HEMADRI CEMENTS LIMITED

36th Annual Report

2017-2018

HEMADRI CEMENTS LIMITED
FIVE YEARS FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Parameters/Year	**2017-18**	2016-17	2015-16	2014-15	2013-14
OPERATING RESULTS					
Net Sales	**8461.90**	8542.13	9,204.53	8,452.27	7,078.86
Profit Before Tax	**91.23**	774.39	1,049.96	1,005.30	388.43
Profit After Tax	**48.74**	102.57	650.40	681.00	55.81
Net Cash Accrual	**765.58**	872.58	552.28	558.45	325.59
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	**4017.74**	3860.15	3,209.75	2,528.75	2,491.84
Profit and Loss Account	**55.01**	102.57	650.40	681.00	55.81
Net Worth	**4684.74**	**4,629.72**	**4,527.14**	**3,876.75**	**3,214.64**
Loan Funds	**Nil**	Nil	Nil	Nil	Nil
Deferred Tax Liability [Net]	**51.42**	31.81	58.22	40.66	6.36
APPLICATION OF FUNDS					
Fixed Assets: Net [Incl. WIP]	**1054.98**	1106.82	845.97	834.59	1,204.75
Investments	**60.00**	60.00	60.00	60.00	60.00
Net Current Assets	**1539.96**	1545.76	1,567.44	984.27	1,556.35
Net Assets	**2654.94**	**2,712.58**	**2,473.41**	**1,878.86**	**2,821.10**
RATIOS					
PBT to Sales (%)	**1.08**	9.07	11.41	11.89	5.49
PAT to Sales (%)	**0.58**	1.20	7.07	8.06	0.79
Earning per share	**0.82**	1.54	9.75	10.21	0.84
Dividend (%)	**Nil**	Nil	Nil	Nil	Nil

BOARD OF DIRECTORS

SHRI PACHAMUTHU RAVI	CHAIRMAN
SHRI K. GOPI PRASAD	MANAGING DIRECTOR
SHRI S. VIVEKANANDAN MURUGAN	DIRECTOR & CEO
SHRI GOPALSAMY RAJAN	INDEPENDENT DIRECTOR
SHRI DBN RAO	INDEPENDENT DIRECTOR
SHRI B. RAMACHANDRA RAO	INDEPENDENT DIRECTOR
SHRI RA.NADESAN	INDEPENDENT DIRECTOR
SMT R. ANANDA PRIYA	INDEPENDENT DIRECTOR

AUDIT COMMITTEE

SHRI RA.NADESAN
SHRI K. GOPI PRASAD
SHRI GOPALSAMY RAJAN
SHRI B. RAMACHANDRA RAO

COMPANY SECRETARY
SMT HEMA PASUPATHEESWARAN

AUDITOR

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

BANKERS

Axis Bank
City Union Bank

ADMINISTRATIVE OFFICE

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

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

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NOTICE TO THE SHAREHOLDERS

Notice is given that the 36th Annual General Meeting of the Members of HEMADRI CEMENTS LIMITED is scheduled to be held on Tuesday, the 25th day of September 2018 at 4.00.p.m at Vedadri Village, Jaggayyapet Mandel, Krishna District, A.P. State to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2018, the Directors' Report and Auditor's Report thereon.
2. To appoint a director in the place of Shri Ravi Pachamuthu (DIN: 00675665), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in the place of Shri S.Vivekanandan Murugan (DIN: 05223790), who retires by rotation and being eligible, offers himself for reappointment

The Register of Members of the Company shall remain closed from Wednesday, the 19th September 2018 to Tuesday, the 25th day of September 2018 (both days inclusive).

By Order of the Board
For HEMADRI CEMENTS LIMITED

Place : Chennai
Date : 30th May 2018

Hema Pasupatheeswaran
Company Secretary

NOTES:

(1) A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll on his behalf and the proxy need not be a member of the Company.

(2) The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(4) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

(5) Members are requested to bring their attendance slip alongwith their copy of Annual Report to the Company, duly completed and signed. Attendance Slip shall be handed over at the entrance of the meeting venue.

(6) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

(7) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

(8) Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date to "cs@hemadricements.com" so as to enable the Management to keep the information ready at the meeting.

(9) 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.

(10) 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.

(11) 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 35B 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 Practicing Company Secretary, Partner, A.K. Jain & Associates, Chennai (email id : akjainassociates @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 of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date ie., Wednesday, the 19th September 2018

(vii) A person, whose name is recorded in the register of members or in the register as of 19th September 2018 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 e-voting: From 9.00 a.m (IST) on Saturday, the 22nd Sep 2018

End of remote e-voting: Up to 5.00 p.m. (IST) on Monday, the 24th Sep 2018

(ix) The remote e-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.

(x) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.

(xi) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 25th September 2018

(xii) Please read the instruction before exercising the e-voting.

(xiii) 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 you client ID or folio No. as password. The said PDF File contains your user ID and password for e-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 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 shall choose the voting process separately for each folio.

(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@karvy.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.karvy.com or contact Karvy Computershare Pvt. Ltd at Tel No. 1800 345 4001 (toll free).

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

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

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

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

Additional information on Directors recommended for re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 (SS-2) issued by ICSI is given in the Directors Report forming part of this Annual Report.

By Order of the Board
For HEMADRI CEMENTS LIMITED

Place : Chennai
Date : 30th May 2018

Hema Pasupatheeswaran
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Company's 36th Annual Report and the Audited Financial Statements for the FY ended 31st March 2018.

FINANCIAL RESULTS

The Company has adopted Indian Accounting Standards (Ind-AS) with effect from 1st April 2017 and therefore the financial statements are in compliance with Section 133 of the Companies Act 2013.

FINANCIAL HIGH LIGHTS DURING THE YEAR:

(Rs. in Lakhs)

Particulars	Year ended 2017-18	Year ended 2016-17
Gross Turnover	8538.38	9883.52
Profit /(loss) before interest, depreciation and tax	210.59	883.00
Less Interest	1.25	1.79
Profit/(Loss) before depreciation and tax	209.33	881.21
Less Depreciation	118.11	101.11
Profit / (Loss) before Tax	91.23	780.10
Tax Expenses:		
Current Tax	61.00	304.50
Earlier year's Tax	16.51	(26.41)
Deferred Tax	(35.02)	393.72
Profit / (Loss) after Tax	48.74	108.60
Other Comprehensive income	6.27	(6.02)
Total Comprehensive Income	55.01	102.58

PERFORMANCE OF THE COMPANY

Your Company ended up with a turnover of Rs.8538.38 lakhs which is 13.61% lower as compared to the FY 2016-17. This is a temporary phenomenon caused by the general decline in cement price and also due to the impact of demonetization and GST, which had brought about volatility in the cement prices and was in line with the overall industry trend. However, your directors are hopeful about the growth in volumes in the coming years. A detailed analysis of the performance of the Company and future plans are available under the Management Discussion & Analysis provided elsewhere in the Report.

DIVIDEND

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

DIRECTORS

Composition

The Company has 8 (eight) directors, of whom 5 (five) are independent directors and 2 (two) are executive directors and 1 (one) non-executive, non-independent director.

Appointment and resignation of Directors / Key Managerial Personnel

During the year under review, in accordance with Section 152 of the Companies Act 2013, Mr.Ravi Pachamuthu and Mr.S.Vivekanandan Murugan, retire by rotation and being eligible offer themselves for being reappointed as Directors of the Company at this Annual General Meeting. The Board recommends their appointment.

Mr.Velli Paramasivam, Company Secretary resigned and Mrs.Hema Pasupatheeswaran was appointed as Company Secretary with effect from 02.11.2017.

Declaration by the Independent Directors

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

Number of Meetings of the Board of Directors

The Board met four times during the financial year 2017-18 on 30.05.2017, 03.08.2017, 02.11.2017 and 01.02.2018. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. More details of the Board meetings have been provided in the 'Report on Corporate Governance', found elsewhere in the Annual Report.

Formal Annual Evaluation

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

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

RISK MANAGEMENT POLICY

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

VIGIL MECHANISM

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Company has been contributing to the society at large and also to the village where the Company's Registered Office and plant is located. During the year under review the amount spent towards CSR activities is Rs.7,80,000/- as approved by the CSR Committee and the Board of Directors. The detailed CSR activity Report is given as Annexure V to this Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PUBLIC DEPOSITS

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

RELATED PARTY TRANSACTIONS

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

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

AUDITORS

Statutory Auditor

In accordance with the provisions of the Companies Act 2013 and the rules framed thereunder, M/s.B.Purushottam & Co., Chartered Accountants, Chennai having Registration No.002828S was appointed as Statutory Auditor of the Company, at the AGM held on 23.09.2015 for a term of five consecutive years. The first proviso to Section 139(1) of the Companies Act 2013 had stipulated for ratification of the appointment of Auditors by the members at every AGM.

