 14th February IVQ 15th May

- c) Arrangements for Share Transfers:

Registrars & Share Transfer Agents:
 XLSOFTECH SYSTEMS LIMITED
 #3, Sagar Society, Road No.2
 Banjara Hills, Hyderabad 500 04
 Phones: 23545913/14/15 Fax 040-23553214 Email: xlfield@rediffmail.com

Share transfers are generally done within 30 days of receipt of the Transfer Deeds.

- d) Distribution of Shareholding as on 31.3.2017.

Nominal Value	No: of Share Holder	% to total No: of Share Holder	Value	***to total Value
Upto - 5000	3041	83.57	5334050	8.00
5001 - 10000	351	9.65	2798190	4.20
10001 - 20000	122	3.35	1908480	2.86
20001 - 30000	42	1.15	1071520	1.61
30001 - 40000	10	0.27	374750	0.56
40001 - 50000	18	0.49	871620	1.31
50001 - 100000	21	0.58	1746000	2.62
100001 - above	34	0.94	52595390	78.84
Total	3639	100.00	66700000	100.00

Auditors 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 2017 as stipulated in LODR 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, 2017.

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.

Chennai
30.5.2017

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

B.S.Purushottam
PARTNER
M.No.026785

Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2017
*[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,
Hemadri Cements Ltd

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by M/s. HEMADRI CEMENTS LTD. (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 hereon.

Based on my verification of the HEMADRI CEMENTS LTD, 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 01/04/2016 to 31/03/2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by HEMADRI CEMENTS LTD, for the financial year ended on 31/03/2017 according to the provisions of the following Act Subject to the observation as given below:

"The Company is listed with Bombay Stock Exchange (BSE), Mumbai. The shares of the company are not traded, as the BSE had suspended the trading."

(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 1956/2013, forms, returns in this connection have been filed.

Compliance under the Following Acts has been made during the year

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA').

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws.

(iv) Foreign Exchange Management Act, 1999.

(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, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i) The Listing agreement with Stock Exchange as per SEBI Act:

The Listing agreement compliances are not met by the Company

(vi) Other Laws specifically applicable to the Company as under:

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 Contract 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 is yet to exercise its option under the SEBI (Usting Obligation and Disclosure Requirements) Notification.

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 Women 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: 30/05/2017

Signature: sd/-
Name : G.Porselvam
CPNo : 3187

INDEPENDENT AUDITOR'S REPORT

To the members of HEMADRI CEMENTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **HEMADRI CEMENTS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (Mthe Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of

Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (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 its pending litigations impacting its financial position; refer note no 28.1.
 - 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.
 - iv. The company had provided requisite disclosures in note no 10 of financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

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

Place : Chennai
Date : 30.05.2017

B.S.PURSHOTHAM
Partner
M No: 026785

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of HEMADRI CEMENTS LIMITED on the standalone financial statements for the year ended 31st March 2017, we report that:

- (i)
 - a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. Fixed Assets have been physically verified by the management at reasonable intervals. Materials discrepancies if any found during physical verification have been properly dealt with in the books of accounts.

- c. according to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and the material discrepancies if any found during physical verification have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses (iii) (a) and (b) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans nor made any investments nor provided any guarantee or security to the persons or body corporate as stated in 185 and 186 of the Act. Hence reporting under this clause does not arise.
- (v) During the year the company has not accepted any deposits from the public and hence Section 73 to Section 76 of the Companies Act, 2013 are not applicable.
- (vi) Maintenance of cost records has been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013, and such accounts and records have been so made and maintained.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company except the following.

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

- b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (viii) The company has not borrowed any loans or borrowings from Financial Institutions, Bank Government, Debenture holders hence reporting under this clause does not arise.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under this clause does not arise.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence reporting under this clause does not arise.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, hence reporting under this clause does not arise.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (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 : 30.05.2017

B.S.PURSHOTHANI
Partner
M No:028785

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of HEMADRI CEMENTS LIMITED ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone 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.

Auditors' 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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 2017, 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 : 30.05.2017

