



HEMADRI CEMENTS LIMITED

29th Annual Report

2010 - 2011

BOARD OF DIRECTORS:

SRI K. GOPI PRASAD	MANAGING DIRECTOR
SRI GOPALSAMY RAJAN	DIRECTOR
SRI DBN RAO	DIRECTOR
SRI B. RAMACHANDRA RAO	DIRECTOR
SRI MUTHUSAMY SUBRAMANIAN	DIRECTOR
SRI PACHAMUTHU RAVI	DIRECTOR
SRI PACHAMUTHU SATYANARAYANAN	DIRECTOR

AUDIT COMMITTEE

SRI B. RAMACHANDRA RAO
SRI DBN RAO
SRI MUTHUSAMY SUBRAMANIAN
SRI K. GOPI PRASAD

COMPANY SECRETARY

K.VENKATARAMANI

AUDITORS

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

BANKERS

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

ADMINISTRATIVE OFFICE:

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

REGD. OFFICE & FACTORY

Vedadri Village
Jaggaiahpet Mandal
Krishna District, Andhra Pradesh.Ph:(08676) 284538

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NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Company will be held on Monday, the 12th day of September 2011 at 10:00 AM at Registered Office of the Company at Vedadri Village, Jaggaiahpet Mandel, Krishna District A.P. to transact the following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2011, the Balance Sheet as at that date and the Report of Director's and Auditors thereon.
02. To elect a Director in place of SRI GOPALSAMY RAJAN, who retires by rotation and being eligible, offers himself for re-appointment.
03. To elect a Director in place of SRI MUTHUSAMY SUBRAMANIAN, who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint auditors for the current year and fix their remuneration

BY ORDER OF THE BOARD OF DIRECTORS

Place:Chennai
Date:10.08.2011

K.VENKATARAMANI
COMPANY SECRETARY

NOTES:

01. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Proxy need not be a member.
02. Members/proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
03. The Share Transfer Books of the Company shall remain closed from the 5th September,2011 to 12th September, 2011 (both days inclusive.)

DIRECTORS REPORT:

TO

The Members,

Your Directors have pleasure in presenting the **TWENTY NINETH ANNUAL REPORT** and the audited accounts for the financial year ended March 31, 2011.

FINANCIAL RESULTS:

	2010 - 2011	2009 - 2010
Sales and other Income	5150.42	4750.21
Profit/ (Loss) before Interest and Depreciation	1088.92	792.20
Interest	4.62	3.42
Profit/ (Loss) before Depreciation	1084.30	788.78
Depreciation	84.65	95.09
Profit/ (Loss) before Extraordinary Items	999.65	693.69
Extraordinary Items pursuant to the Interest		
Waiver on OTS scheme of IFCI and ICICI	-	2802.99
Profit / (Loss) after Extraordinary Items	999.65	3496.68
Tax Expenses -		
Current Tax	368.16	295.00
Deferred Tax	(12.77)	(30.51)
Fringe Benefit Tax	-	-
Profit/ (Loss) after Tax	644.26	3232.19

DIVIDEND:

As the company is in need of resources to spruce up the operations, your Directors feel it prudent not to declare dividend this year.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance is attached in the Annexure.

Management discussion and analysis

Your Company has been discharged by the Hon'ble BIFR from the purview of Sick Industrial Companies(Special Provisions)Act, 1985, vide its order dated 27th July 2011 .

The Company has achieved a Cement tonnage of **205,418 MT** during the year as against a tonnage of 203,643 MT in the previous year.

Your Company has made a Net Profit before Extraordinary Items of Rs. **999.65** Lakhs during the year, as against Net Profit of Rs. **693.69** Lakhs in the previous year.

Your company could ride on the short term buoyancy in the market and despite increasing input costs, could post a decent profit during the year under review.

ECONOMIC OUTLOOK

The construction activity has been growing very marginally over the recent past and the growth is sporadic. The market, of late, is able to absorb the price increase which is necessitated owing to increase in input costs; but this trend is likely to be short-lived. Moreover, further capacities have been added particularly in the state of A.P. which would make the market more competitive.

OPPORTUNITIES AND THREATS:

Your company, riding the swing of good market, has been able to sustain itself in the recent years.

The major threats are the unprecedented increase in the cost of major raw materials like coal. There is also a shortage of availability of coal which would continue to exert pressure on the economic viability of your company.

Power continues to be another major threat as there is a high possibility of the same getting more expensive as the year progresses.

Further as new capacities are being added, the market is likely to become more competitive which might result in affecting the price line for the end produce.

INDUSTRIAL RELATIONS AND STAFF WELFARE:

Industrial relations with staff and workmen remained harmonious and cordial. Wage agreement with the Workers' Union for the year 2011-13 is underway in a cordial atmosphere.

POLLUTION CONTROL:

The Company has adequate pollution control equipments and also has developed various plantations around the factory premises.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS OUT GO:

Statement containing particulars pursuant to section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and form part of this report.

DIRECTORS:

Shri. Gopalsamy Rajan and Shri. Muthusamy Subramanian, Directors, who retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies (Amendment) Act 2000, The Board of Directors confirm that:

1. In the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. Such accounting policies were selected and applied consistently and judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of state of affairs and Profit of the company for the period.
3. Proper and sufficient care has been taken to safeguard the assets and for preventing and detecting fraud and other irregularities.
4. The annual accounts are prepared on a going concern basis.

PARTICULARS OF EMPLOYEES:

There are no employees falling within the purview of Section 217(2A) of the Companies Act, 1956 during the year.

DEPOSITS AND LOANS/ADVANCES:

Your Company has not invited or accepted any fixed deposits and hence no amount of principal or interest was outstanding as on the date of the Balance Sheet.

AUDITORS:

M/s. B.Purushottam & Co, Chartered Accountants, Chennai who retire at the conclusion of this General meeting have offered to be re-appointed.

COST AUDITOR:

The Company has engaged Shri R. Srinivasa Rao as the Cost Auditor for the year 2011-12.

