



HEMADRI CEMENTS LIMITED

28th ANNUAL REPORT

2009-2010

BOARD OF DIRECTORS:

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

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

AUDIT COMMITTEE

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

COMPANY SECRETARY

K.VENKATARAMANI

AUDITORS

M/s. KARVY & CO
Chartered Accountants
Road No. 4, Banjara Hills,
Hyderabad- 500 034.

BANKERS

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

ADMINISTRATIVE OFFICE:

Suit # 509, V Floor, Model House,
Punjagutta
Hyderabad- 500 082

REGD. OFFICE & FACTORY

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

CONTENTS

	Page No.
Board of Directors	01
Notice to Share Holders	2-3
Director's report	4-8
Auditor's report	9-12
Balance Sheet	13
Profit & Loss Account	14
Schedules of Accounts	15-20
Notes on Accounts	21-32

NOTICE:

NOTICE is hereby given that the 28th Annual General Meeting of the Company will be held on Wednesday, the 29th day of December 2010 at 3:00 PM at the Registered Office of the Company at Vedadri Village, Jaggaiahpet Mandal, 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, 2010, the Balance Sheet as at that date and the Director's and Auditors' Reports thereon.
02. To elect a Director in place of SRI DBN RAO who retires by rotation and being eligible offers himself for re-appointment.
03. To elect a Director in place of SRI B. RAMACHANDRA RAO who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

04. To pass the following with or without modification as Ordinary Resolution
"Resolved that Shri P. Ravi appointed by the Board as Additional Director on 26.11.2010 due to retire at the conclusion of this meeting and in whose name notice from a member has been received under Sec 260 of the Companies Act, 1956, be and is hereby appointed as a Director subject to retirement by rotation."
05. To pass the following with or without modification as Ordinary Resolution
"Resolved that Shri P. Satyanarayanan appointed by the Board as Additional Director on 26.11.2010 due to retire at the conclusion of this meeting and in whose name notice from a member has been received under Sec 260 of the Companies Act, 1956, be and is hereby appointed as a Director subject to retirement by rotation."
06. To appoint auditors for the current year and fix their remuneration and if thought fit to pass the following resolution as a Special Resolution with or without modifications.
"RESOLVED THAT M/s B.PURUSHOTTAM & CO, Chartered Accountants, Chennai be and are hereby appointed as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on remuneration as may be determined by the Board of Directors in addition to reimbursement of actual traveling and out of pocket expenses.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Hyderabad

Date:26.11.2010

K. VENKATARAMANI

Company Secretary

NOTES:

1. 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.
2. Members/proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
3. The Share Transfer Books of the Company shall remain closed from the 22nd December 2010 to 29th December 2010 both days inclusive.

Explanatory Statement under Sec 173(2) of the Companies Act, 1956:

ITEM NO: 4 & 5

Mr P.Ravi and Mr P.Satyanarayanan were appointed as additional Directors of the Company by the Board of Directors at their meeting held on 26.11.2010. Notices under Sec 260 of the Companies Act, 1956 have been received from Members nominating them as regular Directors on the Board subject to retirement by rotation.

Profiles of the proposed Directors

MR P. RAVI

Mr P. Ravi, aged about 43 years is a Postgraduate in Management (MBA). He has vast experience for more than 15 years in managing different business entities viz hotels, construction, transport etc besides having thorough understanding and running of Educational Institutions.

MR P.SATYANARAYANAN

Mr P. Satyanarayanan, aged about 38 years is a Graduate in Engineering besides holding a Master Degree (MS) from Boston University, USA. He has about 12 years of experience in managing different business entities which include running of Educational Institutions.

In view of their rich experience, it is felt that the Company would be benefited by their induction. Mr P.Ravi and Mr P.Satyanarayanan, being brothers are deemed to be reciprocally interested in the inductions.

ITEM No 6.

The current auditors of the Company viz. M/s KARVY & CO Hyderabad have expressed their desire to be relieved on account of logistic reasons. Notice has been received from Members nominating M/s B.PURUSHOTTAM & Co, Chartered Accountants, Chennai as auditors of the Company.

M/s KARVY & CO have given their No Objection to this change and we have also received the requisite declaration from M/s B.PURUSHOTTAM & CO, that their appointment would be within the limits laid down by Sec 224 (1) c of the Companies Act, 1956.

DIRECTORS REPORT

TO

The Members,

Your Directors have pleasure in presenting the **TWENTY EIGHTH ANNUAL REPORT** and the audited accounts for the financial year ended March 31, 2010.