B.S.PURSHOTHANI
Partner
M No:028785

HEMADRICEMENTS LIMITED BALANCE
SHEET AS AT 31st MARCH, 2017

CIN :L26942AP1981PLC002995

Particulars	Note No:	As at 31.03.2017		As at 31.03.2018	
		Ra.	Rs.	Ra.	Rs.
I.EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	66,700,000		66,700,000	
(b) Reserves and Surplus	3	396,272,297	462,972,297	386,014,415	452,714,415
(2) Non-current liabilities					
(a) Deferred tax liabilities (Net)	4	3,180,828		5,821,975	
(b) Long term provisions	5	6,368,587	9,649,415	5,137,758	10,959,733
(3) Current Liabilities					
(a) Trade payables	6	35,341,629		32,452,666	
(b) Other current liabilities	7	90,281,570		102,650,045	
(c) Short term provisions	8	17,131,913	142,755,112	17,928,320	153,031,031
TOTAL			615,276,824		616,705,179
II.ASSETS					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	9	110,682,124		78,755,138	
(ii) Capital work in progress	10	-		5,843,177	
		110,662,124		84,598,315	
(b) Non-current investments	11	6,000,000		6,000,000	
(c) Long term loans and advances	12	201,263,600	317,945,724	2,16,332,278	306,930,593
(2) Current Assets (a)					
(b) Trade receivables	13	78,264,052		83,027,861	
(c) Cash and Bank Balances	14	40,256,856		31,678,561	
(d) Short term loans and advances	15	140,654,285		128,848,273	
(e) Other current assets	16	24,920,412		27,576,515	
	17	13,235,495	297,331,100	38,643,376	309,774,586
TOTAL			615,276,824		616,705,179
Summary of Significant accounting policies	1				
Other notes forming part of accounts	28				

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.002BOBS)

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No:026785P.RAVI
Chairman
DIN:00675665VIVEK SIVARAMAN
CEO & Director
DIN:05223790Place:Chennai
Date: 30.05.2017VELLI PARAMASIVAM
Company Secretary

HEMADRICEMENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH,2017
CIN : L26942AP1981PLC002995

Particulars	Nota No:	As at 31.03.2017		As at 31.03.2018	
		Ra.	Ra.	Ra.	Ra.
I. Revenue from Operations	18		854,212,682		920,452,856
II Other Income	19		8,855,152		9,441,451
III Totalrevenue (I + II)			<u>883087,834</u>		<u>929,894,307</u>
IV Expenses					
Cost of materials consumed	20	202,515,374		200,608,447	
Changes in inventories of finished goods, work in progress	21	6,108,698	208,624,072	(5,549,827)	195,058,620
Power and Fuel	22		421,830,443		464,490,428
Employee benefits expense	23		80,616,646		B9,170,n5
Finance costs	24		351,412		1,594,680
Deprecillation and amortization expense	25		10,110,708		10,612,106
Selling & Distribution expense	26		11,848,082		13,377,756
Other expenses	27		52,247,n4		50,594,398
TotalExpenaea			<u>785629137</u>		<u>824,898,763</u>
V Profit(Loss) before exceptionaland extraordinary items and tax (III-IV)			n,438,697		104,995,544
VI Extraordinary Items			-		
VII Profit/(Loss) After extraordinary items and tax			n,438,697		104,995,544
VIII Profit before tax			n,438,697		104,995,544
IX Tax expense:					
(1) Curren1tax		30,450,000		38,200,000	
(2) Earlier Year's Tax		39,371,962		-	
(3) Deferred tax		(2,641'147)	67,180,185	1,755,910	39,955,910
X Profit/(Loss) for the period for con1inuuing operations (VIII-IX)			10,257,882		65,039,634
XI Profit/(Loss) from Previous year					
XII Profit/(Loss) for the period			10,257,882		65,039,634
XIII Earning per equity share:					
(1) Basic & Diluted(Face Value of Rs.10/- each)			1.54		9.75
Summary of Significant accounting policies	1				
Other notes fanning part of accounts	28				

The notes attached form an integral part of FinancialStatements

As per our report of even date
For B. PURUSHOTTAM & CO
Chartered Accountants
(Firm Regn.No.002BOBS)

For and on behalf of the Board

B-S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

VIVEK SIVARAMAN
CEO & Director
DIN:05223790

Place:Chennai
Date: 30.05.2017

VELLI PARAMASIVAM
Company Secretary

HEMADRICEMENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31• March 2017
CIN:L26942AP1981PLC002995

Particulars	As at 31.03.2017		As at 31.03.2018	
	Rs.	Rs.	Rs.	Rs.
Cuh flows from operating activities				
Profit before taxation		n,438,697		104,995,544
Adjustments for:				
Depreciation and amortization expense	10,110,708		10,612,106	
Interest received	(8,855,152)		(9,034,043)	
LDss on sale of vehicles	-		253,917	
Interest expenses	-		1,594,680	
		1,255,556		3,426,660
		78,694,253		108,422,204
(Increase)/ decrease in trade and other receivables	(8,578,295)		21,739,886	
(Increase)/ decrease in inventories (Increase)/	4,763,809		(3,897,380)	
decrease in current assets Increase/	14,697,648		(30,594,413)	
(decrease) in trade payables Increase/	2,888,963		(975,224)	
(decrease) in Other current liabilities				
provisions	(16,690,724)	(2,918,599)	(52,338,706)	(66,065,837)
		75,n5,655		42,356,367
Income taxes paid		36,630,280		38,407,144
Net cash from operating activities Cuh		39,145,375		3,949,223
flows from Investing activities				
Purchase of property, plant and equipment Proceeds	(36,194,515)		(15,229,831)	
from sale of property,				
plant and equipment	-		3,224,161	
Proceeds from matured deposits	20,225,081			
Interest received	8,855,152		9,034,043	
Dividend received	-		-	
Net cash from investing activities		(7,114,282)		(2,971,627)
Cuh flows from financing activities				
Proceeds from issue of share capital	-			
Interest paid	-		(1,594,680)	
Dividend paid	-			
Net cash from financing activities		-		(1,594,680)
Net Increase/(decrease) In cash and				
cuh equivalents		32,031,093		(617,081)
Cuh and cash equivalents at beginning of		55,227,549		55,844,630
reporting period				
Cuh and cuh equivalents at end of		87,258,842		55,227,549
reporting period				