However this requirement has been omitted vide Companies Amendment Act 2017 effective 07.05.2018, by MCA. Hence the same has not been included in the agenda of the AGM.

INTERNAL AUDITOR

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

SECRETARIAL AUDITOR

The Board has appointed Mr.G.Porselvam, Practising Company Secretary, Chennai as the Secretarial Auditor to conduct the Secretarial Audit of the Company during the year under review. The Secretarial Audit Report forms part and is found elsewhere in the Annual Report.

MATERIAL CHANGES

There are no material changes and commitments affecting the financial position of the Company that occurred between the end of the Financial Year of the Company i.e. 31st March, 2018 and the date of Directors' Report i.e. 30th May 2018.

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

LISTING

As on the date of this report the Company’s shares listed with the Bombay Stock Exchange (BSE) Limited remain suspended from trading. The Company is taking efforts to revoke the said suspension.

CORPORATE GOVERNANCE

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

EXTRACT OF ANNUAL RETURN

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

CONSERVATION OF ENERGY

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

COMPLIANCE WITH OTHER APPLICABLE LAWS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CAUTIONARY STATEMENT

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

ACKNOWLEDGMENTS

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

Place: Chennai
Date: 30.5.2018

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

Management Discussion & Analysis

Indian economic scenario

The Indian economy grew at the rate of 6.7% in the FY 2017-18, with lower inflation, improved current account balance and private investments in the wake of economic reforms. That apart, the country has improved its ranking from 130 in 2017 to 100 in 2018 in the "World Bank's Ease of Doing Business Index". The Indian economic scenario is expected to improve in the coming years.

Cement Industry - outlook and opportunities

As per ICRA Report, the cement industry grew only by about 2% in the Financial Year 2017-18. The industry witnessed sluggish demand in the current year due to factors such as weak real-estate activity, sand shortage and issues related to implementation of GST, among others.

The housing sector is the biggest demand driver of cement, accounting for about 67 per cent of the total consumption in the country. The other major consumers of cement include infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at 9 per cent. The slowdown in the real estate and increase in price of raw materials have had an impact on the demand and supply of the product. However, the Indian Government's plan for increased economic development such as smart cities, construction of approximately 35000 km of highways under the Bharat Mata Pari Yojna, rural housing and urban housing under Pratan Mantri Awas Yojna etc., are expected to provide a better impetus for the cement industry.

Company perspective

The Indian cement production capacity is expected to reach 550 million tons by 2025. Growth is going to be driven fairly by infrastructure projects. Hence your Company may face competition due to addition of production capacities especially in the region. The power and fuel cost increase has further put pressure on the input costs. Hence your Company is also planning for revamping/upgrading the production lines, to cater to the increased demand and stay competitive. The increase in demand in the geographic region, machinery optimization, new marketing strategies are expected to propel the Company's performance in a positive direction.

ANNEXURE I TO DIRECTORS' REPORT

FORM A
CONSERVATION OF ENERGY

		2017-18	2016-17
A.	**POWER AND FUEL CONSUMPTION**	**2017-18**	**2016-17**
1.	**ELECTRICITY:**		
a)	Purchased Units	24,870,140	25,887,161
	Total Amount Rs.	172,419,752	170,919,579
	Average Rate / Unit Rs.	6.93	6.60
b)	Own Generation		
	Through Diesel Generation Unit	---	---
	Units Per Ltr. of Diesel Generation	---	---
	Cost / Unit Rs.	---	---
2.	**COAL:**		
	Quantity (Tons)	44,089	45,860
	Total Cost RS.	259,290,993	245,897,950
	Average Rate (Rs)	5881.08	5361.93
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	103.00 units	98.92 units
Coal Consumption			
Per ton of Cement	0.25 MT	0.18 MT	0.17 MT

TECHNOLOGY ABSORPTION FROM FOREIGN COUNTRIES:

Details of imported machinery

Details of imported technology

Nil

FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

FORM- B

A. RESEARCH AND DEVELOPMENT (R & D):	2017-18	2016-17
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: 30.5.2018

P.Ravi
Chairman

ANNEXURE - II TO DIRECTOR'S REPORT

FORM NO. MGT- 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS		
I	CIN	L26942AP1981PLC002995
ii	Registration Date	20.04.1981
iii	Name of the Company	HEMADRI CEMENTS LIMITED
iv	Category/Sub-Category of the Company	Public Company / Limited by Shares
v	Address of the Registered Office & Contact Details	Vedadri Village, Jagayyapet Mandal, Krishna District, A.P. State. Phone:(08676) 284538; Email:cs@hemadricements.com
vi	Whether Listed Company	Yes
vii	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	XL SOFTECH SYSTEMS LIMITED No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034. Phone:23545913/14/15, Fax - 040-23553214. Email:xlfield@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 no subsidiary or Associate Companies during the year 2017-18.

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

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. Promoters									
(1) Indian									
a) Individual/HUF		1036151	1036151	15.53		268151	268151	4.02	(11.51)
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		3258159	3258159	48.85		3578159	3578159	53.65	4.80
e) Bank/FI		0	0	0.00		0	0	0.00	
f) Any Other		0	0	0.00		0	0	0.00	
SUB- TOTAL (A)(1)		**4294310**	**4294310**	**64.38**		**3846310**	**3846310**	**57.67**	**(6.71)**
(2) Foreign									
a) NRI- Individuals		0	0	0.00		0	0	0.00	
b) Other Individuals		0	0	0.00		0	0	0.00	
c) Bodies Corporate		0	0	0.00		0	0	0.00	
d) Banks/FI		0	0	0.00		0	0	0.00	
e) Any Other- Director									
Relative NRI		0	0	0.00		0	0	0.00	
SUB TOTAL (A)(2)		**0**	**0**	**0.00**		**0**	**0**	**0.00**	
Total Shareholding of Promoter									
(A)= (A)(1)+(A)(2)		**4294310**	**4294310**	**64.38**		**3846310**	**3846310**	**57.67**	**(6.71)**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		0	0	0.00		0	0	0.00	
b) Banks/FI		0	0	0.00		0	0	0.00	
c) Central Govt		0	0	0.00		0	0	0.00	
d) State Govt(s)		0	0	0.00		0	0	0.00	
e) Venture Capital Fund		0	0	0.00		0	0	0.00	
f) Insurance Companies		0	0	0.00		0	0	0.00	
g) FIIs		0	0	0.00		0	0	0.00	
h) Foreign Venture Capital Funds		0	0	0.00		0	0	0.00	
i) Others (specify)		1000	1000	0.01		1000	1000	0.01	
SUB TOTAL (B)(1)		**1000**	**1000**	**0.01**		**1000**	**1000**	**0.01**	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(2) Non Institutions									
a) Bodies corporates		0	0	0.00		0	0	0.00	
i) Indian		91717	91717	1.38		91717	91717	1.38	0.00
ii) Overseas		0	0	0.00		0	0	0.00	
b) Individuals									
i) Individual shareholder holding nominal share capital upto Rs. 2 Lakh		1475460	1475460	22.12		1469872	1469872	22.04	(0.08)
ii) Individual shareholder holding nominal share capital in excess of Rs. 2 Lakh		799244	799244	11.98		1252832	1252832	18.78	6.8
c) Others (specify) i) Clearing Members		0	0	0.00		0	0	0.00	
ii) Directors & their Relatives		0	0	0.00		0	0	0.00	
iii) Hindu Undivided Families		0	0	0.00		0	0	0.00	
iv) Non-Resident Indian		0	0	0.00		0	0	0.00	
v) Others		8269	8269	0.12		8269	8269	0.12	
SUB TOTAL (B)(2)		**2374690**	**2374690**	**35.60**		**2822690**	**2822690**	**42.32**	**6.72**
Total Public Shareholding									
(B) = (B)(1) + (B)(2)		2375690	2375690	35.62		2823690	2823690	42.33	6.71
C. Shares held by Custodian									
for GDRs & ADRs			0	0.00		0	0	0.00	
Grand Total (A+B+C)		**6670000**	**6670000**	**100.00**		**6670000**	**6670000**	**100.00**	**0.00**

(ii) Shareholding of Promoters:

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	1304899	19.56	0	4.79
2	KILARU ARUNA	130000	1.95	0	130000	1.95	0	0.00
3	KILARU PADMAJA	412251	6.18	0	92251	1.38	0	(4.8)
4	SRIMANNARAYANA KILARU	20000	0.30	0	20000	0.30	0	0.00
5	K GOPI PRASAD	448000	6.720	0	448000	6.72	0	
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	P USHA	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	A SUSEELA	56	0.00	0	56	0.00	0	0.00
13	SRM CIVIL WORKS PVT LTD	2273260	34.08	0	2273260	34.08	0	0.00
	TOTAL	**4294310**	**64.38**	**0.00**	**3846310**	**64.39**	**0**	**0.01**