FINANCIAL RESULTS:

Rs. In Lakhs

	2009 – 2010	2008-2009
Sales and other Income	4750.21	5195.59
Profit/ (Loss) before Interest and Depreciation	792.20	459.08
Interest	3.42	41.87
Profit/ (Loss) before Depreciation	788.78	417.77
Depreciation	95.09	93.52
Profit/ (Loss) before Extraordinary Items	693.69	323.69
Extraordinary Items pursuant to the Interest Waiver on OTS scheme of ICICI, IFCI	2802.99	—
Profit/ (Loss) after Extraordinary Items	3496.68	323.69
Tax Expences		
Current Tax	295.00	61.02
Deferred Tax	(30.51)	170.36
Fringe Benefit Tax	-	4.79
Profit / (Loss) After Tax	3232.19	87.52

DIVIDEND:

As the company is in the stage of consolidating its position, your Directors feel it prudent not to declare dividend this year.

CORPORATE GOVERNANCE:

The Securities Exchange Board of India (SEBI) has introduced a code on Corporate Governance for implementation by Company listed on the Stock Exchanges. Accordingly the Stock Exchanges have formulated clause 49 of the listing agreement & stipulated requirement on the said code. The Company having become sick had referred to the BIFR for rehabilitation. The Company had stopped Commercial Production during the month of May 2002, and recommenced its operations recently. The Company has now appointed a whole time Company Secretary and compliance to the referred regulations would be attend to.

PERFORMANCE:

The Company has made a Net Profit before Extraordinary Items of Rs. **693.69** Lakhs during the year, as against Net Profit of Rs. **323.69** Lakhs in the previous year.

The Company has achieved a Cement tonnage of **203,643MT** during the year as against a tonnage of **193,392MT** in the previous year.

FUTURE OUTLOOK:

The company has now stabilised its output at around 2 Lakh tons per annum. The company has inducted strategic investor to add to the financial strength of the company. The final notification of the Rehabilitation Scheme is awaited from BIFR.

The outlook for the immediate future is challenging in view of huge capacity additions of Cement in the country in 2009-2010. The recent past has witnessed substantial increase in the cost of inputs which is likely to impact the Company's performance in the near future. Further the prices of Cement is volatile to the extent of being even unremunerative at times. This trend is expected to continue for some time.

INDUSTRIAL RELATIONS AND STAFF WELFARE:

Industrial relations with staff and workmen remained harmonious and cordial.

POLLUTION CONTROL:

The Company has adequate pollution control equipments and also 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 :

Sri. DBN Rao and Sri B Ramachandra Rao, who retire by rotation and being eligible offer themselves for re-appointment.

Shri P.Ravi and Shri P.Satyanarayanan, additional Directors on the Board have offered themselves to be appointed as Directors and the Company has also received nominations under Sec 260 of the Companies Act, 1956 from Members in this regard. Your Directors recommend their appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors state that:

1. In the preparation of annual accounts the applicable accounting standards had 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 to give the 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.

AUDIT COMMITTEE:

The Audit Committee comprises of the following members.

1. Sri B. Ramachandra Rao
2. Sri DBN Rao
3. Sri Muthusamy Subramanian
4. Sri K. Gopi Prasad

PARTICULARS OF EMPLOYEES:

There are no employees falling within the preview 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:

Notice has been received from Members suggesting appointment of M/s. B.Purushottam & Co, Chartered Accountants, Chennai in the place of M/s Karvy & Co Chartered Accountants, Hyderabad who retire at the conclusion of this General meeting. The Board has received No Objection to this from the present auditors. The new auditors have submitted their willingness to this appointment and have given their declaration of eligibility under Sec 224 of the Companies Act, 1956.

COST AUDITOR:

The Company has engaged Mr. R. Srinivasa Rao as the Cost Auditor for the year 2010-11.

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: Hyderabad
Date:26.11.2010

K GOPI PRASAD
MANAGING DIRECTOR

**ANNEXURE TO DIRECTORS REPORT
FORM- A**

CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION	2009 – 2010	2008-2009
1. ELECTRICITY:		
a) Purchases		
Units	24,046,400	22,904,135
Total Amount Rs	78,598,182	78,480,800
Rate / Unit Rs	3.26	3.43
b) Own Generation		
Through Diesel Generation Unit	—	—
Units Per Ltr. Of Diesel Generation	—	—
Cost / Unit Rs.	—	—
2. COAL:		
Quantity (Tons)	44,655	45,271
Total Cost RS.	134,586,622	137,380,861
Average Rate (Rs)	3013.92	3034.63
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):	2009 – 2010	2008-2009
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 AND 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. q., 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: Hyderabad