ACKNOWLEDGEMENT:

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS

Place : Chennai
Date : 10.08.2011

K. GOPI PRASAD
MANAGING DIRECTOR

**ANNEXURE TO DIRECTORS REPORT
FORM-A**

CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION	2010-2011	2009-10
1. ELECTRICITY:		
a) Purchased		
Units	23,002,518	24,046,400
Total Amount Rs	86,196,660	78,598,182
Average Rate / Unit Rs	3.75	3.26
b) Own Generation		
Through Diesel Generation Unit	---	---
Units Per Ltr. Of Diesel Generation	---	---
Cost / Unit Rs.	---	---
2. COAL:		
Quantity (Tons)	42,677	44,655
Total Cost RS.	140,533,990	134,586,622
Average Rate (Rs)	3293.00	3013.92
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 (If any)		
Electrical Consumption Per ton of Cement	140.00 units	119.69 units	118.43 units
Coal Consumption Per ton of Cement	0.25 MTS	0.22 MTS	0.24 MTS

TECHNOLOGY ABSORPTION FROM FOREIGN COUNTRIES:

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

FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

FORM - B

A. RESEARCH AND DEVELOPMENT (R & D) :	2010-2011	2009-2010
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 e. g., 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	:	

BY ORDER OF THE BOARD OF DIRECTORS

Place : Chennai
Date : 10.08.2011

K. GOPI PRASAD
MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE**Company's Philosophy on Corporate Governance:**

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

BOARD OF DIRECTORS

Your Board consists of 7 directors and is in conformity with clause 49 of the Listing Agreement. The composition of the Board is given below

Mr. K.GOPI PRASAD	Promoter/ Executive	Managing Director
Mr. GOPALSAMY RAJAN	Independent/non-executive	Director
Mr. P.RAVI	Independent /non-executive	Director
Mr. P.SATYANARAYANAN	Independent/non-executive	Director
Mr.D.B.N. RAO	Independent/non-executive	Director
Mr. B.RAMACHANDRA RAO	Independent/non-executive	Director
Mr. M. SUBRAMANIAN	Independent/non-executive	Director

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

BOARD MEETINGS AND ATTENDANCE

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

21st May, 2010

31st August 2010

26th November 2010 and

29th January 2011

Name of Director	Attendance		Other Directorship / Committee Membership		
	Yes	AGM Board	Other Directorship	Committee Mem	Committee Chair
Mr. K.Gopi Prasad	Yes	4	2	2	1
Mr. Gopalsamy Rajan	No	1	1	3	-
Mr. P.Ravi *	Yes	1	8	-	-
Mr. P.Satyanarayanan *	No	1	8	-	-
Mr. D.B.N.Rao	No	4	3	2	1
Mr. B.Ramachandra Rao	No	4	2	3	-
Mr. M.Subramanian	Yes	4	1	2	1

- Appointed at the AGM on 29.12.2010

COMMITTEES OF THE BOARD

During the year under review the committees of Directors were re-constituted on 29.01.2011 and accordingly the following is the composition of various committees.

A. SHARE TRANSFER COMMITTEE

- i. Shri K.Gopi Prasad
- ii. Shri M.Subramanian
- iii. Shri G.Rajan

B. AUDIT COMMITTEE

- I. Shri M.Subramanian - Chairman
- II. Shri K.Gopi Prasad
- III. Shri G. Rajan
- IV. Shri B.Ramachandra Rao

C. INVESTORS' GRIEVANCES COMMITTEE

- I. Shri K.Gopi Prasad
- II. Shri M.Subramanian
- III. Shri G.Rajan

Shri K.Venkataramani, Company Secretary would be the convenor and Compliance Officer

D. MANAGEMENT COMMITTEE

- I. Shri K.Gopi Prasad
- II. Shri G.Rajan
- III. Shri M.Subramanian
- IV. Shri P.Ravi
- V. Shri P.Satyanarayanan

E. TECHNICAL COMMITTEE

- I. Shri P.Ravi
- II. Shri M.Subramanian
- III. Shri D.B.N. Rao

The Board further authorized that the technical committee could co opt any officer of the Company from time to time for conduct of its business

F. REMUNERATION COMMITTEE

- i. Shri Gopalsamy Rajan
- ii Shri Muthusamy Subramanian
- iii Shri D.B.N. Rao

Audit Committee:

The function of the Audit committee is to review the accounting policies and to oversee the process of Financial Reporting by the Company so as to ensure that the financial statements are correct and credible.

The responsibility of the Audit committee, inter alia,

- Reviewing with the management-
 - i. The Annual financial statements before submission to the Board for approval with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement
 - b. Changes, if any, in the accounting policies and practices and reason for the same
 - c. Major accounting entries involving estimates based on judgement by the management
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions and
 - g. Qualifications in the draft audit report
 - ii. The quarterly financial statements before submission to the Board for approval
 - iii. The statement of uses and application of funds
 - iv. Performance of statutory and internal auditors and adequacy of the internal control systems.
- Discussion with

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

The Audit committee met 3 times during the year on 21.5.2010, 26.11.2010 and 29.01.2011

DIRECTORS' REMUNERATION

K.Gopi Prasad
Managing Director

Rs. 6,00,000

The Company pays sitting fee of Rs. 2000/- per meeting to non-executive directors for the meetings of the Board and various committees

The Non-executive directors are not paid any other remuneration.

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT:

1. Sri GOPALSAMY RAJAN

Sri Rajan is an advocate practicing for over 50 years at Chennai. He is also associated with various religious and philanthropic organizations.

He is a Director of HCL Agro Power Limited

2. Sri MUTHUSAMY SUBRAMANIAN

Sri Subramanian is an experienced banker with more than 30 years of service in banking industry.

He is a Director of HCL Agro Power Limited

GENERAL BODY MEETINGS

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

30.10.2008	Venue:	Regd Office of the Company at
30.10.2009		Vedadri Village, Jaggiahpet Mandal
29.12.2010		Krishna District, Andhra Pradesh

DISCLOSURES:

- **Related Party Disclosures:**

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiaries or relatives, etc that may have a potential to be in conflict with the interests of the Company. The register of contracts containing transactions in which directors are interested, is placed before the Board regularly.