Cash & Cashequivalents:

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

Particulars	Current reporting period		Previous reporting period	
	Ra.	Ra.	Ra.	Ra.
Cash on hand and bank balances		87,258,642		55,227,549
Short term investments		-		
Cash and cash equivalents as reported		87,258,642		55,227,549
Effect on exchange rate changes		-		
Cash and cash equivalents as restated		87,258,642		55,227,549

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:00875685

VIVEK SIVARAMAN
CEO & Director
DIN:05223790

Place: Chennai
Date: 30.05.2017

VELLI PARAMASIVAM
Company Secretary

HEMADRI CEMENTS LIMITED NOTES TO
FINANCIAL STATEMENTS CIN
: L26942AP1981PLCDD2995

2. Share Capital:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Rs	Number	Rs
Authorized:				
Equity shares of As. 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
Total	10,000,000	100,000,000	10,000,000	100,000,000
Issued, subscribed and fully paid up:				
Equity shares of As. 10/- each				
At the beginning of the reporting period	6,670,000	66,700,000	6,670,000	66,700,000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	6,670,000	66,700,000	6,670,000	66,700,000

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Other Information:

(i) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

S.No	Particulars	No. of shares	% of Holding	No. of shares	% of Holding
a.	K.Gopi Prasad	448,000	6.71%	685,051	10.28%
b.	Kilaru Padmaja	412,251	6.18%	503,601	7.55%
c.	SAM TAP Properties & Investments P Ltd	984,899	14.77%	984,899	14.77%
d.	SAM Civil Works Pvt Ltd	2,273,260	34.08%	1,944,859	29.16%

3. Reserves and Surplus:

Particulars	Capital Reserve	Revaluation Reserve	Other reserves	Surplus i.e. balance in Statement of Profit & Loss Rs.	Total
	Rs.	Rs.	Rs.		
At the beginning of the reporting period	13,351,587	1,435,690	974,250	370,252,888	386,014,415
Transferred from/tO Profit & Loss Account	-	-	-	10,257,882	10,257,882
Depreciation for earlier years	-	-	-	-	-
Allocation towards allotment of bonus shares	-	-	-	-	-
Proposed Dividends	-	-	-	-	-
Provision towards dividend distribution tax	-	-	-	-	-
At the close of the reporting period	13,351,587	1,435,690	974,250	380,510,770	396,272,297
At the close of the previous reporting period	13,351,587	1,435,690	974,250	370,252,888	386,014,415

4. Net Deterred tax (lIablllty)/aaaet:

Particulars	at 31.03.2017 Rs.	at 31.03.2016 Rs.
i) Deferred tax liability:		
a) On account of depreciation on fixed assets	7,677,575	7,649,801
b) On account of timing differences in recognition of expenditure	-	-
Total	7,677,575	7,649,801
ii) Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	4,496,747	1,827,826
b) On account disallowance under section 40 (ia)	-	-
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	-	-
Total	4,496,747	1,827,826
Net Deferred tax Liability (I - II)	3,180,828	5,821,975

5. Long term Provisions:

a) Provisions for employee benefits	6,368,587	5,137,758
Total	6,368,587	5,137,758

& Trade Payables

Particulars	at 31.03.2017 Rs.	at 31.03.2016 Rs.
a) To Micro, Small and Medium Enterprises	-	-
b) Others	35,341,629*	32,452,666
Total	35,341,629	32,452,666

Note: 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 paid/payable as required under the act have not been given.

*Break up for b) Other		
Creditors for Materials	19,490,351	21,218,731
Contract Payable	15,851,278	11,233,935
Total	35,341,629	32,452,666

7. Other current liabilities:

Particulars	at 31.03.2017 Rs.	at 31.03.2016 Rs.
a) Other payables		
Statutory Liabilities	15,115,710	15,054,564
Advance received from Customers	29,685,020	34,844,719
Amount Payable to Employees	4,331,231	4,122,804
Outstanding Expenses	14,805,244	21,394,187
Other Expenses Payable	19,350,450	20,499,035
Professional Charges Payable	6,993,915	6,734,736
Total	90,281,570	102,650,045

8. Short term provisions:

Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
a) Provision for employee benefits	11,675,242	17,228,320
b) Provision for Income Tax 2015-16 (Net of Advance tax)	-	700,000
c) Provision for Income Tax 2016-17	5456 671	-
Total	17,131,913	17,928,320

9.Fixed Assets:

Particulars	GROSS BLOCK (AT COSij			DEPRECIATION				NEJBLOCK		
	Asat 01-04-2016	Additions for the year	Deductions during the year	Asat 31-03-2017	Asat 01-04-2016	For the year during the year	Deductions	Asat 31-03-2017	Asat 31-03-2017	Asat 31-03-2016
Tangible Assets										
Own assets										
Land										
-Free Hold	8,805,836	-	-	8,805,836	-	-	-	-	8,805,836	8,805,836
- Land & Site- Development	8,491,855	-	-	8,491,855	-	-	-	-	8,491,855	8,491,855
Buildings	48,564,054	15,428,407	-	63,992,461	30,981,526	1,425,036	-	32,406,562	31,585,899	17,582,528
Plant & Machinery	308,982,313	25,019,096	-	334,001,409	271,021,569	6,929,617	-	277,951,186	56,050,223	37,960,744
Electrical Installation	38,635,281	-	-	38,635,281	37,653,265	122,952	-	37,776,217	859,064	982,016
Computers	1,391,599	70,483	-	1,462,082	1,166,269	136,313	-	1,302,582	159,500	225,330
Furniture & Fixtures	420,087	-	-	420,087	352,769	18,086	-	370,855	49,232	67,318
Office Equipment	2,333,996	157,801	-	2,491,797	1,894,818	191,297	-	2,086,115	405,682	439,178
Vehicles	10,279,332	1,361,905	-	11,641,237	6,085,194	1,287,407	-	7,372,601	4,268,636	4,194,138
Construction										
Machinery	480,450	-	-	480,450	477,802	-	-	477,802	2,648	2,648
Work Shop Equipment	389,730	-	-	389,730	386,182	-	-	386,182	3,548	3,548
Assets taken on finance lease	-	-	-	-	-	-	-	-	-	-
	428,774,533	42,037,692	-	470,812,226	350,019,394	10,110,708	-	360,130,102	110,682,124	78,755,138
Intangible assets	-	-	-	-	-	-	-	-	-	-
TOTAL	428,774,533	42,037,692	-	470,812,226	350,019,394	10,110,708	-	360,130,102	110,682,124	78,755,138
Previous Year	424,304,552	9,386,654	4,916,673	428,774,533	340,845,885	10,612,106	1,438,595	350,019,396	78,755,137	83,458,667

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10.Capitalwork in progress:.

Particulars	As at 31.03.2017 Rs.	As at 31.03.2018 Rs.
i)Plant A Machinery		
Opening Balance	5,843,177	5,843,177
Add: Addition during the year	12,475,742	-
	18,318,919	5,843,177
Less: Capitalised during the year	18,318,919	-
Total	-	5,843,177
Less:		
Provision for impairment	-	-
Total	-	5,843,177

11.Non Currant Investments:

a) Investments In Equity Instruments:		
i) HCL Agro Power Limited	6,000,000	6,000,000
	6,000,000	6,000,000
Less:		
Provision for diminution in value of investments	-	-
Total	6,000,000	6,000,000

AddHionallInformallon:		
1) Aggregate value of unquoted investments:		
Cost	6,000,000	6,000,000
Share Capital in HCL Agro Power Ltd (600,000 Equity Shar&S of Rs.10/each Fully Paid up)		

12.Long term loans and advances:

i) Capital Advances	-	7,559,663
i) Security Deposits	29,583,523	28,563,534
ii)Loans and advances to related parties **	171,680,077	180,209,081
Total	201,263,600	216,332,278

AddHionallInformatlon:

1) Breakup of above:		
i) Secured,considered good	-	-
ii)Unsecured, considered good	201,263,600	216,332,278
iii)Doubtful	-	-
Sub Total	201,263,600	216,332,278
Less: Provision for doubtful advances	-	-
Sub Total	201,263,600	216,332,278

Debts due by firm or private company in which director is a partner or a director

Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
**Loans and advances to related parties		
HC LAgro Power Ltd.,	171,680,077	166,561,358
SRM Transport India Pvt.ltd.,	-	13,647,723
Sub Total	171,880,077	180,209,081

13. Inventories:

i) Raw materials	23,718,852	24,867,370
ii) Work in progress	25,557,345	31,701,193
iii) Finished goods	5,280,185	5,196,385
iv) Stores and spares	22,658,774	20,227,107
v) Others- Packing materials	1,048,896	1,035,806
Total	78,264,052	83,027,861

14. 'D'ade receivables:

i) Outstanding for exceeding six months	268,550	2,700,424
ii) Others ***	39,988,306	28,978,137
	40,256,856	31,678,561
Less: Provision for doubtful debts	-	-
Total	40,256,856	31,678,561
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	40,256,856	31,678,561
iii) Doubtful	-	-
Sub Total	40,256,856	31,678,561
Less: Provision for doubtful debts	-	-
Total	40,258,856	31,878,561

Includes Debts due by firm or company in which director is a partner or a director		
*** SRM Civil Works Pvt. Ltd.,	-	7,452,443
SRM Global Cements Corporation Ltd.,	33,888,078	16,183,634
SRM Hotels Private Limited	576,400	-
Sub Total	34,464,478	23,636,077