Date: 26.11.2010

K GOPI PRASAD
MANAGING DIRECTOR

AUDITORS' REPORT

To
The Members of
M/s. HEMADRI CEMENTS LIMITED

1. We have audited the attached Balance sheet of **M/s. HEMADRI CEMENTS LIMITED** as at 31st March 2010, and also the Profit & Loss Account and the 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 have conducted our audit in accordance with 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 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
 4. Further to our comments in the Annexure referred to in paragraph 3 above;
 - a. 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;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and Notes hereto, 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:
 - i. In the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2010;
 - ii. In the case of the Profit and Loss Account, of the **Profit** of the Company for the year ended on that date;
- And
- iii. In case of cash flow statement, of the cash flows for the year ended on that date.

for KARVY & COMPANY
Chartered Accountants

(K. AJAY KUMAR)
PARTNER
(M.No.021989)

Place: Hyderabad
Date:26.11.2010

ANNEXURE TO THE AUDIT REPORT:

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion frequency of verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern of the company is not affected.
- ii. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In my opinion and according to the information and explanations given to me, the procedures 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) In my opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of account.
- iii. (a) According to the information and explanations given to us, during the year the Company has granted interest free demand loans to HCL Agro power ltd company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs.714.64 Lakhs and the year-end balance is Rs. 701.09 Lakhs.
- (b) In our opinion and according to the information and explanations given to us, the aforesaid is interest free and other terms and conditions of the loans 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, during the year the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (f) and (iii) (g) of the paragraph 4 of the Order are not applicable.
- 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 nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 are so entered.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the Public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the company has internal audit system commensurate with the size and the nature of its business.

- viii. In respect of this company, maintenance of cost records has been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956, and the same is being maintained.
- ix. (a) According to the records of the company, information and explanations given to us, the undisputed statutory dues with respect to Provident Fund, investor education and protection fund, Employees State Insurance, income tax, sales-tax, wealth tax, customs duty, excise duty, cess, service tax and other statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us the following amounts have not been deposited with the appropriate authorities on account of dispute:

Name of the Statute	Amount Rs. in Lakhs	Period to which the amount relates	Forum where the Case is Pending
APVAT	20.06	2006-07	Sales Tax Appellate Tribunal, Vizag Appeal no.VJA 1/41/08-09

- x. In our opinion, the Company does not have accumulated losses as at the end of financial year and has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- xi. In our opinion and based on the information available, during the year the Company has not defaulted in repayment of dues to the financial institutions or banks.
- xii. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the companies (Auditor's Report) Order 2003 is not applicable to the company.
- xiii. In our opinion, the Company is not a Chit fund or a Nidhi/Mutual Benefit fund/ Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xiv. In our opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments, accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during 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 Balance Sheet, the company has not raised any funds during the year; as such this clause is not applicable.
- xviii. The company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956, during the year.

- xix. According to the information and explanations given to us and the records examined by us, no debentures were issued by the company.
- xx. The Company has not raised any money through public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

for KARVY & COMPANY

Chartered Accountants
(Regd. No. 001757S)

Place: Hyderabad

Date : Date:26.11.2010

(K. AJAY KUMAR)

PARTNER

(M.No.21989)

BALANCE SHEET AS AT 31ST MARCH 2010

	SCHDNO	As At 31-Mar-2010 Rs.	As At 31-Mar-2009 Rs.
SOURCES OF FUNDS:			
Share Capital	A	66,700,000	66,700,000
Reserves & Surplus	B	54,849,838	18,588,320
Secured Loans	C	-	313,651,140
Deferred Tax Liability		13,985,014	17,036,330
TOTAL		135,534,852	415,975,790
APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross Block	D	365,894,111	353,907,289
Less: Depreciation		288,741,363	276,374,822
Net Block		77,152,748	77,532,467
CAPITAL WORK IN PROGRESS		-	7,469,246
INVESTMENTS	E	6,000,000	6,000,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	F	35,945,776	30,138,606
Sundry Debtors		11,731,957	1,779,235
Cash and Bank Balance		29,106,680	40,261,496
Loans & Advances		122,871,406	63,642,517
		199,655,819	135,821,854
Less: Current Liabilities and Provisions	G	147,273,715	103,188,965
Net Current Assets		52,382,104	32,632,889
PROFIT & LOSS A/c		-	292,341,189
TOTAL		135,534,852	415,975,790
NOTES ON ACCOUNTS:			
	O		