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

- **Compliance by the Company:**

There has been no instance of non-compliance by the Company on any matter relating to Capital Markets during the last three financial years. The Bombay Stock Exchange had suspended trading in the shares of the Company for non-payment of listing fee, which has since been paid with interest. We await relisting.

- **Compliance of Mandatory requirements :**

The Company has complied with all major mandatory requirements as per clause 49 of the Listing Agreement.

SHAREHOLDERS' GENERAL INFORMATION:

a) Date, time and venue of the Annual General Meeting:

Date:	Monday the 12 th September 2011
Venue:	Regd. Office of the Company at Vedadri Village, Jaggiahpet Mandal, Krishna District, A.P.
Time	10 A.M.

b) Financial Calender :

Financial Year : April – March

Quarterly Results : I	15 th August
II	15 th October
III	15 th February
IV	15 th May

c) Arrangements for Share Transfers

Registrars & Share Transfer Agents

XL SOFTECH SYSTEMS LIMITED

#3,Sagar Society, Road No.2

Banjara Hills, HYDERABAD 500 034

Phones: 23545913/14/15 Fax 040-23553214

Email: xlfield@rediffmail.com

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

Transfer in pipeline as on 31.3.2011 is 336843 shares.

d) Distribution of Shareholding as on 31.3.2011

Nominal Value	No. of Share holders	% to total No. of Shareholders	Value	% to total nominal Value
0 – 5000	3297	82.94	5920700	8.88
5001- 10000	401	10.09	3218640	4.83
10001- 20000	141	3.55	2152180	3.23
20001 – 30000	58	1.46	1510160	2.26
30001 – 40000	13	0.33	466250	0.70
40001 – 50000	17	0.43	812120	1.22
50001 – 100000	18	0.45	1386500	2.08
100001 & above	30	0.75	51233450	76.81
TOTAL	3975	100.00	66700000	100.00

CFO CERTIFICATION:

As required by Clause 49 of the Listing Agreement, the CFO has submitted his certification with respect to the Financial Statements for the year ending 31.3.2011.

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 2011 as stipulated in Clause 49 of the Listing Agreement 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 with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances , there was no grievance received during the year ended 31st March, 2011.

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

Chennai
10.08.2011

B. PURUSHOTTAM & CO.
Chartered Accountants
Firm Reg. No. 0028085

D. RAMASUDHAKAR
M.No. 220964

AUDITOR'S REPORT

To

**The Shareholders of
HEMADRI CEMENTS LIMITED,**

- 1) We have audited the attached Balance Sheet of **HEMADRI CEMENTS LIMITED.**, as at 31st March 2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) The Balance Sheet ,Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies act, 1956
 - v) on the basis of written representations received directors of the company as at 31st March, 2011 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as a director in terms of under clause (g) of sub section (1) of sect ion 274 of the companies act, 1956;

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with its notes and Accounting Policies give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011 and

b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

c) In case of Cash Flow Statement, of the cash flows for the period ended on that date.

Place : Chennai.
Date : 10.08.2011.

For **B.PURUSHOTTAM & CO**
Chartered Accountants
FIRM REG. No. 0028085

D. RAMASUDHAKAR
PARTNER
M.No. 220964

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report even date)

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) All the assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
c) During the year, the Company has not disposed off any substantial part of Fixed Assets.
- ii) a) The inventory has been physically verified during the year by the management.
In our opinion, the frequency of verification is reasonable.
b) The procedure of physical verification of inventory followed by the management, are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) a) According to the information and explanations given to us, the Company has granted interest free loans to HCL Agro Power Ltd Company covered under the register maintained u/s.301 of the Companies Act, 1956. The Maximum amount outstanding during year is Rs.938.22 Lakhs and the yearend balance is Rs.938.22 Lakhs.
b) In our opinion and according to the explanation given to us, the aforesaid loan is interest free and other terms and conditions of the loan given are not prima facie prejudicial to the interest of the Company.
c) The said Interest free loan has no repayment schedule.
d) The loan given by the company is repayable on Demand.
e) According to the information and explanations given to us, the Company has not taken loans from parties covered under the register maintained u/s.301 of the Companies Act, 1956. Hence we have no comments to offer under clause (iii)f.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, for sale of goods and services
- v) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of Companies Act have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Companies Act, 1956, in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi) The Company has not accepted any deposits from public within the meaning of Section 58A and 58AA or any other provisions of the Companies Act and the rules framed there under, hence the paragraph (4) (vi) is not applicable to the company for the year;
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix)
 - a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues of Income tax, Provident fund, Employee state Insurance, Sales tax, VAT, Wealth Tax, Excise duty, Customs duty, Investor Education and protection Fund, Cess etc. as applicable with appropriate authorities.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Provident fund, Employee state Insurance, Sales tax, VAT, Wealth Tax, Excise duty, Customs duty, Investor Education and protection Fund, Cess etc. were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - c) According to the information and explanation given to us, there are no dues of Income tax, Customs duty, Wealth tax, Service tax, Excise duty which have not been deposited on account of any dispute except for :-

S.No.	Nature of the Dues	Forum where Dispute is pending	Amount (Rs.)	Period to which amount relates	Status of Payment
1	AP VAT	Sales Tax Appellate Tribunal, Vizag Appeal no.VJA I/41/08-09	20.06. Lakshs	2006-07	

- x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year. The Company has been discharged from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 vide the order of the Hon'ble BIFR dated 27.7.2011.
- xi) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions, banks or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

- xiii) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit fund/Society are not applicable to the company.
- xiv) The nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments, hence the requirement of offering comments on this clause is not applicable.
- xv) According to the information and explanations given to us and records made available to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, hence the terms and conditions of guarantees given by the Company is not applicable for the year.
- xvi) According to the information and explanations given to us, no term loans were availed by the Company during the year. Accordingly, clause 4(xvi) of the companies (Auditor's Report) Order 2003 is not applicable to the company.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not raised any funds during the year; as such this clause is not applicable.
- xviii) The Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) During the period covered by our audit report, the Company has not issued any debentures requiring report under the clause.
- xx) The Company has not raised any money by way public issue during the year and hence the question of disclosure and verification of end use of such moneys does not arise.
- xxi) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Chennai.
Date : 10.08.2011.