V. INDEBTEDNESS:

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

(Rs.in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
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 financial year				
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 financial year				
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:

(Rs. In Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	**Shri K.Gopi Prasad(MD)**	**Shri P. Ravi(Chairman)**	
	(a) Salary as per provisions contained in section17(1) of the Income Tax Act, 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	-	-	-
	Total (A)	**6.00**	**30.00**	**36.00**

B. Remuneration to other Directors:

Sl. No	Particulars	Name of the Director					
1	**Independent Directors**	**Shri G.Rajan**	**Shri B.Ramachandra Rao**	**Shri R A Nadesan**	**Smt.R.Ananda Priya**	**Shri DBN Rao**	**Total Amount**
	a) Fee for attending Board/ Committee Meetings	0.38	0.30	0.38	0.20	0.20	1.46
	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL (1)	**0.38**	**0.30**	**0.38**	**0.20**	**0.20**	**1.46**
2	Other Non Executive Directors		**NIL**				
	(a) Fee for attending Board/ Committee Meetings		Nil				Nil
	(b) Commission		Nil				Nil
	(c) Others, please specify.		Nil				Nil
	TOTAL (2)		**Nil**				**Nil**
	TOTAL (B)= (1+2)						**1.46**
	Total Managerial						
	Remuneration(A+B)						**37.46**

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

(Rs. In Lakhs)

Sl. No:	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	Director/CEO	Company Secretary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	69,19,880	21,46,251	90,66,131
	(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	**69,19,880**	**21,46,251**	**90,66,131**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE III TO DIRECTORS' REPORT

Form No. AOC-2

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

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

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

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

Name(s) of the Related Party and nature of relationship	SRM Global Cements Corporation Limited Company in which a Director is interested	SRM Transports India Private Limited Company in which a Director is interested	SRM Civil Works Limited Company in which a Director is interested	SRM Hotels Private Limited Company in which a Director is interested
Nature of the Contract/ arrangements	Sale of Cement	Transportation of cement	Sale of Cement	Sale of Cement
Duration of Contract/ Arrangement/ transactions	Continuing contract - based on invoices raised	Continuing contract - based on invoices raised	Continuing contract - based on invoices raised	Continuing contract-based on invoices raised
Salient Terms of the contracts or arrangements or transactions including value if any	As per invoice terms and conditions	As per invoice terms and conditions	As per invoice terms and conditions	As per invoice terms and conditions
Date of approval of the Board if any	BM held in 2017	BM held in 2017	BM held in 2017	BM held in 2017
Amount paid as advance if any	Nil	Nil	Nil	Nil

Place: Chennai
Date :30.05.2018

P. Ravi
Chairman

ANNEXURE - IV TO DIRECTORS' REPORT

DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2017-18							
S. No:	**Name of the body corporate**	**Nature of relationship**	**Purpose of loan / acquisition / guarantee / security**	**Rate of interest**	**Amount of loan / security / guarantee (Rs.in lakhs)**	**% to free Reserves**	**Purpose for which the loan / guarantee utilised by the recipient**
1	HCL Agro Power Ltd	Company in which a Director is interested	Inter Corporate Loan	Existing Bank Rate	29.20	0.75	For Business purpose
	TOTAL				**29.20**	**0.75**	

ANNEXURE V TO DIRECTORS' REPORT

CSR ACTIVITIES OF THE COMPANY

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

2. The composition of the CSR committee :

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

3. Details of CSR spent during the financial year:

   The Company had spent an amount of Rs.7,80,000/- (previous year Rs.6,37,340/-) towards CSR activities related to procurement and providing of computers to the needy people and educating them in the usage of the same. However this is a continuing activity and is a recurring expenditure. The details of the same are placed before the CSR Committee and also the Board.

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

Place: Chennai
Date : 30.05.2018

P. Ravi
Chairman

REPORT ON CORPORATE GOVERNANCE

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

Company's Philosophy on Corporate Governance:

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

BOARD OF DIRECTORS

The size and composition of the Board of Directors is optimum and balanced, comprising of 5 independent directors and 3 Executive Directors.

The composition of the Board as on 31st March 2018.

Category	No of Directors	Percentage to total number of directors
Non-executive independent directors	5	62.5
Executive Directors	3	37.5
Total	**8**	**100.00**

Information flow to the Board

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

Board Meetings and attendance

During the Financial Year ended 31st March 2018, four meetings of the Board of Directors were held as follows:

S.No.	Date	Board Strength	No of Directors present
1.	30.05.2017	9	7
2.	03.08.2017	8	8
3.	02.11.2017	8	7
4.	01.02.2018	8	7

Particulars of Attendance

Name of the Director	DIN No.	Category	Board Meeting	Audit Commitee	Share transfer Commitee	Remuneration Commitee	CSR Commitee	Whether attended AGM on 22nd Sep 2017
Shri.P.Ravi	00675665	Promoter/ Executive	4	NA	NA	NA	NA	Yes
Shri.K.Gopi Prasad	01025908	Executive	1	1	1	NA	NA	Yes
Shri.Gopalsamy Rajan	02348441	Independent	4	4	4	1	NA	Yes
Shri.D.B.N.Rao	01180539	Independent	4	NA	NA	NA	NA	Yes
Shri.B.Ramachandra Rao	00637389	Independent	4	4	NA	1	1	Yes
Shri.R.A.Nadesan	02695412	Independent	4	4	4	1	1	Yes
Shri.Vivekanandan Murugan	05223790	Executive	4	NA	NA	NA	NA	Yes
Smt. R.Ananda Priya	01768355	Independent	4	NA	NA	NA	NA	No

NA - Not Applicable

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

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

Functions of the Committees

Audit Committee:

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

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

1 Reviewing with the management-

i. The Annual financial statements before submission to the Board for approval with particular reference to:
   - ★ Matters required to be included in the Directors' Responsibility Statement
   - ★ Changes, if any, in the accounting policies and practices and reasons for the same
   - ★ Major accounting entries involving estimates based on judgment by the management
   - ★ Significant adjustments made in the financial statements arising out of audit findings.
   - ★ Compliance with listing and other legal requirements relating to financial statements
   - ★ Disclosure of any related party transactions and
   - ★ Qualifications in the draft audit report
   - ★ Risk assessment and evaluation

ii. The quarterly financial statements before submission to the Board for approval

iii. The statement of uses and application of funds

iv. Performance of statutory and internal auditors and adequacy of the internal control systems.

2. Discussion with
   - ★ Internal Auditors on any significant findings and follow up thereon
   - ★ Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Meetings of the Audit Committee and Attendance

S.No.	Date	Committee Strength	No present
1.	30.05.2017	4	3
2.	03.08.2017	4	4
3.	02.11.2017	4	3
4.	01.02.2018	4	3

B. Share Transfer & Stakeholders' Relationship Committee

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

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

S.No.	Date	Committee Strength	No present
1.	30.05.2017	3	2
2.	03.08.2017	3	3
3.	02.11.2017	3	2
4.	01.02.2018	3	2

C. Nomination & Remuneration Committee

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

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

Meetings of the Nomination & Remuneration Committee and its attendance

S.No.	Date	Committee Strength	No present
1.	01.02.2018	3	3

DIRECTORS' REMUNERATION			
		Remuneration	Total
Shri.P. Ravi,	Chairman	Rs. 30,00,000	30,00,000
Shri.K.Gopi Prasad	Managing Director	Rs. 6,00,000	6,00,000
Shri.Vivekanandan Murugan	Director & CEO	Rs. 69,19,880	69,19,880

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

D. Corporate Social Responsibility (CSR) Committee

The provisions of Section 135 of the Companies Act 2013, pertaining to CSR is not applicable to the Company for the FY 2017-18. However as part of good corporate governance principles, the Company has spent Rs.7,80,000/- towards CSR activities for the FY under review, the details of which are available as Annexure V to the Directors' Report.

Meetings of the CSR Committee and its attendance

S.No.	Date	Committee Strength	No present
1.	30.05.2017	3	3
2.	01.02.2018	3	3

Other Shareholder information

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT :

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

1. Shri P.Ravi is the Promoter Director of the Company. He holds Master's degree in Business Administration with 29 years of industry experience. He is the Chairman of the SRM Group and has been instrumental in acquiring the Company from BIFR and reviving the same. He has been very active in establishing several educational institutions, hospitals and has a niche for hospitality industry too.

2. Shri S.Vivekanandan Murugan is the CEO of the Company. He holds a B.Tech. degree and a M.S. degree from the Ohio State University, USA, and also has additional qualifications of PMP (USA), CSM (USA) to his credit. He has work experience of more than 20 years, of which his stint in US was for more than 10 years where he started off as a Project Engineer at Stantec and continued to become the Project Director for Federal Emergency Management Agency (FEMA) at First American Corporation-Federal Solutions. He has been instrumental in bringing about positive changes in the day-to-day functioning of the Company. He is also the Director of SRM Speed Parcel Private Limited in SRM Group.