Schedules refer to above form as integral part of accounts
As per our report of even date

for and on behalf of the Board

for KARVY & CO.,
Chartered Accountants
Firm Regn. No. 0017575

K GOPI PRASAD
MANAGING DIRECTOR

K. AJAY KUMAR
P A R T N E R
M No: 021989

PLACE: HYDERABAD
DATE : 26/11/2010

K VENAKATA RAMANI
SECRETARY

M SUBRAMANIAN
D I R E C T O R

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCHDNO	For the Period ended 31-Mar-2010	For the Period ended 31-Mar-2009
		Rs.	Rs.
INCOME:			
Sales		505,644,885	566,999,192
Less: Excise Duty Paid		44,806,884	48,610,841
		460,838,001	518,388,351
Other Income	H	3,017,546	1,565,574
Increase/(Decrease) in stock	I	12,405,109	(197,679)
TOTAL		476,260,656	519,756,246
EXPENDITURE:			
Materials consumed	J	88,913,246	85,206,657
Power		78,598,182	78,480,801
Fuel		134,586,620	137,380,861
Personnel Cost	K	37,459,176	32,460,504
Manufacturing Expenses	L	31,483,792	47,997,618
Administration and Selling Expenses	M	25,999,890	92,266,580
Finance Charges	N	341,552	4,187,059
Depreciation		13,078,747	12,921,810
Less: Transfer from Revaluation Reserves		(3,569,560)	(3,570,195)
TOTAL		406,891,645	487,331,693
PROFIT before Extraordinary Items		69,369,011	32,424,553
Add : Interest waived on OTS Scheme		280,298,740	-
LESS :Prior Year Adjustment		-	55,283
PROFIT before Taxes		349,667,751	32,369,270
Less : Tax Expenses			
- Current Tax		29,500,000	6,102,000
- Deferred Tax		(3,051,316)	17,036,330
Provision for F B T		-	479,332
PROFIT after Taxes		323,219,067	8,751,608
Add : Brought Forward Loss		(292,341,189)	(301,092,797)
NET PROFIT & (Loss) Carried to Balance Sheet		30,877,878	(292,341,189)
EPS			
Basic & Diluted (Before Extraordinary Items)		6.43	1.32
Basic & Diluted (After Extraordinary Items)		48.46	1.31
NOTES ON ACCOUNTS	O		

Schedules refer to above form as integral part of accounts
As per our report of even date

for and on behalf of the Board

for KARYV & CO.,
Chartered Accountants
Firm Regn. No. 0017575

K GOPI PRASAD
MANAGING DIRECTOR

K. AJAY KUMAR
P A R T N E R
M No: 021989

PLACE: HYDERABAD
DATE : 26/11/2010

K VENAKATA RAMANI
SECRETARY

M SUBRAMANIAN
D I R E C T O R

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31-Mar-2010	As At 31-Mar-2009
SCHEDULE - A	Rs.	Rs.
<u>SHARE CAPITAL:</u>		
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		
<u>RESERVES & SURPLUS:</u>		
Capital Reserve	2,012,000	2,012,000
Capital Reserve BOB Opening Balance - 2,386,387 (ICICI) Addition - <u>8,953,200</u>	11,339,587	2,386,387
Mining Welfare Subsidy	974,250	974,250
Profit & Loss A/c	30,877,878	—
<u>Revaluation Reserve :</u>		
Opening Balance	13,215,683	16,785,878
	58,419,398	22,158,515
Less: Additional Depreciation on Revalued Assets	3,569,560	3,570,195
TOTAL	54,849,838	18,588,320
SCHEDULE - C		
<u>SECURED LOANS:</u>		
A. IFCI AND ICICI BANK LOANS	-	33,352,400
B. Funded Interest	-	2,428,598
D. Interest Accrued and Due	-	277,870,142
TOTAL	-	313,651,140

FIXED ASSETS

SCHEDULE: D

Sl. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 31-Mar-2009 Rs.	Addition Rs.	Deletion Rs.	TOTAL Rs.	Upto 31-Mar-2009 Rs.	For the Year Rs.	On Deletion Rs.	Upto 31-Mar-2010 Rs.	As At 31-Mar-2009 Rs.	As At 31-Mar-2009 Rs.
1.	LAND										
	- Free Hold	4,562,242	-	-	4,562,242	-	-	-	-	4,562,242	4,562,242
	- Lease	-	6,823,290	-	6,823,290	-	-	-	-	6,823,290	-
2.	BUILDINGS	42,126,332	169,557	-	42,295,889	21,843,432	1,093,063	-	22,936,494	19,359,395	20,282,900
3.	PLANTS, MACHINERY	257,511,505	4,690,499	-	262,202,004	212,829,205	9,462,690	-	222,291,8965	39,910,109	44,682,299
4.	ELECTRICAL INSTALLATIONS	37,360,281	-	-	37,360,281	36,227,806	746,244	-	36,974,050	386,231	1,132,474
5.	FURNITURE'S & FIXTURES	2,662,061	1,679,222	-	4,341,283	1,714,614	382,175	-	2,096,789	2,244,494	947,447
6.	VEHICLES	8,814,688	51,100	1,426,846	7,438,942	2,906,374	1,392,239	712,206	3,586,4078	3,852,534	5,908,314
7.	CONSTRUCTION MACHINERY	480,450	-	-	480,450	472,266	1,138	-	473,4045	7,045	8,184
8.	WORK SHOP EQUIPMENT	389,730	-	-	389,730	381,130	1,196	-	382,326	7,404	8,600
		353,907,289	13,413,668	1,426,846	365,894,111	276,374,822	13,078,747	712,206	288,741,363	77,152,748	77,532,467
	Previous Year	346,579,880	7,327,407	-	353,907,288	263,453,014	12,921,809	-	276,374,823	77,532,465	83,126,868
	CAPITAL WORK IN PROGRESS	7,469,246	-	(7,469,246)	-	7,469,246	-	-	-	-	7,469,246