For **B.PURUSHOTTAM & CO**
Chartered Accountants
FIRM REG. No. 0028085

D. RAMASUDHAKAR
PARTNER
M. No. 220964

BALANCE SHEET AS AT 31ST MARCH 2011

	SCHD REF	As At 31-Mar-2011 Rs.	As At 31-Mar-2010 Rs.
SOURCES OF FUNDS:			
Share Capital	A	66,700,000	66,700,000
Reserves & Surplus	B	115,707,230	54,849,838
Deferred Tax Liability	C	12,707,915	13,985,014
TOTAL		195,115,145	135,534,852
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	D	367,381,120	365,894,111
Less: Depreciation		298,163,508	288,741,363
Net Block		69,217,612	77,152,748
Capital work In Progress		185,868	-
INVESTMENTS			
	E	6,000,000	6,000,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	F	31,362,166	35,945,776
Sundry Debtors		10,095,850	11,731,957
Cash and Bank Balance		51,051,361	29,106,680
Loans & Advances		185,032,938	122,871,406
		277,542,315	199,655,819
Less: Current Liabilities and Provisions	G	157,830,650	147,273,715
Net Current Assets		119,711,665	52,382,104
TOTAL		195,115,145	135,534,852
NOTES ON ACCOUNTS			
	O		

Schedules referred to above form an integral part of accounts
As per our report of even date

for and on behalf of the Board

For B.PURUSHOTTAM & CO
CHARTERED ACCOUNTANTS
FIRM REG. No. 002808S

D. RAMASUDHAKAR
PARTNER
M.No. 220964

K GOPI PRASAD
MANAGING DIRECTOR

PLACE: CHENNAI
DATE : 10/08/2011

K VENAKATARAMANI
SECRETARY

M SUBRAMANIAN
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011			
	SCHD REF	For the Period ended 31-Mar-11	For the Period ended 31-Mar-10
		Rs.	Rs.
INCOME:			
Sales		588,600,469	505,644,885
Less: Excise Duty Paid		67,424,387	44,806,884
		521,176,082	460,838,001
Other Income	H	3,613,089	3,017,546
Increase/(Decrease) in stock	I	(9,747,520)	12,405,109
TOTAL		515,041,651	476,260,656
EXPENDITURE:			
Materials Consumed	J	84,331,337	88,913,246
Power		86,196,660	78,598,182
Fuel		140,533,990	134,586,620
Personnel Cost	K	40,777,239	37,459,176
Manufacturing Expenses	L	35,798,570	31,483,792
Administration and Selling Expenses	M	18,511,957	25,999,890
Finance Charges	N	461,660	341,552
Depreciation		12,034,290	13,078,748
Less: Transfer from Revaluation Reserves		(3,569,044)	(3,569,560)
TOTAL		415,076,659	406,891,645
PROFIT Before Extraordinary Items		99,964,992	69,369,011
Add: Interest waived on OTS Scheme		-	280,298,740
LESS : Prior Year Adjustment		-	-
PROFIT Before Taxes		99,964,992	349,667,751
Less : Tax Expenses			
- Current Tax		36,815,655	29,500,000
- Deferred Tax		(1,277,100)	(3,051,316)
PROFIT after Taxes		64,426,436	323,219,067
Add/ (Less) : Brought Forward Profit		30,877,877	(292,341,189)
Net Profit / (Loss) Carried to Balance Sheet		95,304,313	30,877,878
EPS			
Basic & Diluted (Before Extraordinary Items)		9.66	6.43
Basic & Diluted (After Extraordinary Items)		9.66	48.46
NOTES ON ACCOUNTS	O		
Schedules referred to above form an integral part of accounts			
As per our report of even date			
		for and on behalf of the Board	
For B.PURUSHOTTAM & CO CHARTERED ACCOUNTANTS FIRM REG. No. 002808S			
D. RAMASUDHAKAR PARTNER M No. 220964		K GOPI PRASAD MANAGING DIRECTOR	
PLACE: CHENNAI DATE : 10/08/2011		K VENAKATARAMANI SECRETARY	
		M SUBRAMANIAN DIRECTOR	

SCHEDULES FORMING PART OF THE BALANCE SHEET		
	As At 31-Mar-2011 Rs.	As At 31-Mar-2010 Rs.
SCHEDULE - A		
SHARE CAPITAL:		
Authorized (10,000,000 Equity Shares of Rs.10/- each)	100,000,000	100,000,000
Issued, Subscribed and paid up (6,670,000 Equity Shares of Rs.10/- each fully paid up)	66,700,000	66,700,000
TOTAL	66,700,000	66,700,000
SCHEDULE - B		
RESERVES & SURPLUS:		
Capital Reserve	2,012,000	2,012,000
Capital Reserve on Account of OTS Waivers	11,339,587	11,339,587
Mining Welfare Subsidy	974,250	974,250
Profit & Loss A/c	95,304,313	30,877,878
Revaluation Reserve:		
Opening Balance	9,646,123	13,215,683
	119,276,273	58,419,398
Less: Additional Depreciation on Revalued Assets	(3,569,044)	(3,569,560)
TOTAL	115,707,230	54,849,838
SCHEDULE - C		
Deferred Tax Liability	12,707,915	13,985,015
TOTAL	12,707,915	13,985,015