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

GENERAL BODY MEETINGS

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

S.No.	Date of the AGM	Venue
1.	23.09.2015 at 12.30 pm	Vedadri Village, Jaggayyapet Mandal, Krishna District, Andhra Pradesh
2.	28.09.2016 at 3.00 pm	Vedadri Village, Jaggayyapet Mandal, Krishna District, Andhra Pradesh
3.	22.09.2017 at 3.30 pm	Vedadri Village, Jaggayyapet Mandal, Krishna District Andhra Pradesh

Financial Calendar

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

Hemadri Cement Limited's Code of Conduct

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

Registrar & Share Transfer Agents

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

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

Compliance Officer

Mrs.Hema Pasupatheeswaran, Company Secretary is the Compliance Officer under Regulation 6(1) of the SEBI (LODR) Regulations 2015.
Address for correspondence:
Vedadri Village 521457, Jaggayapet Mandal, Krishna District, Andhra Pradesh
Email id: cs@hemadricements.com

Distribution of Shareholding as on 31st March 2018

Shareholdings of Nominal value of	Share Holder		Share Holder	
Rs.	Nos	%	(Rs.)	%
Upto - 5,000	3015	83.96	5285870	7.93
5,001 - 10,000	347	9.66	2762630	4.14
10,001 - 20,000	114	3.17	1767460	2.65
20,001 - 30,000	36	1.00	923180	1.38
30,001 - 40,000	10	0.28	371740	0.56
40,001 - 50,000	14	0.39	663490	0.99
50,001 - 1,00,000	16	0.45	1204340	1.81
1,00,001 & above	39	1.09	53721290	80.54
Total	**3591**	**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 2018 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, 2018.

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

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

B.S.Purushottam
PARTNER
M.No. 026785

Chennai
30.5.2018

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of M/S HEMADRI CEMENTS LIMITED Books, papers, Minute books, Forms and Returns filed and other Records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 01/04/2017 to 31/03/2018, complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter, subject to the observation as given below :

"The 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 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, 2015;

c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d)The Securities and Exchange Board of India (Share based Employees Benefits) Regulations, 2014

e)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

SEBI (LODR) compliance 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 Contact Labour (Regulation and Abolition) Act, 1970
12. The Maternity benefit Act, 1961
13. The Child Labour Prohibition and Regulation Act, 1986
14. The Industrial Employment (Standing Order) Act, 1946
15. The Employee Compensation Act, 1923
16. The Apprentices Act, 1961
17. Mines and Minerals related Acts.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Company is yet to exercise its option under the SEBI (Listing 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: 30/05/2018

Signature: sd/-
Name : G.Porselvam
C P No : 3187

INDEPENDENT AUDITOR'S REPORT

To the members of HEMADRI CEMENTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Ind AS financial statements of HEMADRI CEMENTS LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss,(including the statement of Other Comprehensive income / Loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 of these accompanying Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 accompanying Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and Order issued under section 143(11) of the Act.

We conducted our audit of the accompanying Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its Profit(financial performance including other comprehensive income), its cash flows and the changes in equity 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 ("the 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 paragraphs 3 and 4 of the 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 purpose of our audit;

(b) In our opinion, proper books of accounts as required bylaw have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, Statement of Profit and Loss,(including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the accompanying Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Companies act 2013.

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Companies Act 2013.

(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" to this report;

(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 does not have any pending litigations which would impact its financial position in its Ind AS financial position. Refer Note no 33 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

B.S.PURSHOTHAM
Partner
M No: 026785

Place : Chennai
Date : 30.05.2018

ANNEXURE - A TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members ofHEMADRI CEMENTS LTD on the accompanying IND AS financial statements for the year ended 31st March 2018, we report that:

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) We are informed that the management has physically verified the fixed assets of the company at reasonable intervals and no discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the company.

(ii) We are informed that the management has physically verified the inventory at reasonable intervals and the discrepancies if any noticed have been properly dealt with in the books of account.

(iii) The company has not granted loans, secured or unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013, hence reporting under the clause iii (a), (b) and (c) does not arise.

(iv) In respect of loans, investments, guarantees, and security, the company has complied the provisions of sec 185 and 186 of the Companies act 2013 wherever applicable.

(v) The company has not accepted deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

(vi) In our opinion, the prescribed accounts and records have been made and maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) As per the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities and there were no undisputed amounts payable which were outstanding as on 31.03.2018 for a period of more than six months from the date on which they became due.

(b) No dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except below :

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

(viii) As per the information and explanations given to us and on our examination of records, the company has not raised funds from banks, financial institutions, Government and Debenture holders during the year under review hence reporting under this clause does not arise.

ix) In our opinion and according to the information and explanations given to us and on our examination of the records of the company, there are no fresh monies raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review.

(x) According to the information and explanations given to us no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on our examination of records of the Company, the managerial remuneration has been paid or provided in accordance with the provisions of Section197read with Schedule V to the Companies Act..

(xii) The Company is not a Nidhi Company hence reporting under this clause is not applicable.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

(xiv) According to the information and explanations given to us and on our examination of records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and the provisions of section 42 of companies act 2013 are not applicable.

(xv) According to the information and explanations given to us and on our examination of records, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

B.S.PURSHOTHAM
Partner
M No: 026785

Place : Chennai
Date : 30.05.2018

Annexure - B to the Auditors' Report

Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of HEMADRI CEMENTS LIMITED (“the Company”) as of 31st March 2018 in conjunction with our audit of the accompanying 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.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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)

B.S.PURSHOTHAM
Partner
M No: 026785

Place : Chennai
Date : 30.05.2018

HEMADRI CEMENTS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2018
CIN : L26942AP1981PLC002995

Particulars	Note No:	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
ASSETS			
Non - current assets			
(a) Property, plant and equipment	3	105,497,735	110,682,124
(b) Capital work in progress	4	611,938	-
(c) Others Tangible Assets		-	-
(d) Fixed Assets			
(i) Investments	5	6,000,000	6,000,000
(ii) Trade receivables		-	-
(iii) Other financial assets	6	29,726,134	29,583,523
(e) Deferred tax assets (net)		-	-
(c) Other non-current assets	7	181,600,568	171,680,077
Current Assets			
(a) Inventories	8	81,072,131	78,264,052
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	9	63,581,539	40,256,856
(iii) Cash and cash equivalents	10	76,558,061	87,258,642
(iv) Bank balance other than(iii)	11	41,133,073	53,395,643
(v) Other Financial Assets	12	801,346	957,885
(c) Current Assets(net)			
(d) Other Current Assets	13	40,990,295	37,198,022
TOTAL ASSETS		**627,572,820**	**615,276,824**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	66,700,000	66,700,000
(b) Other equity	15	401,773,606	396,272,297
Non - current liabilities			
(a) Financial Liabilities		-	-
(i) Long Term Borrowings		-	-
(b) Long term provisions	16	3,817,543	6,368,587
(c) Other Non-Current liabilities			
(d) Deferred tax liabilities (net)	17	5,141,534	3,180,828
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	18	22,742,066	35,341,629
(ii) Other financial Liablities	19	47,988,316	45,480,840
(b) Other current liabilities	20	64,422,790	44,800,730
(c) Short term provisions	21	12,385,499	11,675,242
(d) Current Tax Liabilities (Net)	22	2,601,466	5,456,671
TOTAL EQUITY AND LIABILITIES		**627,572,820**	**615,276,824**

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

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

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

HEMA PASUPATHEESWARAN
Company Secretary

Place: Chennai
Date: 30.05.2018

HEMADRI CEMENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018
CIN : L26942AP1981PLC002995

	Particulars	Note No:	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
I	Revenue from Operations	23	846,190,040	979,496,885
II	Other Income	24	7,648,382	8,855,152
III	**Total revenue (I + II)**		**853,838,422**	**988,352,037**
IV	Expenses			
	Cost of materials consumed	25	198,271,967	202,515,374
	Changes in inventories of finished goods, work in progress	26	(1,131,380)	6,108,698
	Excise duty on sale of goods		23,877,328	125,284,203
	Power and Fuel	27	431,710,740	421,830,443
	Employee benefits expense	28	83,337,390	80,014,478
	Finance costs	29	125,185	178,840
	Depreciation and amortization	30	11,811,103	10,110,708
	Other expenses	31	96,713,362	64,268,428
	Total Expenses (IV)		**844,715,695**	**910,311,172**
V	Profit/(Loss) before exceptional items and tax (III-IV)		9,122,727	78,040,865
VI	Extraordinary Items		-	-
VII	Profit before tax		9,122,727	78,040,865
VIII	Tax expense:			
	(1) Current tax		6,100,000	30,450,000
	(2) Earlier Year's Tax		1,650,925	(2,641,147)
	(3) Deferred tax		(3,502,347)	39,371,962
IX	Profit/(Loss) for the period from continuing operations (VIII-IX)		4,874,149	10,860,050
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurements of defined benefit plan acturial gains/ (losses)		936,940	(602,168)
	Less : Deferred tax expense on above		309,780	-
			627,160	**(602,168)**
XI	**Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)**		**5,501,308**	**10,257,882**
XII	Earning per equity share:			
	(1) Basic		0.82	1.54
	(2) Diluted		0.82	1.54

