



HEMADRI CEMENTS LIMITED

Admin. Office: No 3, Veerasamy Street, III Floor, West Mambalam, Chennai - 600033
CIN: L26942AP1981PLC002995

Date: 02.09.2022

To

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai- 400001.

Dear Sir/Madam,

Scrip code: 502133; ISIN: INE07BK01011

Sub: Annual Report for the Financial Year 2021-22 and Notice convening the 40th Annual general Meeting (AGM) of the Company

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2021-22 containing inter-alia Notice convening the 40th AGM of the Company scheduled to be held on Tuesday, the 27th day of September 2022 at 2.00 P.M, through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

The Annual Report containing the AGM Notice is also uploaded on the Company's website <https://hemadricements.com/index>

This is for your kind information and records.

Thanking You,
Yours faithfully
For **HEMADRI CEMENTS LIMITED**



S RAMPRASAD
COMPANY SECRETARY & COMPLIANCE OFFICER



HEMADRI CEMENTS LIMITED

**40th Annual Report
2021-2022**

**HEMADRI CEMENTS LIMITED
FIVE YEARS' FINANCIAL HIGHLIGHTS****(Rs. in Lakhs)**

| Parameters/Year | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|-----------------|----------------|----------------|----------------|----------------|
| Operating Results | | | | | |
| Net Sales | 8246.15 | 9548.72 | 7009.82 | 7541.70 | 8461.90 |
| Profit Before Tax | 42.97 | 391.32 | 43.12 | 67.67 | 91.23 |
| Profit After Tax | 42.50 | 120.36 | 13.80 | 102.80 | 48.74 |
| Net Cash Accrual | 583.88 | 716.96 | 77.32 | 97.09 | 765.58 |
| Dividend [incl. Div. Tax] | Nil | Nil | Nil | Nil | Nil |
| Sources & Application of Funds | | | | | |
| Source of Funds | | | | | |
| Equity Share Capital | 667.00 | 667.00 | 667.00 | 667.00 | 667.00 |
| Reserves & Surplus | 4288.12 | 4241.19 | 4119.76 | 4113.93 | 4017.74 |
| Profit and Loss Account | 46.94 | 121.43 | 5.83 | 96.20 | 55.01 |
| Net Worth | 4,955.12 | 4908.19 | 4786.76 | 4780.93 | 4684.74 |
| Loan Funds | Nil | Nil | Nil | Nil | Nil |
| Deferred Tax Liability [Net] | 142.29 | 156.20 | 33.55 | 5.99 | 51.42 |
| Application of Funds | | | | | |
| Fixed Assets: Net [Incl. WIP] | 1559.05 | 1666.58 | 1849.77 | 1013.94 | 1054.98 |
| Investments | 60.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| Net Current Assets | 1974.19 | 1806.13 | 854.44 | 798.41 | 1539.96 |
| Net Assets | 3,593.24 | 3532.71 | 2764.21 | 1872.35 | 2654.94 |
| RATIOS | | | | | |
| PBT to Sales (%) | 0.521 | 4.10 | 0.62 | 0.90 | 1.08 |
| PAT to Sales (%) | 0.515 | 1.26 | 0.20 | 1.36 | 0.58 |
| Earnings per share | 0.70 | 1.82 | 0.09 | 1.44 | 0.82 |



BOARD OF DIRECTORS

| | |
|--------------------------------------|--|
| Mr.Gopalsamy Rajan | Chairman |
| Mr. Ananda Krishnan Balasubramaniyan | Managing Director (Appointed w.e.f 12 th August 2022) |
| Mr.D.B.N.Rao | Independent Director |
| Mrs. R. Ananda Priya | Independent Director |
| Mr.Sivasamy Raju | Independent Director |
| Mr.P.Ravi | Whole Time Director(Resigned w.e.f 12 th August 2022) |

KEY MANAGERIAL PERSONNEL

| | |
|--------------------------------------|---|
| Mr.Sanjay D Mukherjee | Chief Executive Officer |
| Mr. C.Mohana Krishna | Chief Financial Officer |
| Mr.S.Ramprasad | Company Secretary |
| Mr. Ananda Krishnan Balasubramaniyan | Managing Director (Appointed w.e.f 12 th August 2022) |
| Mr.P.Ravi | Whole Time Director (Resigned w.e.f 12 th August 2022) |