15. Cash and Bank balances:

Particulars	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
i) Cash and Cash Equivalents		
- Cash on Hand	97,461	37,604
- Balances in Current Account with Banks	87,161,181	55,189,945
Total- A	87,258,642	55,227,549
ii) Other Balance		
-in Margin Money, Security for Borrowings, Guarantees and Other Commitments	18,395,643	6,334,101
-in deposit accounts maturing in more than 3 months	35,000,000	67,286,623
Total- B	53,395,643	73,620,724
Total(A+ B)	140,654,285	128,848,273

16. Short term loans and advances:

i) Loans and advances to related parties	-	-
ii) Others		
Advance for Raw Material and Stores	12,319,643	16,363,430
Advances for Other Expenses	12,600,769	11,213,085
	24,920,412	27,576,515
less: Provision for doubtful advances	-	-
Total	24,920,412	27,576,515
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	24,920,412	27,576,515
iii) Doubtful	-	-
Sub Total	24,920,412	27,576,515
less:		
Provision for doubtful amounts		
Total	24,920,412	27,576,515

17. Other Current Assets (specify nature)

Advance Tax, TDS and TCS Receivable	5,273,300	33,708,319
Prepaid Expenses	1,097,164	701,714
CENVAT and Service Tax Input Credit	5,907,146	3,452,557
Staff Advance	724,114	368,612
Other receivable	233,771	412,174
Total	13,235,495	38,643,376

18.Revenue from operations:

Particulars	For the year ended 31.03.2017 Rs.	For the year ended 31.03.2016 Rs.
i) Sale of products		
Cement	979,133,164	1,049,296,027
Clinker	363,721	50,400
Sub Total	979,496,885	1,049,346,427
Less:		
Excise duty	125,284,203	128,893,571
Total	854,212,682	920,452,856
19.Other Income:		
i) Interest income		
- Interest on Bank FD	6,902,148	6,867,107
- Interest on Electricity Deposit	1,953,004	2,166,936
ii) Scrap sales	-	-
iii) Credit Balance written back	-	407,408
Total	8 855,152	9 441,451
20.Cost of materials consumed:		
i) Consumption of raw materials"	132,401,754	124,512,011
ii) Consumption of stores and spare parts	33,060,025	39,514,291
iii) Consumption of Packing Material	37,053,595	36,582,145
Total	202,515,374	200,608,447
"break up of i) consumption of raw materials		
a) Clay Consumption	-	520,887
b) Fly Ash Consumption	8,127,330	8,337,564
c) Gypsum Consumption	22,792,433	21,881,997
d) Iron Ore Consumption	1,537,549	-
e) Laterite Consumption	28,501,831	32,120,755
f) Limestone Consumption	71,442,611	61,650,808
Sub Total	132,401,754	124,512,011
21.Changes In Inventories of finished goods,work In progress and stock In trade:		
A. Stocks at the end of the year		
i) Work in progress- Clinker	25,557,345	31,701,193
ii) Finished goods - Cement	4671 950	4636800
Total(A)	30,229,295	36,337,993
Less:		
B. Stock at the beginning of the year		
i) Work in progress- Clinker	31,701,193	28,301,765
ii) Finished goods - Cement	4,636,800	2,486,400
Total (B)	36337,993	30,788,165
Total (A • B)	(6,108,698)	5,549,827

22. Power and Fuel:

Particulars	For the year ended 31.03.2017 Rs.	For the year ended 31.03.2016 Rs.
Power Charges	170,919,579	178,086,887
Coal consumption	250,910,864	286,403,541
Total	421,830,443	464,490,428

23. Employee Benefit Expenses:		
i) Salaries and wages	50,443,276	45,639,190
ii) Directors Remuneration	10,623,800	11,414,000
iii) Directors Remuneration - Commission on Profit	770,000	1,060,561
iv) Contribution to provident and other funds	2,621,224	2,471,605
v) Gratuity	1,890,724	1,652,949
vi) Bonus and Incentive	4,808,814	17,509,490
vii) Earned Leaves	3,599,318	3,213,429
viii) Staff welfare expenses	5,327,490	5,413,051
ix) Deputation Staff Salaries	532,000	796,500
Total	80,818,648	89,170,775
24. Finance Costs:		
i) Interest expense on others	178,840	192,854
ii) Bank Charges	44,583	47,728
iii) Interest on Income Tax	127,989	1,354,098
Total	351,412	1,594,680
25. Depreciation and amortization:		
i) Depreciation	10,110,708	10,612,106
ii) Others - amortization	-	-
Total	10,110,708	10,612,106
26. Selling Br. Distribution expenses:		
i) Selling expenses	2,654,522	2,657,916
ii) Cement Outward Freight expenses	9,193,560	10,719,840
Total	11,848,082	13,377,756