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

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

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 30.05.2018

HEMA PASUPATHEESWARAN
Company Secretary

HEMADRI CEMENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2018
CIN : L26942AP1981PLC002995

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
Total Income for the Period(PBT)	**10,059,667**	**77,438,697**
Adjustments:		
- Interest income	(5,228,522)	(8,855,152)
- Adjustment for OCI		
- Depreciation and amortization	11,811,103	10,110,708
- Bank Guarentee commission paid	125,185	178,840
Operating cash flow before working capital changes	**16,767,433**	**78,873,093**
Changes in		
- Decrease/(Increase) In Trade Receivables	(23,324,682)	(8,578,295)
- Decrease/(Increase) In Inventory	(2,808,079)	4,763,810
- Decrease/(Increase) In Other current Financial Asset(s)	12,419,109	20,047,982
- Decrease/(Increase) In Other current Asset(s)	909,487	(193,936)
- Decrease/(Increase) In Other non-current financial assets	(142,611)	(1,019,989)
- Decrease/(Increase) In Other non-current asset	(9,920,491)	16,088,667
(Decrease)/Increase In Long term Provisions	(2,551,044)	1,230,829
(Decrease)/Increase In Trade Payables current	(12,599,563)	2,888,963
(Decrease)/Increase In other current liabilities	19,622,060	(5,098,553)
(Decrease)/Increase In Other financial liablities current	2,507,476	(7,269,922)
(Decrease)/Increase In Short Term provisions current	710,257	(5,553,078)
Income taxes paid	(10,154,618)	(36,630,272)
Cash generated from / (used in) operations	**(8,565,266)**	**59,549,299**
Cash flows from investing activities		
Purchase of fixed assets	(7,238,652)	(36,194,518)
Interest received	5,228,522	8,855,152
Net cash generated from/(used in) investing activities [B]	**(2,010,130)**	**(27,339,366)**
Cash flows from financing activities		
Proceeds from/(repayment of)long term and short term borrowings	-	-
Preference dividend paid (including dividend distribution tax)		
Bank Guarantee commission paid	(125,185)	(178,840)
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in financing activities	**(125,185)**	**(178,840)**
Increase /(Decrease) in cash and cash equivalents	**(10,700,581)**	**32,031,093**
Cash and cash equivalents at the beginning of the year	**87,258,642**	**55,227,549**
Cash and cash equivalents at the end of the year	**76,558,061**	**87,258,642**
	76,558,061	**87,258,642**
Components of cash and cash equivalents (refer note 10)		
Cash on hand	131,136	97,461
Balances with banks	76,426,925	87,161,181
Total cash and cash equivalents	**76,558,061**	**87,258,642**

HEMADRI CEMENTS LIMITED
NOTES TO FINANCIAL STATEMENTS
CIN : L26942AP1981PLC002995

Statement of Change in Equity

Particulars	Share Capital	Reserves and Surplus				Other Components of Equity	Total
		Capital Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2016	66,700,000	13,351,587	1,435,690	974,250	370,252,888	-	**452,714,415**
Profit / (Loss) for the period			-		10,860,050	-	**10,860,050**
Other Comprehensive Income for the Year			-			(602,168)	**(602,168)**
Balance as at March 31, 2017	**66,700,000**	**13,351,587**	**1,435,690**	**974,250**	**381,112,938**	**(602,168)**	**462,972,297**
Profit / (Loss) for the period			-		4,874,149		**4,874,149**
Other Comprehensive Income for the Year						627,160	**627,160**
Balance as at March 31, 2018	**66,700,000**	**13,351,587**	**1,435,690**	**974,250**	**385,987,087**	**24,992**	**468,473,606**

The notes attached form an integral part of Financial Statements

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

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 30.05.2018

HEMA PASUPATHEESWARAN
Company Secretary

Notes forming part of Financial statements as at and for the year ended March 31, 2018

3 - Property Plant and Equipment

Description	Land	Land and Site Development	Buildings	Plant and Machinery	Electrical Installation	Furniture and Fixtures	Computers	Office and Equipment	Vehicles	Construction Machinery	Work shop Equipment	Total
As at 1 April 2016												
(Deemed Cost)	8,805,836	8,491,855	17,582,528	37,960,744	982,016	67,318	225,330	439,178	4,194,136	2,648	3,548	**78,755,137**
Additions during the year	-	-	15,428,407	25,019,096	-	-	70,483	157,801	1,361,905	-	-	**42,037,692**
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2017												
(At Cost)	8,805,836	8,491,855	33,010,935	62,979,840	982,016	67,318	295,813	596,979	5,556,041	2,648	3,548	**120,792,829**
Additions during the year	-	-		6,517,567	-	-		109,150		-	-	**6,626,717**
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2018												
(At Cost)	8,805,836	8,491,855	33,010,935	69,497,407	982,016	67,318	295,813	706,129	5,556,041	2,648	3,548	**127,419,546**
Depreciation and amortization												
Charge for the year ended												
March 31, 2017	-	-	1,425,036	6,929,617	122,952	18,086	136,313	191,297	1,287,407	-	-	**10,110,708**
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2017	-	-	1,425,036	6,929,617	122,952	18,086	136,313	191,297	1,287,407	-	-	**10,110,708**
(At Cost)			897,489	9,244,800	122,952	13,190	67,185	179,708	1,285,779	-	-	**11,811,103**
Charge for the year												**-**
Deletions during the year												
As at 31 March 2018	-	-	2,322,525	16,174,417	245,904	31,276	203,498	371,005	2,573,186	-	-	**21,921,811**
Net Book Value												
As at 31 March 2018	**8,805,836**	**8,491,855**	**30,688,410**	**53,322,990**	**736,112**	**36,042**	**92,315**	**335,124**	**2,982,855**	**2,648**	**3,548**	**105,497,735**
As at 31 March 2017	**8,805,836**	**8,491,855**	**31,585,899**	**56,050,223**	**859,064**	**49,232**	**159,500**	**405,682**	**4,268,634**	**2,648**	**3,548**	**110,682,121**
As at 01 April 2016	**8,805,836**	**8,491,855**	**17,582,528**	**37,960,744**	**982,016**	**67,318**	**225,330**	**439,178**	**4,194,136**	**2,648**	**3,548**	**78,755,138**

4. Capital work in progress:

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
i) Plant & Machinery		
Opening Balance	-	5,843,177
Add: Additions	611,938	12,475,742
Less: Capitalised during the year	-	(18,318,919)
Total	**611,938**	0.00

5. Non Current Investments:

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

6 - Other Non Current Financial Assets

Long Term Security Deposit	29,726,134	29,583,523
Total	**29,726,134**	**29,583,523**

7- Other Non Current Assets

Capital advances	7,000,000	-
Loans and advances to related parties (Refer Note- 35)	174,600,568	171,680,077
Total	**181,600,568**	**171,680,077**

8. Inventories:

i) Raw materials	23,203,135	23,718,852
ii) Work in progress	27,218,725	25,557,345
iii) Finished goods	4,141,950	5,280,185
iv) Stores and spares	25,305,296	22,658,774
v) Others- Packing materials	1,203,025	1,048,896
Total	**81,072,131**	**78,264,052**

9 - Trade Receivables:

Particulars	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
Trade receivables		
Secured Considered Good	-	-
Unsecured Considered good	63,581,539	40,256,856
Considered Doubtful	-	-
Less:		
Impairment for Trade receivable under expected credit loss model	-	-
Total	**63,581,539**	**40,256,856**

10. Cash and cash equivalents

i) Balances with banks:		
-In current accounts	76,426,925	87,161,181
ii) Cash on hand	131,136	97,461
Total	**76,558,061**	**87,258,642**

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

Bank Balances held as Margin Money	29,033,073	18,395,643
Deposits with more than 3 months maturity	12,100,000	35,000,000
Total	**41,133,073**	**53,395,643**

12- Other Current Financial Assets

Unsecured, considered good;		
- Advance to Employees	311,497	724,114
- Others	489,849	233,771
Total	**801,346**	**957,885**

13- Other Current Assets

Unsecured considered good		
Advance tax , TDS, andTCS receivable	5,589,921	5,273,300
Cenvat (or) GST Input receivable	1,543,156	5,907,146
Advances to Supplier	26,805,309	24,920,412
Prepaid expenses	7,051,909	1,097,164
Total	**40,990,295**	**37,198,022**