FIXED ASSETS

SCHEDULE: D

Sl. No.	Description of Assets	GROSS BLOCK				As At 31-Mar-2010 Rs.	DEPRECIATION			NET BLOCK	
		As At 31-Mar-2010 Rs.	Addition Rs.	Deletion Rs.	TOTAL Rs.		For the Year Rs.	On Deletion Rs.	Upto 31-Mra-2011 Rs.	As At 31-Mar-2010 Rs.	As At 31-Mar-2010 Rs.
1	LAND - FREE HOLD	4,562,242	-	-	4,562,242	-	-	-	-	4,562,242	4,562,242
	- LEASE HOLD	6,823,290	-	-	6,823,290	-	-	-	-	6,823,290	6,823,290
	- LAND ADDITION	-	4,209,694	-	4,209,694	-	-	-	-	4,209,694	-
2	BUILDINGS	42,295,889	-	-	42,295,889	22,936,494	1,095,081	-	24,031,575	18,264,314	19,359,394
3	PLANT & MACHINERY	262,202,005	2,627,255	-	264,829,260	222,291,895	9,646,321	-	231,938,216	32,891,044	39,910,109
4	ELECTRICAL INSTALLATIONS	37,360,281	-	-	37,360,281	36,974,050	335,628	-	37,309,678	50,603	386,230
5	FURNITURES & FIXTURES	4,341,283	637,476	3,072,183	1,906,576	2,096,789	245,878	1,334,187	1,008,480	898,096	2,244,494
6	VEHICLES	7,438,942	-	2,915,233	4,523,709	3,586,408	709,374	1,277,962	3,017,820	1,505,889	3,852,534
7	CONSTRUCTION MACHINERY	480,450	-	-	480,450	473,405	980	-	474,385	6,065	7,045
8	WORK SHOP EQUIPMENT	389,730	-	-	389,730	382,326	1,030	-	383,356	6,374	7,404
		365,894,111	7,474,425	5,987,416	367,381,120	288,741,363	12,034,290	2,612,149	298,163,508	69,217,611	77,152,748
	Previous Year	353,907,289	13,413,668	1,426,846	365,894,112	276,374,822	13,078,747	712,206	288,741,363	77,152,749	77,532,462
	CAPITAL WORK IN PROGRESS	-	185,868	-	185,868	-	-	-	-	185,868	-

	As At 31-Mar-2011 Rs.	As At 31-Mar-2010 Rs.
SCHEDULE - E		
INVESTMENTS AT COST		
Trade Investments (Long Term & Unquoted)		
In Associates		
Shares in HCL Agro Power Ltd (600,000 Equity Shares of Rs.10/- each Fully Paid up)	6,000,000	6,000,000
SCHEDULE - F		
CURRENT ASSETS, LOANS & ADVANCES		
i) Inventories (As certified by the Management)		
Raw Material	11,978,137	9,661,112
Spares & Stores	14,996,008	11,635,940
Packing Material	571,478	1,159,884
Work-in-Process	3,368,720	12,320,840
Finished Stock - Cement	372,600	1,168,000
Coal in Transit (21.13 Mts)	75,223	-
TOTAL	31,362,166	35,945,776
ii) SUNDRY DEBTORS:(Unsecured, Considered good)		
Exceeding six months	-	712,486
Others	10,095,850	11,731,957
TOTAL	10,095,850	11,731,957
iii) CASH AND BANK BALANCE:		
Cash in Hand	3,896,811	4,253,352
Balance with Scheduled Banks:		
In Current Accounts	22,635,652	21,454,535
In FDR Accounts	20,024,411	-
In Lien Accounts	4,494,487	3,398,793
TOTAL	51,051,361	29,106,680
iv) LOANS & ADVANCES: (Unsecured considered good recoverable in cash or in kind or for value to be received)		
Advance for Material	23,245,506	16,030,504
Advance for Expenses	13,237,612	13,097,481
Other Advances	93,822,094	70,048,040
Deposits	15,578,334	14,971,334
Amounts Receivable	998,123	229,032
Prepaid Expenses	1,338,676	2,118,148
CENVAT Credit Receivable	883,026	803,243
Advance Tax - Income Tax	35,919,443	5,563,500
Advance Tax - F B T	10,124	10,124
TOTAL	185,032,938	122,871,406

	As At 31-Mar-2011 Rs.	As At 31-Mar-2010 Rs.
SCHEDULE - G		
CURRENT LIABILITIES & PROVISIONS:		
Trade Creditors due to micro small medium etc., others	- 3,426,004	- 8,533,560
Creditors for Expenses	47,231,118	42,154,702
Statutory Liabilities	12,949,741	8,934,925
Advance from Customers	21,919,564	53,217,174
	85,526,427	112,840,361
PROVISIONS:		
Taxation :		
Provision for Income Tax 2010-11	36,815,655	-
Provision for Income Tax 2009-10	29,500,000	29,500,000
Retirement Benefits :		
Provision for Gratuity	1,358,546	1,201,536
Provision for Earned Leaves/Exgratia/Incentive	4,630,020	3,731,819
TOTAL	157,830,650	147,273,716
SCHEDULE - H		
OTHER INCOME:		
Miscellaneous Income	618,968	92,118
Interest - Others (Gross)	1,390,657	1,107,436
(Tax Deducted at Source - Rs.139,009 Previous Year Rs.190,483)		
Scrap Sales (net of Excise Duty)	1,603,464	1,817,992
TOTAL	3,613,089	3,017,546
SCHEDULE - I		
INCREASE/(DECREASE) IN STOCK:		
1. Work-in-Process		
Opening Stock	12,320,840	541,431
Closing Stock	3,368,720	12,320,840
-1	(8,952,120)	11,779,409
2. Finished Goods		
Opening Stock	1,168,000	542,300
Closing Stock	372,600	1,168,000
-2	(795,400)	625,700
INCREASE / (DECREASE) (1) + (2)	(9,747,520)	12,405,109