	As At 31-Mar-2010	As At 31-Mar-2009
SCHEDULE - E		
<u>INVESTMENTS AT COST</u>		
Trade Investments (Long Term & Unquoted)		
In Associates		
Share Capital in HCL Agro Power Ltd (600,000 Equity Shares of Rs.10/- each Fully Paid up)	6,000,000	6,000,000
SCHEDULE - F		
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
<u>i) Inventories</u>		
(As certified by the Management)		
Raw Material	9,661,112	13,851,336
Spares & Stores	11,635,940	14,238,951
Packing Material	1,159,884	964,588
Work-in-Process	12,320,840	541,431
Finished Stock - Cement	1,168,000	542,300
TOTAL	35,945,776	30,138,606
<u>ii) SUNDRY DEBTORS: (Unsecured, Considered good)</u>		
Exceeding six months	663,611	-
Others	11,068,346	1,779,235
TOTAL	11,731,957	1,779,235
<u>iii) CASH AND BANK BALANCE:</u>		
Cash in Hand	4,253,352	4,589,442
<u>Balance with Scheduled Banks:</u>		
In Current Accounts	21,454,535	32,536,147
In Lien Accounts	3,398,793	3,135,907
TOTAL	29,106,680	40,261,496
<u>iv) LOANS & ADVANCES:</u>		
(Unsecured considered good recoverable in cash or in kind or for value to be received)		
Advance for Material	16,030,504	16,831,124
Advance for Expenses	13,217,963	1,024,379
Other Advances	70,116,640	27,556,148
Deposits	15,011,284	15,355,284
Prepaid Expenses	2,118,148	866,118
CENVAT Credit Receivable	803,243	1,385,50
Advance Tax - Income Tax	5,563,500	458,957
Advance Tax - F B T	10,124	165,000
TOTAL	122,871,406	63,642,516

SCHEDULE - G CURRENT LIABILITIES & PROVISIONS:	As At 31-Mar-2010	As At 31-Mar-2009
<u>Trade Creditors</u>		
Due to Micro, Samll, Medium, etc..	-	-
Others	8,501,646	17,197,902
Creditors for Expenses	42,186,616	19,040,903
Statutory Liabilities	8,934,925	24,254,833
Advance from Customers	53,217,174	31,514,044
	112,840,361	92,007,683
<u>PROVISIONS:</u>		
Taxation		
Provision for F B T	-	499,188
Provision for Income Tax	29,500,000	6,102,000
Retirement Benefits		
Provision for Gratuity	1,201,536	529,563
Provision for Earned Leaves/Exgratia/Incentive	3,731,819	4,050,531
TOTAL	147,273,716	103,188,965
SCHEDULE - H		
OTHER INCOME:		
Misc Income	92,118	-
Interest - Others(Gross)	1,107,436	995,814
(Tax Deducted at Source - Rs. 190,483 Previous Year Rs.183,798)		
Scrap Sales (net of Excise Duty)	1,817,992	569,760
TOTAL	3,017,546	1,565,574
SCHEDULE - I		
INCREASE/(DECREASE) IN STOCK:		
1. Work-in-Process		
Opening Stock	541,431	1,002,610
Closing Stock	12,320,841	541,431
(1)	11,779,409	(461,179)
2. Finished Goods		
Opening Stock	542,300	278,800
Closing Stock	1,168,000	542,300
(2)	625,700	263,500
INCREASE / (DECREASE) (1) + (2)	12,405,109	(197,679)