27. Inher expenses:

Particulars	For the year ended 31.03.2017 Rs.	For the year ended 31.03.2016 Rs.
i) Rent	722,000	365,000
ii) Factory Maintenance	15,618,734	13,057,626
iii) Repairs to Plant and Machinery	2,593,620	4,980,775
iv) Repairs to Other Assets	-	326,579
v) Repairs to Buildings	49,466	162,679
vi) Rates and taxes	2,874,243	2,097,916
vii) Licence Fee	859,309	418,516
viii) Insurance	645,162	858,158
ix) Printing and Stationery	1,301,437	810,682
x) Postage & Telecommunication	1,566,083	3,558,823
xi) Payment to the auditors		
- for audit fees	400,000	400,000
- for taxation matters	50,000	50,000
- for other charges	50,000	23,927
-for Audit Expenses	22,147	43,843
xii) Conveyance, Travelling expense and others	2,861,807	2,343,209
xiii) Legal and professional charges	2,580,883	2,651,526
xiv) Freight Coaly & Cartage	6,803,746	5,926,923
xv) General Expenses	5,634,501	5,403,192
xvi) Security Charges	3,423,446	2,852,427
xvii) CSR Expenses	637,340	828,304
xviii) Miscellaneous expenses	3,553,850	3,180,376
xix) Loss on sale of asset	-	253 918
lbatal	52,247,774	50,594,398

1. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

Corporation Information:

The company was incorporated on 20th April, 1981 under the provision of the Companies Act 1956, as a Public Limited Company. The Company suffered losses and was declared a sick Company in the year 1998 under the Sick Industrial Companies (Special Provision) Act, 1985. After prolonged proceedings, the Company was declared a healthy one in the year 2011 and was discharged from the purview of the BIFR on 27th July 2011.

Basis of Preparation:

The Financial statements have been prepared in accordance with the Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

Summary of Significant Accounting policies:

a. Presentation and Disclosure of accounting policy:

During the year ended 31 March 2017, the Schedule III notified under the Companies Act 2013, has been applied for preparation and presentation of its financial statements. It has significant impact on presentation and disclosures made in the financial statements. The Company also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles that require management to make estimates and assumptions that affect the reported value of assets and liabilities on the date of the financial statements and reported amount of revenue and expenditure for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c. Revenue recognition:

Revenue from sales is recognized on dispatch to customers and is recorded net of Excise Duty and Sales tax.

d. Fixed assets:

All the Fixed Assets are stated at cost together with resultant write-up due to revaluation as there may be and by reducing depreciation, wherever applicable. Cost comprises the purchase price and any other attributable costs of bringing the assets to its working condition for its intended use.

e. Depreciation:

- i. Depreciation on buildings, plant & machinery and electrical installations is provided on straight-line method and on written down value method on other assets in accordance with the rules prescribed under part "C" of Schedule II of the Companies Act, 2013.
- ii. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.
- iii. In the case of revalued assets, the difference between the depreciation based on revaluation and the depreciation charged on historical cost is transferred from revaluation reserve to profit and loss account.

f. Capital work-in-progress:

The cost incurred for fixed assets under construction/installation are included under capital work-in-progress and the same are classified to the respective assets on the completion.

g. Investments:

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Investments other than Long Term Investments are stated at cost or market value whichever is less. Any increase/reduction in the carrying cost is credited / charged to the Profit and Loss account.

h. Inventories:

- i. Stock of raw materials are stated at cost and valued on weighted average basis.
- ii. Stores & Spare parts are stated at cost and valued on FFO basis.
- iii. Work-in-progress is stated at cost.
- iv. Finished goods are valued at the lower of costs or net realizable value.

I. Retirement Benefits:

The company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund. The Company contributes to State Plans namely Employees State Insurance Fund and Employees Pension Scheme, 1995.

i) Gratuity: The Company has no gratuity fund scheme as on date. The gratuity is being paid as and when payment arises. The liability for the Gratuity Fund is determined on the basis of an independent actuarial valuation done at the year-end. Actuarial Gains and Losses comprise experienced adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

ii) Leave Encashment: The Company's Leave encashment policy entitles the employees to accumulate leave for future encashment or availment. The Company determines the liability for such accumulated leaves at each Balance Sheet date and the same is charged to revenue accordingly.

J. Borrowing cost:

Borrowing Costs that are directly attributable to the acquisition of a fixed asset are capitalized as part of the cost of the asset till the date the asset is ready for commercial use. All other borrowing costs are charged to revenue.

k. Income Tax:

- i. The current charge for tax is calculated in accordance with relevant tax regulation applicable to the company.
- ii. The deferred tax for the timing difference between the book and tax profits for the year is accounted for by using tax rates and laws that have been substantially enacted as of the Balance Sheet date.
- iii. Deferred tax Assets arising from timing difference are recognized and carried forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

l. Earning Per Share:

The basic Earnings Per Share (EPS) is computed by dividing Net Profit after tax for the year by the weighted average number of Equity Shares outstanding during the year.

m. Impairment of Assets:

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

n. Provisions and Contingent Liabilities:

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation of a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