	As At 31-Mar-2011 Rs.	As At 31-Mar-2010 Rs.
SCHEDULE- J		
MATERIALS CONSUMED		
A) Raw Material		
Opening Stock	9,661,112	13,851,336
Add: Purchases	61,277,076	61,455,092
TOTAL	70,938,188	75,306,428
Less: Closing Stock	12,053,360	9,661,112
CONSUMPTION : (A)	58,884,828	65,645,316
B) Packing Material		
Opening Stock	1,159,884	964,588
Add: Purchases	24,858,103	23,463,226
TOTAL	26,017,987	24,427,814
Less: Closing Stock	571,478	1,159,884
CONSUMPTION : (B)	25,446,509	23,267,930
TOTAL CONSUMPTION (A + B)	84,331,337	88,913,246
SCHEDULE- K		
PERSONAL COST:		
Salaries, Wages and Bonus	32,817,212	29,024,614
Contribution to P.F. & other funds	1,182,065	1,269,879
Staff Welfare	6,777,962	7,164,683
TOTAL	40,777,239	37,459,176
SCHEDULE- L		
MANUFACTURING EXPENSES:		
Consumable Stores	25,073,905	21,117,498
REPAIRS & MAINTENANCE:		
Repairs to building	197,260	1,005,423
Repairs to P&M	1,625,391	1,163,045
Factory Maintenance	6,845,210	4,911,159
Others	1,318,778	2,676,330
Freight Coolie & Cartage	738,026	610,337
TOTAL	35,798,570	31,483,792

	As At 31-Mar-2011 Rs.	As At 31-Mar-2010 Rs.
SCHEDULE- M		
ADMINISTRATIVE & SELLING EXPENSES		
Rates & Taxes	1,709,933	861,734
Communication Expenses	746,504	870,575
Travelling & Conveyance	2,680,416	3,583,381
Printing & Stationery	470,372	970,436
Repairs & Maintenance:		
- Vehicles	256,214	763,197
- Others	879,230	637,093
Electricity Charges	224,911	431,741
Legal & Professional Charges	2,028,960	4,547,225
Security Charges	1,334,042	1,320,607
Insurance	577,751	582,713
Survey Expenses	90,600	644,897
Payment to Auditors:		
- as auditors	350,000	350,000
- for tax audit	50,000	50,000
- for tax matters	50,000	1,618,000
- for expenses	8,548	37,255
Donations	-	756,886
Loss on Sale of Vehicle	410,871	92,418
General Expenses	3,548,094	1,958,736
	15,416,446	20,076,894
SELLING EXPENSES		
Commission on Sales	575,000	3,012,100
Advertisement Expenses	272,514	66,805
Transportation on cement	841,656	-
Sales Promotion Expenses	595,179	2,033,272
Loading Charges	811,162	810,819
TOTAL	18,511,957	25,999,890
SCHEDULE- N		
FINANCE CHARGES:		
Interest - on Term Loans	-	-
- on Others	196,065	127,459
Bank Charges	265,595	214,093
TOTAL	461,660	341,552

SCHEDULE - O**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****I. SIGNIFICANT ACCOUNTING POLICIES:****a. Basis of Accounting.**

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the accounting standards notified under section 211(3C) of the Companies Act, 1956 of India (the Act) and other relevant provisions of the Act.

b. Use of Estimates

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

c. Revenue recognition:

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

d. Fixed assets:

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

e. Depreciation:

- a) Depreciation on buildings, plant & machinery and electrical installations is provided on straight-line method and on written down value method on other assets at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.
- c) In the case of revalued assets, the difference between the depreciation based on revaluation and the depreciation charged on historical cost is transferred from revaluation reserve to profit and loss account.

f. Capital work-in-progress:

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

g. Investments:

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

h. Inventories:

- a) Stock of raw materials are stated at cost and valued on weighted average basis.
- b) Stores & Spare parts are stated at cost and valued on FIFO basis.
- c) Work-in-progress is stated at cost.
- d) Finished goods are valued at the lower of costs or net realizable value.

i. Retirement Benefits:

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

The Company has Defined Benefit Plan comprising of Gratuity Fund. The liability for the Gratuity Fund is determined on the basis of an independent actuarial valuation done at the year-end. Actuarial Gains and Losses comprise experienced adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense. The Company's Leave encashment policy entitles the employees to accumulate leave for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation.

j. Borrowing cost:

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

k. Income Tax:

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

l. Earning Per Share:

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

m. Impairment of Assets:

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

n. Provisions and Contingent Liabilities:

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

II. NOTES TO ACCOUNTS:**1. Contingent Liabilities not provided for**

Particulars	As on 31.03.2011 Rs. in Lakhs	As on 31.03.2010 Rs. in Lakhs
Interest on Sales Tax Arrears	337.97	337.97
FSA charges levied by APSEB for the Period 2008-09 now pending before the Hon'ble High Court A.P.	102.93	-

2. Capital commitments not provided for on account of pending execution (net of advance) – Rs. NIL (Previous Year Rs. NIL).

3. There are no delays in payments to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

4. Excise Duty amounting to Rs. 77,041/- on Closing Stock of finished Goods has been provided during the year to comply with 'Guidance Note on Accounting treatment for Excise duty' issued by Institute of Chartered Accountants of India.

5. Managerial Remuneration:

Details of amounts paid/payable to Managing Director:

Amount in Rupees

Particulars	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
Salary & Allowances	600,000	600,000
Medical Reimbursement	-	-
Total	600,000	600,000

1. Employee Benefits:

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

i. Defined Contribution Plans:

Contribution to defined Contribution Plan, recognized as expense for the year are as under.