	As At 31-Mar-2010	As At 31-Mar-2009
SCHEDULE- J		
MATERIALS CONSUMED		
<u>A) Raw Material</u>		
Opening Stock	13,851,336	9,121,766
Add: Purchases	61,455,092	66,698,590
TOTAL	75,306,428	75,820,356
Less: Closing Stock	9,944,407	13,851,336
CONSUMPTION: (A)	65,645,316	61,969,020
 <u>B) Packing Material</u>		
Opening Stock	964,588	333,730
Add: Purchases	23,463,226	23,868,495
TOTAL	24,427,814	24,202,225
Less: Closing Stock	1,159,884	964,588
CONSUMPTION: (B)	23,267,930	23,237,637
TOTAL CONSUMPTION (A + B)	88,913,246	85,206,657
 SCHEDULE- K		
<u>PERSONAL COST:</u>		
Salaries, Wages and Bonus	29,024,614	22,788,802
Contribution to P.F. & other funds	1,269,879	1,159,715
Staff Welfare	7,164,683	8,511,987
TOTAL	37,459,176	32,460,504
 SCHEDULE- L		
<u>MANUFACTURING EXPENSES:</u>		
Consumable Stores	21,117,498	30,778,025
<u>REPAIRS & MAINTENANCE:</u>		
Repairs to Buildings	1,005,423	1,442,106
Repairs to P & M	1,163,045	7,282,334
Factory Maintenance	4,911,159	5,475,872
Others	2,676,330	2,285,505
Freight Coolie & Cartage	610,337	733,776
TOTAL	31,483,792	47,997,618

SCHEDULE- M		
ADMINISTRATIVE & SELLING EXPENSES		
Rates & Taxes	861,734	1,243,817
Communication Expenses	870,575	904,860
Travelling & Conveyance	3,583,381	4,249,853
Printing & Stationery	970,436	382,813
<u>Repairs & Maintenance:</u>		
- Vehicles	763,197	633,886
- Others	637,093	227,364
Electricity Charges	431,741	1,064,737
Legal & Professional Charges	4,547,225	9,398,618
Liquidated Damages	-	35,059,243
Debt. Settlement Charges	-	27,680,000
Security Charges	1,320,607	1,013,880
Survey Expenses	644,897	1,124,360
<u>Payment to Auditors:</u>		
- As Auditors	350,000	300,000
- As Tax Audit	50,000	50,000
- As Tax Audit	1,618,000	50,000
- For Expenses	37,255	29,574
Donations	756,886	111,000
Loss on sale of Vehicle	92,418	-
Bad Debts Written off	-	1,769,920
General Expenses	2,541,449	1,314,862
	20,076,894	86,558,787
SELLING EXPENSES		
Commission on Sales	3,012,100	2,151,259
Advertisement Expenses	66,805	1,236,175
Transportation on cement	-	58,380
Sales Promotion Expenses	2,033,272	468,233
VAT Arrears Paid	-	246,667
Sales Tax on Consignment sales	-	793,272
Loading Charges	810,819	753,808
TOTAL	25,999,890	92,266,580
SCHEDULE- N		
FINANCE CHARGES:		
Interest - on Term Loans	-	1,479,104
- on Others	127,459	2,349,722
Bank Charges	214,093	358,233
TOTAL	341,552	4,187,059

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 the relevant provisions of the Act.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 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 experience 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 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 out standing 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 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 31.03.2010 Rs. in Lakhs	As on 31.03.2009 Rs. in Lakhs
Sales Tax demand under Andhra Pradesh General Sales Tax Act.	-	25.92
Interest on Sales Tax Arrears.	337.97	337.97
Counter Guarantees given to bankers in respect of Bank Guarantees		

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. 278,203/- 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. Interest accrued and due on Term Loans from ICICI Bank and IFCI amounting to Rs. 2802.99Lakhs has been waived off in a scheme of One Time Settlement has been adjusted in the opening balance of Profit and Loss Account.

6. Managerial Remuneration:

Details of amounts paid/payable to Managing Director:

Amount in Rupees

Particulars	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
Salary & Allowances	600,000	450,000
Medical Reimbursement	-	362,000
Total	600,000	812,000

7. 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 31.03.2010	Year Ended 31.03.2009
a Employer’s Contribution to Provident Fund	409,682	345,016
b Employer’s Contribution to Pension Scheme	851,587	813,867

ii. 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 31.03.2010	For The Year Ended 31.03.2009
Changes in Present Value of Obligation		
Opening defined benefit obligation	529,563	458,448
Current services cost	406,565	217,315
Interest cost	37,069	36,676
Past Service Cost	—	—
Benefits paid	—	—
Actuarial losses/ (gain) on obligation	228,339	(182,876)
Closing defined benefit obligation	1,201,536	529,563
Changes in the Fair Value of Plan Assets		
Particulars	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
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 in Rupees

Amount Recognised in the Balance Sheet		
Particulars	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
Present Value of Obligation as at the end of the year	1,201,536	529,563
Fair Value of Plan Assets as at the end of the year	—	—
Liability/(Asset) recognized in the Balance Sheet	1,201,536	529,563
Expense recognized in statement of Profit and Loss Account		
Particulars	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
Current services cost	406,565	217,315
Interest on Defined Benefit Obligation	37,069	36,676
Past Service Cost	—	—
Expected return on plan assets	—	—
Curtailement Cost/(Credit)	—	—
Settlement Cost/(Credit)	—	—
Net actuarial losses / (gains) recognized for the period	228,339	(182,876)
Total Expenses Recognised in the Profit and Loss Account	671,973	71,115
Summary of Actuarial Assumptions		
Financial assumptions at the valuation date:		
Particulars	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
Discount Rate	8.00%	7.00%
Expected Rate of Return on Plan Assets	—	—
Rate of increase in Compensation levels	4.00%	3.00%
Expected Average remaining working lives of employees (In years)	10.38	9.50

a. Other Employee Benefit Plan

The liability for Leave Encashment as at the year end is Rs.792,223 (previous year Rs. 773,570) and the assumptions are as same as above.