14- Equity Share Capital

Particulars	As at 31.03.2018 Rs	As at 31.03.2017 Rs
Authorised Share Capital		
1,00,00,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Total	**100,000,000**	**100,000,000**
Issued, Subscribed And Paid Up		
66,70,000 Equity Shares of Rs.10/- each	66,700,000	66,700,000
Total	**66,700,000**	**66,700,000**

14.1 Movement in respect of Equity Shares is given below :

Particulars	As at 31.03.2018		As at 31.03.2017	
	Numbers	Amount in Rs	Numbers	Amount in Rs
At the beginning of the period	6,670,000	66,700,000	6,670,000	66,700,000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	6,670,000	66,700,000	6,670,000	66,700,000

14.2 Terms/rights attached to equity shares

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

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

Particulars	As at 31.03.2018		As at 31.03.2017	
	Numbers	Amount in Rs	Numbers	Amount in Rs
K Gopi Prasad	**-**	**0.00%**	**448,000**	**6.72%**
Kilaru Padmaja	**-**	**0.00%**	**412,251**	**6.18%**
SRM TRP Properties and Investments P Ltd	**1,304,899**	**19.56%**	**984,899**	**14.77%**
SRM Civil works P Ltd	**2,273,260**	**34.08%**	**2,273,260**	**34.08%**
Total	**3,578,159**	**53.65%**	**4,118,410**	**61.75%**

15 Other Equity

For the year ended March 31, 2018

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

For the year ended March 31, 2017

Particulars	Reserves and Surplus			Other Components of Equity		Total
	General Reserve	Investment allowance reserve utilised	Other Reserves	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2016	13,351,587	1,435,690	974,250	370,252,888	-	386,014,415
Provision For Dividend and taxes	-	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	10,860,050	(602,168)	10,257,882
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at March 31, 2017	**13,351,587**	**1,435,690**	**974,250**	**381,112,938**	**(602,168)**	**396,272,297**

16. Long Term Provisions

Particulars	As at 31.03.2018 Rs	As at 31.03.2017 Rs
Provision for Employee Benefits	3,817,543	6,368,587
Total	**3,817,543**	**6,368,587**

17- Deferred Tax Liability

Tax recognised in Statement of profit and loss **Amount in Rupees**

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Current income tax		
Current year	6,100,000	30,450,000
Sub Total (A)	**6,100,000**	**30,450,000**
Deferred tax expense		
Origination and reversal of temporary differences	1,960,706	(2,641,147)
Change in accounting policy		
Sub Total (B)	**1,960,706**	**(2,641,147)**
Total (A+B)	**8,060,706**	**27,808,853**

Tax recognised in other comprehensive income **Amount in Rupees**

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Defined benefit plan actual gains (losses)		
Total	**-**	**-**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Deferred Tax Liability		
Property, Plant & Equipment	6,300,526	7,677,575
Others		
Sub Total	**6,300,526**	**7,677,575**
Deferred tax Assets		
Current year business losses		
Amortised cost computation of debentures and loans outstanding		
On account of timing differences in recognition of expenditure between books of accounts and Taxation	1,158,992	4,496,747
Sub Total	**1,158,992**	**4,496,747**
Net Deferred Tax Assets/ (Liabilities)	**(5,141,534)**	**(3,180,828)**

18. Trade Payables

Trade payables		
- Dues to Micro and Small Enterprises(Refer Note -33)	-	-
- Others	22,742,066	35,341,629
Total	22,742,066	35,341,629

19. Other Financial Liabilities

Particulars	As at 31.03.2018 Rs	As at 31.03.2017 Rs
Outstanding Liabilities for Expenses	41,976,910	41,149,609
Payable to employees	6,011,406	4,331,231
Total	**47,988,316**	**45,480,840**

20. Other Current Liabilities

Statutory Liabilities	19,803,321	15,115,710
Advance from customers	44,619,469	29,685,020
Total	**64,422,790**	**44,800,730**

21. Short term provision

Provision for Employee benefits	12,385,499	11,675,242
Total	**12,385,499**	**11,675,242**

22. Current Tax Liabilities (Net)

Provision for income tax for current year (Net)	2,197,946	5,456,671
Additional Income tax demand for AY 2015-16	403,520	-
Total	**2,601,466**	**5,456,671**

23. Revenue From Operations

Sale of Products (Including Excise Duty)	846,190,040	979,496,885
Other operating income	622,272	-
Total	**846,190,040**	**979,496,885**

24. Other Income

Interest on Fixed Deposit	5,228,522	6,902,148
Interest on Electricity Deposit	1,797,588	1,953,004
Other Non-operating Income	622,272	-
Total	**7,648,382**	**8,855,152**

25. Cost of materials Consumed

Consumption of raw materials	129,035,998	132,401,754
Consumption of stores and spares	33,311,628	33,060,025
Consumption of Packing material	35,924,341	37,053,595
Total	**198,271,967**	**202,515,374**

Additional Disclosure

Consumption of Major Raw materials

Particulars	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs.
Clay consumption	33,684	-
Fly Ash consumption	6,983,565	8,127,330
Gypsum consumption	21,737,426	22,792,444
Iron Ore consumption	-	1,537,549
Lateriate consumption	33,627,210	28,501,831
Lime stone consumption	66,654,113	71,442,611

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

Opening Balance		
Work in Progress	25,557,345	31,701,193
Finished goods	4,671,950	4,636,800
Less :Closing Balance		
Work in Progress	27,218,725	25,557,345
Finished goods	4,141,950	4,671,950
Total	**-1,131,380**	**6,108,698**

27. Power and Fuel

Power charges	172,419,753	170,919,579
Coal consumption	259,290,987	250,910,864
Total	**431,710,740**	**421,830,443**

28- Employee benefits expense

Salaries, wages and bonus	59,223,180	55,784,090
Contribution to provident and other funds	2,927,301	2,621,224
Directors remuneration	10,200,000	10,623,800
Directors remuneration - Commission on profit	-	770,000
Staff welfare expenses	5,784,994	5,327,490
Earned leaves	3,485,883	3,599,318
Gratuity	1,716,032	1,288,556
Total	**83,337,390**	**80,014,478**

29 - Finance Cost

Interest cost on financial liabilities measured at amortized cost		
Others	125,185	178,840
Total	**125,185**	**178,840**

30. Depreciation and Amortisation

Particulars	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs.
Depreciation / Amortisation for the year		
- Tangible Assets	11,811,103	10,110,708
Total	**11,811,103**	**10,110,708**

31. Other expenses

Particulars	For the year ended 31.03.2017 Rs.	For the year ended 31.03.2016 Rs.
Selling and distribution expenses		
Selling expenses	3,672,046	2,654,522
Freight Outward	43,222,401	-
Freight Outward - Kodada	2,817,480	9,193,560
	49,711,927	**11,848,082**
Administration and Other expenses		
Conveyance expense	3,990,861	2,861,807
Freight Coolie and cartage	3,427,091	6,803,746
Rental charges	1,506,000	722,000
Repairs and maintenance		
- Factory	15,948,875	15,618,734
- Buildings	183,417	49,466
- Machinery	3,007,091	2,593,620
- Others		
Insurance	480,214	645,162
Payment made to auditors (Refer note below)	469,409	522,147
Legal and Professional Charges	1,623,054	2,580,883
Rates and taxes	1,680,147	2,874,243
License fee	1,051,034	859,309
Printing and stationery	691,088	1,301,437
Communication expenses	1,184,639	1,566,083
Corporate Social Responsibility Expenditure (CSR)	780,000	637,340
Security Charges	3,375,875	3,423,446
Miscellaneous expenses	2,996,599	3,681,839
General expenses	4,496,125	5,634,501
Bank charges	109,916	44,583
	47,001,435	**52,420,346**
Total	**96,713,362**	**64,268,428**

Note (*)

Amount in Rupees

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment made to statutory auditors :		
i. As auditors	400,000	400,000
ii. For taxation matters	50,000	50,000
iii. For other services	-	50,000
iv. For reimbursement of expenses	19,409	22,147

1. NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

Corporate Information

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

Information on other related party relationships of the Company is provided in Note 40.

The Financial statements were approved for issue in accordance with a resolution of the directors on 30.05.2018

Transition to IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The Company's date of transition).

In preparing its first Ind AS financial statements in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has applied the relevant mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS. Material optional exemptions applied by the Company and applicable mandatory exceptions for the Company are as follows:

Ind AS optional exemptions and mandatory exceptions availed:

1. Deemed cost of Property Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition .

The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value after making the necessary adjustments now required to be made as required by the Ind AS.

2. Evaluation of arrangements in the nature of lease

Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to determine whether the arrangements existing contains a lease on the basis of the facts existing on transition date.

3. Revenue from Contracts with customers

A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

Accordingly the Company has not restated the contracts completed in accordance with the previous GAAP as at the transition date.