Amount in Rupees

Particulars	Employer's contribution debited to P& L A/C	
	Year Ended 31.03.2011	Year Ended 31.03.2010
a Employer's Contribution to Provident Fund	422,052	409,682
b Employer's Contribution to Pension Scheme	857,134	851,587

i. Defined Benefit Plans:

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

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

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

Amount in Rupees

Particulars	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
Changes in Present Value of Obligation		
Opening defined benefit obligation	1,201,536	529,563
Current services cost	387,758	406,565
Interest cost	96,123	37,069
Past Service Cost	—	—
Benefits paid	—	—
Actuarial losses/ (gain) on obligation	(326,871)	228,339
Closing defined benefit obligation	1,358,546	1,201,536
Changes in the Fair Value of Plan Assets		
Particulars	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
Opening fair value of plan assets	—	—
Expected return on plan assets	—	—
Actuarial gains/ (losses)	—	—
Contributions by employer	—	—
Benefits paid	—	—
Closing fair value of plan assets	—	—

Amount Recognised in the Balance Sheet

Particulars	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
Present Value of Obligation as at the end of the year	1,358,546	1,201,536
Fair Value of Plan Assets as at the end of the year	—	—
Liability/(Asset) recognized in the Balance Sheet	1,358,546	1,201,536

Expense recognized in statement of Profit and Loss Account

Particulars	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
Current services cost	387,758	406,565
Interest on Defined Benefit Obligation	96,123	37,069
Past Service Cost	—	—
Expected return on plan assets	—	—
Curtailment Cost/(Credit)	—	—
Settlement Cost/(Credit)	—	—
Net actuarial losses / (gains) recognized for the period	(326,871)	228,339
Total Expenses Recognised in the Profit and Loss Account	157,010	671,973

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

Particulars	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
Discount Rate	8.00%	8.00%
Expected Rate of Return on Plan Assets	—	—
Rate of increase in Compensation levels	4.00%	4.00%
Expected Average remaining working lives of employees (in years)	10.35	10.38

a. Other Employee Benefit Plan

The liability for Leave Encashment as per Acturial valuation at the year end is Rs.1,231,100 (previous year Rs. 792,223) and the assumptions are as same as above. However, the Company is providing leave encashment Liability on the gross Salary which is higher than the actuarial valuation at Rs 1,388,415(PY Rs. 987,955)

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

8. Segmental Information:

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

9. Related Party Disclosures:

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

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

1. Key Managerial Personnel : Mr. K. Gopi Prasad
Mr. M. Subramanian
2. Associate Companies : M/s. HCL Agro Power Limited

b. Related Party Transactions for the period ended 31st March, 2011.

Amount in Rupees

Transactions	Associate Companies		Key Management Personal	
	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2011	Year Ended 31.03.2010
Remuneration	-	-	600,000	600,000
Loans Given	93,822,094	70,048,040	-	-

10. Earnings Per Share is calculated as follows:

Amount in Rupees

Particulars	For The Year Ended 31.03.2011	For The Year Ended 31.03.2010
Net Profit after Tax and before extraordinary items	99,964,992	69,369,011
-	-	-
Net Profit after tax available for Equity shareholders	64,426,442	323,219,066
Weighted average of number of Equity shares outstanding during the year	6,670,000	6,670,000
Basic and Diluted Earnings per Equity share (in Rs.)		
Before Extraordinary Items	9.66	6.43
After Extraordinary Items (Rs.10/- Face Value)	9.66	48.46

11. Deferred Tax Liabilities / Deferred Tax Assets :

Amount in Rupees

Particulars	As At 31st March, 2011	As At 31st March, 2010
Deferred Tax Assets		
On account of :		
Provision for Gratuity and Leave Encashment	399,275	107,190
Disallowances U/s 43B	-	-
TOTAL	399,275	107,190
Deferred Tax Liabilities		
On account of depreciation	13,107,190	14,092,204
TOTAL	143,107,190	14,092,204
Net Deferred Tax Asset / (Liability)	(12,707,915)	(13,985,014)

12. Information pursuant to the provisions of paragraphs, 3, 4C and 4D of part-II of schedule VI of the Companies Act, 1956 (As certified by the management to the extent applicable).

a. Production

Amount in Rupees

Description	Current Period		Previous Year	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Installed Capacity	247,500 Mts Per Annum		247,500 Mts Per Annum	
b) Cement Actual Production	205,418.31		203,643.842	

b. Turnover

Amount in Lakhs

Description	Current Period		Previous Year	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Cement (including self consumption)	206,671.31	5,053.39	203,028.16	4539.89
b) Clinker Sales	7,152.03	158.37	3,801.50	68.49
Total	213,823.34	5,211.76	206,829.66	4,608.38

c. Stocks - Finished Goods

Amount in Lakhs

Description	Current Period		Previous Year	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Opening Stock of Finished Goods	1460.00	11.68	319.00	5.42
b) Closing Stock of Finished Goods	207.00	3.72	1460.00	11.68

d. Material Consumed

Amount in Lakhs

Description	Current Period		Previous Year	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Lime Stone	246,850.00	307.81	277,881.00	352.75
b) Gypsum	8,971.00	128.18	10,169.00	139.17
c) Lateriate	7,094.00	70.22	5,896.00	60.8
d) Others	26,491.00	82.63	32,478.00	103.73
Total	325,924.00	588.84	325,924.00	656.45

e. Packing Materials and Stores & Spares

Amount in Lakhs

Description	Current Period		Previous Year	
	Quantity No. of Bags	Value Rs.	Quantity No. of Bags	Value Rs.
a) Packing Materials	4,126,783	254.47	4,055,537	232.38
b) Stores & Spares	-	250.74	-	209.97

f. Value of Imported and indigenous Raw Materials Stores and Spares consumed and percentage of each to total consumption.