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

9. Segmental Information:

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

10. 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 year ended 31st March, 2010.

Amount in Rupees

Transactions	Associate Companies		Key Management Personal	
	Year Ended 31.03.2010	Year Ended 31.03.2009	Year Ended 31.03.2010	Year Ended 31.03.2009
Remuneration	-	-	600,000	812,000
Loans Given	70,048,040	27,435,106	-	-

11. Earnings Per Share is calculated as follows:

Amount in Rupees

Particulars	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
Net Profit after Tax and before extraordinary items	69,369,011	31,945,221
Net Profit after tax available for Equity shareholders	323,188,985	8,751,608
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	6.43	1.32
- After Extraordinary Items		1.31
(Rs.10/- Face Value)	48.45	

12. Deferred tax Liabilities / Deferred tax Assets :

Amount in Rupees

Particulars	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
Deferred Tax Assets		
On account of :		
Provision for Gratuity and Leave Encashment	107,190	107,190
Disallowances U/s 43B	—	130,655
TOTAL	107,190	2,378,45
Deferred Tax Liabilities		
On account of depreciation	14,092,204	17,274,175
TOTAL	14,092,204	17,274,175
Net Deferred Tax Asset / (Liability)	(13,985,014)	(17,036,330)

13. 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 Year Quantity MT.	Previous Year Quantity MT.
a) Installed Capacity	247,500 Mts Per Annum	247,500 Mts Per Annum
b) Cement Actual Production	203,643.842	193,392.63

b. Turnover

Rupees in Lakhs

Description	Current Year		Previous Year	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Cement (including self consumption)	203,028.16	4539.89	193,237.63	5,185.87
b) Clinker Sales	3,801.50	68.49	60.32	1.25
Total	206,829.66	4,608.38	193,297.95	5187.12

c. Stocks - Finished Goods

Rupees in Lakhs

Description	Current Year		Previous Year	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Opening Stock of Finished Goods	319.00	5.42	164.00	2.79
b) Closing Stock of Finished Goods	1460.00	11.68	319.00	5.42

d. Material Consumed

Rupees in Lakhs

Description	Current Year		Previous Year	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Lime Stone	277,881.00	352.75	239,837.00	260.46
b) Gypsum	10,169.00	139.17	8,351.00	105.72
c) Lateriate	5,896.00	60.80	10,438.00	105.70
d) Others	32,478.00	103.73	20,282.00	147.81
Total	325,924.00	656.45	278,908.00	619.69

e. Packing Materials and Stores & Spares

Rupees in Lakhs

Description	Current Year		Previous Year	
	Quantity No. of Bags	Value Rs.	Quantity No. of Bags	Value Rs.
a) Packing Materials	4,055,537	232.68	3,865,553	232.38
b) Stores & Spares	-	209.97	-	307.78

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

Description	Current Year		Previous Year	
	Value Rs.	% to Total Rs.	Value Rs.	% to Total Rs.
a) Raw Materials:				
i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	889.13	100%	852.07	100%
b) Spare Parts & Other materials:				
i) Imported	Nil	Nil	Nil	Nil
ii) Indigenous	209.97	100%	307.78	100%

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

15. Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

As per our report of even date

for and on behalf of the Board

**For KARVY & CO
Chartered Accountants
(Firm Regn.No.001757S)**

**K GOPI PRASAD
MANAGING DIRECTOR**

**K AJAY KUMAR
PARTNER
M No: 021989**

**K VENKATA RAMANI
SECRETARY**

**M SUBRAMANIAN
DIRECTOR**

**PLACE: HYDERABAD
DATE : 26/11/2010**

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	31st March, 2010

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 DEVELOPMENTS OF FUNDS

	Current Year Rs.	Previous Year Rs.
A. Total Liabilities	135,534,852	415,975,790
B. Total Assets	135,534,852	415,975,790
C. Sources of funds:		
1. Paid-up capital	66,700,000	66,700,000
2. Reserves and surplus	54,849,838	18,588,320
3. Secured loans		
a. Debentures	-	-
b. Term loans and working Capital facilities	-	313,651,140
4. Unsecured loans	-	-
5. Deferred tax liability	13,985,014	17,036,330
D. Application of Funds:		
1. Net fixed assets (including capital WIP)	77,152,748	85,001,712
2. Investments	6,000,000	6,000,000
3. Net Current assets	52,382,104	32,632,889
4. Miscellaneous expenditure	-	-
5. Accumulated losses	-	292,341,189