Ind AS Mandatory exceptions :

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

First time adoption

The impact on First time adoption of Ind AS is set out in Note 41,42& 43.

1) Fair valuation of Investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments.

2) Re measurements of post-employment benefit obligations

Under Ind AS, re measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised net of tax in other comprehensive income, net of tax instead of profit or loss. Under the previous GAAP, these re measurements were forming part of the profit or loss for the year.

3) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under the Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in the total revenue and total expenses by Rs. 2,38,77,328 for the year ended 31 March 2018 (for the FY 2016-17 Rs. 12,52,84,203. However there is no impact on total equity and profit.

Note 2.Significant Accounting Policies

(a) **Statement of compliance:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, notified under Sec 133 of The Companies Act, 2013. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2016.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note no 41,42 & 43. This notes includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

(b) Basis of preparation and presentation:

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

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

(c) Critical accounting estimates and judgments

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

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

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

- **Current versus non-current classification**

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

  i) When it is expected to be realized or intended to be sold or consumed in normal operating cycle
  ii) Held for the purpose of trading
  iii) Expected to be realized within twelve months after the reporting period, or
  iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

  A liability is current when:

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

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

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

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

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

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

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

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

(d) Functional currency :

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

(e) Revenue recognition :

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

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

Interest

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

Dividend

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

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

i **Provident Fund:**

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

ii. **Gratuity Fund**

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

iii. **Compensated Absences**

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

(g) Property, Plant and Equipment:

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

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

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

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

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

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

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

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

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

(h) Intangible Assets:

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

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

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

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

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

(i) Impairment of assets:

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

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

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

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

(j) Foreign Currency Translation :

Initial Recognition

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

Subsequent Recognition

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

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

(k) Assets taken on lease:

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

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

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

(l) Inventories:

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

(m)Government Grants

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

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

(n) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

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

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

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

(p) Borrowing Costs:

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

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

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(r) Cash Flow Statement:

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

(s) Earnings Per Share:

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

(t) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Equity investments

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

c) Financial guarantee contracts which are not measured at FVTPL.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

Corporate Social Responsibility:

The Company charges its CSR expenditure during the year to the statement of profit and loss.

OTHER NOTES FORMING PART OF ACCOUNTS:

32. Corporate Social responsibility

Under Section 135 of The Companies Act, 2013 the company is required to spend Rs 18,86,427/ - during the year under review towards Corporate Social Responsibility (CSR) activities as framed by the Company in its Corporate Social Responsibility program. However, the Company has spent to the extent of Rs.7,80,000/-.

33. Contingent Liabilities

A:Guarentees: Outstanding Guarantees furnished by banks on behalf of the company is Rs.2,90,33,073. (PY Rs.44 Lakhs)

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

Amount Rs. in Lakhs

Particulars	As at 31.03.2018	As on 31.03.2017
Income tax appeal for AY 2008-09 pending before Income tax Appellate Tribunal – Hyderabad	265.86	265.86
Total	**265.86**	**265.86**

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

Amount remaining unpaid to any supplier:
- a) Principal Amount – Nil (PY Nil)
- b) Interest due thereon – Nil (PY Nil)

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

35. 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.17,46,00,568 were made periodically calculating the power requirements but as their generation did not stabilize, no power was flown till March 2018. However, there are no operations in HCL Agro Limited but the company is confident of recovering the advance hence treated as good.

Disclosure requirements of Indian Accounting Standards

36.Disclosures in respect of Ind AS 107 - Financial Instruments

a.Financial Instruments by Categories

(March 31, 2018)

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

(March 31, 2017)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	2,95,83,523		
Non-Current Investments			60,00,000
Current Trade Receivables	4,02,56,856		
Cash & Cash Equivalents	8,72,58,642		
Other Bank Balances	5,33,95,643		
Other Financial Assets	9,57,885		
Liabilities:			
Other Financial Liabilities	4,54,80,840		
Trade Payables	3,53,41,629		

(April 01, 2016)

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

a. Fair value Hierarchy

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

37. Financial risk management

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

Market Risk

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

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

Credit Risk

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

Trade receivables :

The company has outstanding trade receivables amounting to Rs.6,35,81,539 and Rs. 4,02,56,856 as of March 31,2018 and March 31,2017 respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

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

Credit risk exposure:

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

Particulars	March 31, 2018		March 31, 2017	
	Gross	Impairment	Gross	Impairment
0 to 180 days	6,33,12,989	-	3,75,56,432	-
More than 180 days	2,68,550	-	27,00,424	-

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

Liquidity Risk

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

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

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

Interest Rate Risk

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

The following table represents the contractual obligation and receivables to/from financial liabilities and financial assets respectively.

Particulars	**31-03-2018**	**31-03-2017**
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	2,90,33,073	1,83,95,643
- Other Fixed Deposits	1,21,00,000	3,50,00,000

Capital management

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

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Total Debt	0	0
Cash and cash equivalent	76,558,061	8,72,58,642
Net Debt	0	0
Total Equity	46,66,53,160	46,29,72,297
Net debt to equity ratio	0	0

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

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

a. Provident Fund:

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

b. Gratuity:

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

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

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

Movement in defined benefit obligation:

Particulars	**31.03.2018**	**31.03.2017**
Defined benefit obligation - Beginning of the year	73,13,632	57,47,023
Current service cost	9,93,540	8,71,918
Net Interest Cost	3,81,770	4,16,638
Benefits Paid	(2,82,934)	(3,24,115)
Re-measurements - actuarial loss/(gain)	(9,36,940)	6,02,168
Defined benefit obligation - End of the year	78,69,822	73,13,632

Movement in Plan asset:

Particulars	**31.03.2018**	**31.03.2017**
Fair value of plan assets at beginning of year	-	-
Employer contributions	32,14,120	3,24,115
Benefits paid	(2,82,934)	(3,24,115)
Re-measurements - Return on plan assets	98,048	-
Re-measurements - actuarial (loss)/gain	9,36,940	(6,02,168)
Fair value of plan assets at end of year	29,91,218	

Amount recognised in Statement of Profit and Loss

Particulars	**31.03.2018**	**31.03.2017**
Current service cost	9,93,540	8,71,918
Curtailment cost/(credit)		
Expected return on Plan Assets		
Net Interest on Net Defined Benefit Liability/(assets) (B)	3,81,770	4,16,638
Past service cost	3,40,722	-
Cost Recognized in P&L	17,16,032	12,88,556

Amount recognised in Statement of Other Comprehensive Income

Particulars	31.03.2018	31.03.2017
Actuarial (gain)/loss due to assumption changes	(9,36,940)	6,02,168
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss--Actuarial (gain)/loss recognized in OCI	(9,36,940)	6,02,168

Actuarial Assumptions

Particulars	31.03.2018	31.03.2017
Discount rate	7.33%	6.69%
Rate of salary increase	4%	4%
Attrition Rate(Past Service 0 to 40)	2%	2%
Retirement Age		
Average Future Service	10.13%	9.78%

39. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

(March 31, 2018)

Description	At the beginning of the year	Addition	Used	At the end of the year
Provision for leave encashment (including sick and C off leaves)	79,25,483	33,32,319	32,14,120	48,78,604
Provision for gratuity	73,13,632	7,79,092	29,31,186	78,69,822
Provision for Income Tax	54,56,671	66,72,000	89,55,205	31,73,466

(March 31, 2017)

Description	At the beginning of the year	Addition	Used	At the end of the year
Provision for leave encashment	68,39,454	40,82,246	29,96,217	79,25,483
Provision for gratuity	57,47,023	18,90,724	3,24,115	73,13,632
Provision for Income Tax	7,00,000	3,04,50,000	2,56,93,329	54,56,671

(April 01, 2016)

Description	At the beginning of the year	Addition	Used	At the end of the year
Provision for leave encashment	73,23,680	36,28,565	41,12,791	68,39,454
Provision for gratuity	45,65,948	16,52,949	4,61,874	57,47,023
Provision for Income Tax		3,82,00,000	3,75,00,000	7,00,000

40. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"
a. Names of related parties and description of relationship:

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

(*) Mr. Velli Paramasivam resigned on 3rd August 2017 .