Amount in Lakhs

Description	Current Period		Previous Year	
	Value Rs.	% to Total Rs.	Value Rs.	Value Rs.
a) Raw Materials:				
i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	889.13	100%	889.13	100%
b) Spare Parts & Other materials:				
i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	250.94	100%	209.97	100%

13. Schedule A to O form an integral part of accounts.

14. Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date

for and on behalf of the Board

For B.PURUSHOTTAM & CO
CHARTERED ACCOUNTANTS
FIRM REG. No. 002808SD. RAMASUDHAKAR
PARTNER
M No. 220964K GOPI PRASAD
MANAGING DIRECTORPLACE: CHENNAI
DATE : 10/08/2011K VENAKATARAMANI
SECRETARYM SUBRAMANIAN
DIRECTOR

ADDITIONAL INFORMATION REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACTS, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS:

A.Registration No	2995
B. State Code	01
C. Balance Sheet date	31 st March, 2011

II. CAPITAL RAISED DURING THE YEAR

Rupees

A.Public issue	Nil
B. Right issue	Nil
C. Bonus issue	Nil
D. Private placement of non Convertible debentures	Nil

III. POSITION OF MOBLISATION AND DEPLOYMENT OF FUNDS

	Current Period Rs.	Previous Year Rs.
A. Total Liabilities	195,115,145	135,534,852
B. Total Assets	195,115,145	135,534,852
C. Sources of funds:		
1. Paid-up capital	66,700,000	66,700,000
2. Reserves and surplus	115,707,230	54,849,838
3. Secured loans		
a. Debentures	-	-
b. Term loans and working Capital facilities	-	-
4. Unsecured loans	-	-
5. Deferred Tax Liability	12,707,915	13,985,014
D. Application of Funds:		
1. Net fixed assets (including capital WIP)	69,403,480	77,152,748
2. Investments	6,000,000	6,000,000
3. Net Current assets	119,711,665	52,382,104
4. Miscellaneous expenditure	-	-
5. Accumulated losses	-	-

IV. PERFORMANCE OF COMPANY

		Current Period Rs.	Previous Year Rs.
A.	Turnover	515,041,651	476,260,656
B.	Total Expenditure	415,076,659	406,891,645
C.	Deferred tax	(1,277,100)	(3,051,315)
D.	Provision for Income Tax	36,815,655	29,500,000
E.	Profit / (Loss)	64,426,442	323,219,067
F.	Earning per share	9.66	6.43
G.	Dividend rate	-	-

V. GENERIC NUMBERS OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY:

A.		
1.	Item Code	252329-10
2.	Product Description	CEMENT
B.		
1.	Item Code	252910-00
2.	Product Description	CLINKER

As per our report of even date

for and on behalf of the Board

For B.PURUSHOTTAM & CO
CHARTERED ACCOUNTANTS
FIRM REG. No. 002808S

D. RAMASUDHAKAR
PARTNER
M No. 220964

K GOPI PRASAD
MANAGING DIRECTOR

PLACE: CHENNAI
DATE : 10/08/2011

K VENAKATARAMANI
SECRETARY

M SUBRAMANIAN
DIRECTOR

CASH FLOW STATEMENT FOR 31-03-2011				
S.No.	Particulars		31-Mar-11 In Rupees	31-Mar-10 In Rupees
A	CASH FLOW FROM OPERATING ACTIVITIES			
	NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		99,964,992	69,369,011
	ADJUSTMENTS FOR:			
	Capital Issue Expenses Written Back		-	-
	Loss on Sale of Fixed Assets		410,871	92,418
	Profit on Sale of Fixed Assets		-52,550	-
	Depreciation		8,465,246	9,509,187
	Extraordinary Income		-	-
	Bad Debts Written Off		-	-
	Interest Paid		-	-
	Interest Income		-1,390,657	-1,107,436
	Operating Profit before Working Capital Changes		107,397,902	77,863,180
	Adjustments for changes in Working Capital			
	Trade and other receivables		-30,169,480	-69,259,390
	Inventories		4,583,610	-5,807,170
	Trade payable		-26,258,717	25,060,550
	Cash generated from operations		55,553,315	27,857,170
	Tax paid		-30,355,947	-29,500,000
	Net cash from /(used in) Operating Activities	(A)	25,197,368	-1,642,830
B	CASH FLOW FROM INVESTING ACTIVITIES:			
	Purchase of fixed Assets		-7,660,293	-5,944,422
	Advances for Land		-	-
	Sale of Investments		-	-
	Sale of Fixed Assets		3,016,950	700,000
	Interest Income		1,390,657	1,107,436
	Net Cash From / (used in) Investing Activities	(B)	-3,252,686	-4,136,986
C	CASH FLOW FROM FINANCING ACTIVITIES:			
	Interest paid		-	-
	Repayment of Long Term Loan		-	-5,375,000
	Repayment of Unsecured Loan		-	-
	Net cash (used in) / Generated financing activities	(C)	-	-5,375,000
D	Net increase / (decrease) in cash and cash equivalents (A+B+C)		21,944,683	-11,154,816
	Cash and cash equivalents (Opening Balance)		29,106,680	40,261,496
	Cash and cash equivalents (Closing Balance)		51,051,361	29,106,680
As per our report of even date				
For B.PURUSHOTTAM & CO Chartered Accountants (Firm Regn.No.0028085) D. RAMASUDHAKAR PARTNER M No. 220964 PLACE : CHENNAI DATE : 10.8.2011			for and on behalf of the Board K GOPI PRASAD MANAGINE DIRECTOR M SUBRAMANIAN DIRECTOR	
K VENKATARAMANI SECRETARY				

HEMADRI CEMENTS LIMITED

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

PROXY FORM

I/We _____ in the district
of _____ being a member(s) of the above Company,
hereby appoint _____ or _____ in the district
_____ as my/our Proxy to attend and vote for me/us on my/our behalf at the Annual
General Meeting of the Company to be held on the 12th September, 2011 at 10 A.M. and/or at any
adjournment thereof

Signed _____

Date _____ Folio No. _____

Affix
1 Rupee
Revenue
Stamp

Note: Proxies, to be effective, should reach the Company's Regd. Office not less than 48 hours
before the time fixed for the meeting.

HEMADRI CEMENTS LIMITED

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

ATTENDANCE SLIP

Name and address of the Shareholder

Folio No. _____

I here by record my presence at the 29th Annual General meeting of the Company held at the Regis-
tered Office of the Company at Vedadri Village, Jaggiahpet Mandal, Krishna Dist. A.P. at 10 A.M. on
12th September 2011

SIGNATURE OF SHAREHOLDER/ PROXY

**BOOK - POST
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XL Softech Systems Ltd.
Unit : Hemadri Cements Ltd)
3, Sagar Society, Road No. 2
Banjara Hills, Hyderabad - 500 034.
Andhra Pradesh.

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