IV. PERFORMANCE OF COMPANY

A. Turnover	476,260,656	519,756,246
B. Total Expenditure	406,891,645	504,423,306
C. Provision for FBT	-	479,332
D. Provision for Incom Tax	29,500,000	6,102,000
E. Profit / (Loss)	323,219,067	8,751,608
F. Earning per share	6.43	1.32
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 KARVY & CO
Chartered Accountants
(Firm Regn.No.001757S)**

**K GOPI PRASAD
MANAGING DIRECTOR**

**K AJAY KUMAR
PARTNER
M No: 021989**

**K VENKATA RAMANI
SECRETARY**

**M SUBRAMANIAN
DIRECTOR**

**PLACE: HYDERABAD
DATE : 26/11/2010**

CASH FLOW STATEMENT FOR 31-03-2010

S.No.	Particulars		31-Mar-10 In Rupees	31-Mar-09 In Rupees
A	CASH FLOW FROM OPERATING ACTIVITIES			
	NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		69,369,011	32,369,270
	ADJUSTMENTS FOR:			
	Capital issue expenses written back		-	-
	Loss on Sale of Fixed Assets		92,418	-
	Depreciation		9,509,187	9,351,614
	Extraordinary Income		-	-
	Bad Debts Written off		-	-
	Interest Paid		-	-
	Interest Income		(1,107,436)	(995,814)
	Operating Profit before Working Capital Changes		77,863,179	40,725,070
	Adjustments for changes in Working Capital			
	Trade and other receivables		(69,259,390)	22,467,075
	Inventories		(5,807,170)	(7,126,837)
	Trade payable		25,060,550	(25,758,066)
	Cash generated from operations		27,857,170	30,307,242
	Tax paid		29,500,000	(6,240,448)
	Net cash from / (used in) Operating Activities	(A)	(1,642,829)	24,066,794
B	CASH FLOW FROM INVESTING ACTIVITIES:			
	Purchase of fixed Assets		(5,944,422)	(12,642,329)
	Advances for Land		-	-
	Sale of Investments		-	-
	Sale of Fixed Assets		700,000	-
	Interest Income		1,107,436	995,814
	Net cash (used in) Investing Activities	(B)	(4,136,986)	(11,646,515)
C	CASH FLOW FROM FINANCING ACTIVITIES:			
	Interest paid		-	-
	Repayment of Long Term Loan		(5,375,000)	(10,643,725)
	Repayment of Unsecured Loan		-	(5,802,317)
	Net cash (used in) / Generated financing activities	(C)	(5,375,000)	(16,446,042)
D	Net increase / (decrease) in cash and cash equivalents (A+B+C)		(11,154,816)	(4,025,760)
	Cash and cash equivalents (Opening Balance)		40,261,496	44,287,256
	Cash and cash equivalents (Closing Balance)		29,106,680	40,261,496
			(11,154,816)	(4,025,760)

for and on behalf of the Board

for KARVY & CO.,
Chartered Accountants
Firm Regn. No. 001757S

K GOPI PRASAD
MANAGING DIRECTOR

K. AJAY KUMAR
P A R T N E R
M No: 021989

PLACE: HYDERABAD
DATE : 26/11/2010

K VENAKATA RAMANI
SECRETARY

M SUBRAMANIAN
D I R E C T O R

HEMADRI CEMENTS LIMITED
Regd. Office & Factory: Vedadri Village,
Jaggaihpeta Mandal, Krishna Dist, Andhra Pradesh.

PROXY FORM

I /We _____ in the district
of _____ being a member(s) of the above named Company,
hereby
appoint _____ Of _____ in the district
as my/ our Proxy to attend and vote for me/us on my/our behalf of the Annual
General Meeting of the Company to be held on 29th day of December 2010 at 3:00 PM at any
adjournment thereof.

Signed _____

Date _____

Folio No: _____

Affix
1 Rupee
Revenue
Stamp

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the
time fixed for the meeting.

HEMADRI CEMENTS LIMITED
Regd. Office & Factory: Vedadri Village,
Jaggaihpeta Mandal, Krishna Dist, Andhra Pradesh.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF
THE MEETING HALL, JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE
SLIP ON REQUEST.

Name & Address of the Share Holder _____ Folio No. _____

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held at
Registered Office of the Company Vedadri Village, Jaggaihpeta Mandal, Krishna District at
03:00 p.m. on 29th December, 2010.

SIGNATURE OF SHAREHOLDER OR PROXY

**BOOK-POST
PRINTED MATTER**

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

If undelivered, please return to :



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