(#)Mrs. Hema Pasupatheeswaran appointed as new Company Secretary on 2nd November 2017.

b. Transactions with related parties during the year:

Particulars	KMP	Director Interest Companies	Relative of KMP
Sales of Goods			
HCL Agro Power Ltd		Nil (Nil)	
SRM Civil Works Pvt Ltd		3,31,100 (1,69,400)	
SRM Global Cements Corporation Ltd (including duties and taxes)		29,45,82,135 (23,10,00,600)	
SRM Hotels Private Limited		10,28,830 (5,76,400)	
SRM Engineering Construction Corporation Ltd		Nil (Nil)	
SRM Engineering Science & Tech		Nil (36,84,800)	
Expenses SRM Transports India Pvt. Ltd (Transport outward)		27,61,130 (91,93,560)	
Remuneration K Gopi Prasad - Managing Director	6,00,000 (6,00,000)		
P Ravi - Chairman (including Incentive)	30,00,000 (37,70,000)		
S. Vivekanandan Murugan - Director&CEO (including Bonus and Earned leaves)	69,19,880 (70,23,800)		
Velli Paramasivam - Company Secretary	13,43,671 (15,43,500)		
Hema Pasupatheeswaran - Company Secretary	8,02,580 (Nil)		
Rent Paid Mr. T.R. Pachamuthu			3,00,000 (3,00,000)
Loans and Advances Given HCL Agro Power Ltd		29,20,491 (51,18,719)	
Loans and Advances Received back HCL Agro Power Ltd		NIL (Nil)	

c. Closing Balances at the year ended 31st March 2018:

Particulars	KMP	Director Interest Companies	Relative of KMP
Loans and Advance Receivable			
HCL Agro Power Ltd		17,16,80,077 (16,65,61,358)	
SRM Transports India Pvt Ltd		2,85,24,486 (Nil)	
Trade Receivables			
SRM Civil Works Pvt Ltd		1,61,700 (Nil)	
SRM Global Cement Corporation Ltd		5,64,69,700 (3,38,88,078)	
SRM Hotels Private Limited		Nil (5,76,400)	

Note :Values in the bracket represent previous year values.

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

41. Reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

Particulars	As at March 31, 2017		
ASSETS	**IGAAP**	**IND AS adjustments**	**IND AS**
Non-current assets			
(a) Property, plant and equipment	11,06,82,124		11,06,82,124
(b) Capital work-in-progress	-		-
(c) Other Intangible assets			-
(d) Financial assets			
(i) Investments	60,00,000		60,00,000
(ii) Trade receivables	-		
(iii) Other financial assets	-	2,95,83,523	2,95,83,523
(e) Deferred tax assets (net)	-		-
(f) Other non-current assets	20,12,63,600	(2,95,83,523)	17,16,80,077

Particulars	As at March 31, 2017		
ASSETS	**IGAAP**	**IND AS adjustments**	**IND AS**
Current assets			
(a) Inventories	7,82,64,052		7,82,64,052
(b) Financial Assets			
(i) Investments	-		-
(ii) Trade receivables	4,02,56,856		4,02,56,856
(iii) Cash and cash equivalents	8,72,58,642		8,72,58,642
(iv) Bank Balances other than (iii) above	5,33,95,643		5,33,95,643
(v) Other financial assets	-	9,57,885	9,57,885
(c) Current Tax Assets (Net)	-		-
(d) Other current assets	3,81,55,907	(9,57,885)	3,71,98,022
Total Assets	61,52,76,824	-	61,52,76,824
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	6,67,00,000		6,67,00,000
(b) Other equity	39,62,72,297		39,62,72,297
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long term Borrowings	-		-
(i) Other Financial liabilities	-		-
(b) Long term Provisions	63,68,587		63,68,587
(c) Other Non-Current liabilities			
(d) Deferred tax liabilities (net)	31,80,828		31,80,828
Current liabilities			
(a) Financial Liabilities			
(i) Short term Borrowings			-
(ii) Trade payables	3,53,41,629		3,53,41,629
(iii) Other financial liabilities	-	4,54,80,840	4,54,80,840
(b) Other current liabilities	9,02,81,570	(4,54,80,840)	4,48,00,730
(c) Short Term provisions	1,71,31,913	(54,56,671)	1,16,75,242
(d) Current Tax Liabilities (Net)	-	54,56,671	54,56,671
Total Equity and Liabilities	**61,52,76,824**		**- 61,52,76,824**

Particulars	As at April 01, 2016		
ASSETS	**IGAAP**	**IND AS adjustments**	**IND AS**
Non-current assets			
(a) Property, plant and equipment	7,87,55,138		7,87,55,138
(b) Capital work-in-progress	58,43,177		58,43,177
(c) Other Intangible assets			-
(d) Financial assets			
(i) Investments	60,00,000		60,00,000
(ii) Trade receivables	-		
(iii) Other financial assets	-	2,85,63,534	2,85,63,534
(e) Deferred tax assets (net)	-		-
(f) Other non-current assets	21,63,32,278	(2,85,63,534)	18,77,68,744
Current assets			
(a) Inventories	8,30,27,862		8,30,27,862
(b) Financial Assets			
(i) Investments	-		-
(ii) Trade receivables	3,16,78,561		3,16,78,561
(iii) Cash and cash equivalents	5,52,27,549		5,52,27,549
(iv) Bank Balances other than (iii) above	7,36,20,724		7,36,20,724
(v) Other financial assets	-	7,80,786	7,80,786
(c) Current Tax Assets (Net)	-		-
(d) Other current assets	6,62,19,891	(7,80,786)	6,54,39,105
Total Assets	61,67,05,179	-	1,67,05,179
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	6,67,00,000		6,67,00,000
(b) Other equity	38,60,14,415		38,60,14,415
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long term Borrowings	-		-
(b) Long term Provisions	51,37,758		51,37,758
(c) Other Non-Current liabilities			
(d) Deferred tax liabilities (net)	58,21,975		58,21,975
(a) Financial Liabilities			
(i) Short term Borrowings			-
(ii) Trade payables	3,24,52,666		3,24,52,666
(iii) Other financial liablities	-	5,27,50,762	5,27,50,762
(b) Other current liabilities	10,26,50,045	(5,27,50,762)	4,98,99,283
(c) Short Term provisions	1,79,28,320	(7,00,000)	1,72,28,320
(d) Current Tax Liabilities (Net)	-	7,00,000	7,00,000
Total Equity and Liabilities	**1,67,05,179**	**-**	**1,67,05,179**

42. Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Component	Amount
Balance at April 1, 2016	IGAAP	45,27,14,415
Adjustments		Nil
Balance at April 1, 2016	Ind AS	45,27,14,415

43. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to IND AS

Particulars	For Year Ended March 31, 2017		
	IGAAP	IND AS adjustments	IND AS
I Revenue from operations	85,42,12,682	(12,52,84,203)	97,94,96,885
II Other income	88,55,152		88,55,152
III Total Income (I+II)	86,30,67,834	(12,52,84,203)	98,83,52,037
IV Expenses			
Cost of material consumed	20,25,15,374		20,25,15,374
Changes in inventories of finished goods, work-in- progress and stock-in-trade	61,08,698		61,08,698
Excise duty on sale of goods	-	12,52,84,203	12,52,84,203
Power and fuel	42,18,30,443		42,18,30,443
Employee benefits expense	8,06,16,646	(6,02,168)	8,00,14,473
Finance costs	1,78,840		1,78,840
Depreciation and Amortisation	1,01,10,708		1,01,10,708
Other expenses	6,42,68,428		6,42,68,428
Total expenses (IV)	78,56,29,137	(12,46,82,035)	91,03,11,172
V Profit/(loss) before tax	7,74,38,697		7,80,40,865
VI Tax expense			
- Current Tax	3,04,50,000		3,04,50,000
- Deferred Tax	(26,41,147)		(26,41,147)
- Earlier year tax	3,93,71,962		3,93,71,962
VII Profit/(loss) for the period	1,02,57,882	-	1,08,60,050
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss	-		
Remeasurements of defined benefit plan actuarial gains/ (losses)		(6,02,168)	(6,02,168)
Income tax expense on above	-	-	
	-		-
IX Total Comprehensive Income for the period (Comprisingprofit and other comprehensive income for the period)	1,02,57,882		1,02,57,882

1. Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under the Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in the total revenue and total expenses by Rs.2,38,77,328 for the year ended 31st March 2018. However there is no impact on total equity and profit.

2. Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

3. Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses from remeasurernent of the net defined benefit liability / asset (for post employment employee benefits) are to be recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2018 were Rs. 9,36,940/-

HEMADRI CEMENTS LIMITED

CIN : L26942AP1981PLC002995

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 36th Annual General meeting of the company, to be held on Tuesday, 25th September 2018 at 4.00 pm

SIGNATURE OF SHAREHOLDER/ PROXY

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) :

Registered address :

Email ID :

Folio / DP ID - Client ID No

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

1. Name :
   Address : Signature or failing him;
   Email ID
2. Name :
   Address : Signature or failing him;
   Email ID

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th General meeting of the company, to be held on Tuesday, 25th September 2018 at 4.00 pm at the Registered Office of the Company at Vedadri Village and at any adjournment thereof in respect of such resolutions as mentioned in the AGM notice.

Signed this____________day of _____________ 2018

Signature of shareholder________________________ Signature of Proxy holder(s)____________________

Note:

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

BOOK - POST

PRINTED MATTER

If Undelivered, please return to :

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

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