28. OTHER NOTES FORMING PART OF ACCOUNTS:**1. Contingent Liabilities not provided for**

Particulars	As on 31.03.2017 Rs. In Lakhs	As on 31.03.2016 Rs. In Lakhs
Bank Guarantees (BG given to Singareni collories for Fuel Supply Agreement expires in September 2022)	44.00	63.34
Demand for Income tax for Asst year 2008-09 on re-opening the assessment was appealed and was awarded in our favour by the CIT(Appleas)-2, Hyderabad vide ITA No.0212/DC-2(2)/CIT(A)-2/2014-15 Dt.27.2.15.The Income tax dept. appealed against CIT(Appleas)-2,Hyderabad to The Income tax Appellate Tribunal Hyderabad. The company is confident of favorable order.	265.86	265.86
Demand for Income tax for Asst year 2012-13 as per AO dated 31.3.15 is appealed before the Commissioner of Appeals-2, Hyderabad.The company is confident of favorable appeal and hence no liability is provided.	-	330.88

- 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.17,16,80,077 were made periodically calculating the power requirements but as their generation did not stabilize, no power was flown till March 2017. However, there are no operations in HCL Agro Limited the advances could not be recovered. However the company is confident of recovering the advance hence treated as good.
- 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 paid/payable as required under the act have not been given. This has been relied upon by the Auditors.
- Excise Duty amounting to Rs.6,08,235/- (Previous Year Rs.5,59,585) on Closing Stock of finished Goods has been provided during the year to comply with 'Guidance Note on Accounting treatment for Excise duty' issued by Institute of Chartered Accountants of India.
- Managerial Remuneration:**
Details of remuneration paid to Director & CEO, Managing Director and Chairman:

Particulars	For the year ended 31.03.2017	For the Year ended 31.03.2016
Remuneration	1'13,93,800	1,24,74,561
Total	1'13,93,800	1,24,74,561

6. Employee Benefits:

In accordance with Accounting Standard 15 "Employees Benefits", the Company has classified various benefits provided to employees as under:

i. Defined Benefit Plan:

Provision for Gratuity & Leave Encashment has been provided in accordance with AS 15 (Revised).

a. Disclosure relating to Employee benefits - As per AS 15 (Revised) For defined benefit plan - Gratuity (Projected Unit Credit Method)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Changes in Present Value of Obligation

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Opening defined benefit obligation	5,747,023	4,555,948
Current services cost	871,918	825,779
Interest cost	416,638	336,053
Past Service Cost		
Benefits paid	(324,115)	(461,874)
Actuarial losses/ (gain) on obligation	602,168	491,117
Closing defined benefit obligation	7,313,632	5,747,023

Changes In the Fair Value of Plan Assets

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Opening fair value of plan assets		
Expected return on plan assets		
Actuarial gains/ (losses)		
Contributions by employer	324,115	461,874
Benefits paid	(324,115)	(461,874)
Closing fair value of plan assets		

Amount Recognized in the Balance Sheet

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Present Value of Obligation as at the end of the year	7,313,632	5,747,023
Fair Value of Plan Assets as at the end of the year		
Liability/(Asset) recognized in the Balance Sheet	7,313,632	5,747,023

Expense recognized in statement of Profit and Loss Account

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Current services cost	871,918	825,779
Interest on Defined Benefit Obligation	416,638	336,053
Past Service Cost		
Expected return on plan assets		
Curtailment Cost/(Credit)		
Settlement Cost/(Credit)		
Net actuarial losses / (gains) recognized for the period	602,168	491,117
Total Expenses Recognised in the Profit and Loss Account	1,890,724	1,652,949

Summary of Actuarial Assumptions**Financial assumptions at the valuation date:**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2018
Discount Rate	6.69%	7.46%
Expected Rate of Return on Plan Assets		
Rate of increase in Compensation levels	4.00%	4.00%
Expected Average remaining working lives of employees (In years)	9.78	10.17

b. Other Employee Benefit Plan

The liability for Leave Encashment as at the year end is Rs.79,25,483 (previous year Rs.68,39,454) and the assumptions are as same as above.

7. Amount of borrowing costs capitalized during the year Rs.Nil.

8. Segmental Information:

Since the company has only one segment, i.e.; Cement Manufacturing, separate information on Segment reporting as per the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants is not required.

9. Related Party Disclosures:

As required under Accounting Standard 18 "Related party Disclosures", following are details of transactions during the year with the related parties of the Company as defined in AS 18:

a.Name of the related parties and description of their relationship:

1	Key Managerial Personnel:	Shri. P.Ravi(Chairman) Shri. K.Gopi Prasad (Managing Director) Shri.Vivek Sivaraman (Director & CEO) Mr. Valli Paramasivam (Company Secretary)
2	Director's Interested Companies:	M/s HCL Agro Power Ltd M/s. SAM Transports India Pvt Ltd M/s SAM CivilWorks Pvt Ltd M/s.SRM Engineering Construction Corporation Ltd M/s. SAM Global Cements Corporation Ltd M/s. SAM Infrastructures Ltd M/s SAM Hotels Private Limited
3	Relatives of Key Management Personnel:	Shri. T.R.Pachamuthu Shri.P. Satyanarayanan

b. Related Party Transactions for the period ended 31st March, 2017:

Amount in Rs

Particulars	KMP	Director Interest Companies	Relative of KMP
Sales of Goode			
HCL Agro Power Ltd		Nil (Nil)	
SRM Civil Works Pvt Ltd		1,69,400 (5,10,98,705)	
SAM Global Cements Corporation Ltd		23,10,00,600 (21,48,50,710)	
SRM Hotels Private Limited		5,76,400 (Nil)	
SRM Engineering Science & Tech		36,84,800 (1,23,77,750)	
Expenses			
SRM Transports India Pvt.Ltd (Transport outward)		91,93,560 (1,07,19,840)	

c.Related Party Transactions for the period ended 31st March,2017.

Particulars	KMP	Director Interest Companies	Relative of KMP
Remuneration:			
K Gopi Prasad - Managing Director	6,00,000 (6,00,000)		
P Ravi- Chairman Qncluding Incentive)	37,70,000 {4,005,299}		
Vivek Sivaraman - Director&CEO (Including Bonus and Earned leaves}	70,23,800 (71,04,000)		
Velli Paramasivam -Company Secretary	15,43,050 {14,52,000}		
Rent Paid:			
Mr. T.A. Pachamuthu			3,00,000 {3,00,000}
Loans and Advances Given:			
HCL Agro Power Ltd		51,18,719 {47,19,381}	
Loans and Advances Received back:			
HCL Agro Power Ltd		NIL (7,85,110)	
d.Year end Balances:			
Loans and Advance Receivable			
HCL Agro Power Ltd		17,16,80,077 (16,65,61,358)	
SAM Transports India Pvt Ltd		Nil (1,36,47,723)	
Trade Receivables			
SAM Civil Works Pvt Ltd		Nil (74,52,443)	
SAM Global Cement Corporation Ltd		3,38,88,078 (1,61,83,634}	
SAM Institute of Science & Technology		Nil {1,710,450}	
SAM Hotels Private Limited		5,76,400 {Nil}	
Trade Payable			
SAM Transports India Pvt Ltd		Nil {Nil}	

Note : Values in the bracket represent previous year values.

10.Details of Specified Bank Notes:

Particulars	Specified Bank Notes	Other denominations	Total
Closing Cash in hand as on 08.11.2016	2054050	587552	2641602
(+) Permitted receipts	-	3111302	3111302
(-) Permitted payments	-	1748884	1748884
(-) Amount deposited in banks	2054050	1676350	3730400
Closing cash in hand as on 30.12.2016	-	273620	273620

11.Earnings Per Share is calculated as follows:

Particulars	For the year Ended 31.03.2017	For the Year Ended 31.03.2016
Net Profit after tax available for Equity shareholders	10,257,882	65,039,634
Weighted average of number of Equity shares outstanding during the year	6,670,000	6,670,000
Basic and Diluted Earnings per Equity share (in Rs.)		
Before Extraordinary Items	1.54	9.75
After Extraordinary Items (Rs. 10/- Face Value)	1.54	9.75

12.Deferred Tax (Liability)/ Deferred Tax Asset:

Deferred 1UA88et8		
On account of :		
Disallowances U/s 43B	4,496,747	1,827,826
TOTAL	4,498,747	1,827,828
Datarrad 1ULiabilities		
On account of depreciation	7,677,575	7,649,801
TOTAL	7,677,575	7,649,801
Net Deferred Tax Asset / (Uability)	(3,180,828)	(5,821,975)

13. Under Section 135 of the Companies Act, 2013 the company is required to spend a total amount of Rs. 14,29,626/- for the year 2016-17 on account of CSR activities . For this obligation, the company spent Rs.6,37,340 amount during the year 2016-17.
14. Value of Imports made by the Company during the financial year 2016-17 is Nil.
15. Expenditure incurred in Foreign Currency during the financial year 2016-17 is Nil.
16. Earnings in Foreign Currency during the financial year 2016-17 are Nil.
17. Sundry debtors, creditors and loans and advances are subject to confirmation.
18. Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

s/d (all authorised persons)

HEMADRI CEMENTS LIMITED

CIN : L26942AP1981PLC002995

Regd Office & Factory: Vedadri Village, Jagayyapet Mandai, 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 35th Annual General meeting of the company, to be held on Friday, 22nd September 2017 at 3.30 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:

Email ID

Signature

or failing him;

2. Name:

Address:

Email ID

Signature

or failing him;

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th General meeting of the company, to be held on Friday, 22nd September 2017 at 3.30 pm at the Registered Office of the Company at 'Kdadri Village and at any adjournment there of in respect of such resolutions as mentioned in the AGM notice.

Signed this _____ day of _____ 2017

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.

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Banjara Hills, Hyderabad 500

PLEASE NOTE :
No. of coupons
will be given at the
AGM