AUDIT COMMITTEE

Mr.D.B.N.Rao
Mr.Sivasamy Raju
Mrs.R.Ananda Priya

NOMINATION AND REMUNERATION COMMITTEE

Mr.D.B.N.Rao
Mr.Sivasamy Raju
Mrs.R.Ananda Priya

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr.D.B.N.Rao
Mr.Sivasamy Raju
Mrs.R.Ananda Priya

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ananda Krishnan Balasubramaniyan (Appointed w.e.f 12th August 2022)
Mr.D.B.N. Rao
Mr.Sivasamy Raju
Mr.P.Ravi (Resigned w.e.f 12th August 2022)

AUDITOR

M/S. B.Purushottam & Co.
Chartered Accountants
3-D, Pioneer Homes,
23/A, North Boag Road,
T.Nagar, Chennai - 600017



BANKER

Axis Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

XL Softech Systems Limited
SEBI Registration No.INR000000254
Plot No - 3, Sagar Soceity, Banjara Hills,
Road No.2, Hyderabad – 500034
Contact No: 040-23545914
E-Mail ID: xlfield@gmail.com

ADMINISTRATIVE OFFICE

No.3, Veerasamy Street,
West Mambalam, Chennai-600 033.
Contact No: 044 - 43907067

REGD. OFFICE & FACTORY

Vedadri Village, Jaggayyapet Mandal
Krishna District,
Andhra Pradesh- 521457.
Phone: 8754388822

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NOTICE TO THE MEMBERS

Notice is hereby given that the 40th Annual General Meeting of the Members of M/s.Hemadri Cements Limited will be held on **Tuesday, the 27th day of September 2022 at 2.00 P.M.**, through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2022 the Report of the Auditors and the Board of Directors thereon.**
- 2. To appoint the Statutory auditors of the Company and fix their remuneration**

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time, M/s.SBSB and Associates, Chartered Accountants (Firm Registration Number: 012192S) be and are hereby appointed as the Statutory Auditors of the Company from Financial Year 2022-2023 to Financial Year 2026-2027, who shall hold office for a period of five years from the conclusion of this 40th Annual General Meeting ("AGM") until conclusion of the 45th Annual General Meeting ("AGM") of the Company to be held in the year 2027, at such remuneration as may be mutually agreed between the Auditors and the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this Resolution."

SPECIAL BUSINESS

- 3. To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:**

Appointment of Mr.Gopalsamy Rajan (DIN: 02348441) as Director of the Company

"RESOLVED THAT pursuant to the provision of section 161 and any other applicable provisions of Companies Act, 2013 and Rules made there under, Mr. Gopalsamy Rajan (DIN: 02348441) who was appointed by the Board of Directors of the Company as an Additional Director with effect from 7th October, 2021 and holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company.



RESOLVED FURTHER THAT any one of Directors or Company Secretary of the Company be and is hereby authorised to file necessary e-Forms with the registrar of companies, and do all necessary acts, deeds and things in this regard.”

4. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

Approval for acting as Director beyond the age limit of Seventy Five years

RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (LODR) Regulations, 2015, approval of the Members be and is hereby accorded to Mr. Gopalsamy Rajan (DIN: 02348441), for continuing as a Director beyond the age limit of Seventy Five years.

RESOLVED FURTHER THAT any one of Directors or Company Secretary of the Company be and is hereby authorised to file necessary e-Forms with the registrar of companies, and do all necessary acts, deeds and things in this regard.”

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

Appointment of Dr.Ananda Krishnan Balasubramaniyan (DIN: 02702557) as Director of the Company

“RESOLVED THAT pursuant to the provision of section 161 and any other applicable provisions of Companies Act, 2013 and Rules made there under, Dr.Ananda Krishnan Balasubramaniyan (DIN: 02702557) who was appointed by the Board of Directors of the Company as an Additional Director with effect from 12th August 2022 and holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT any one of Directors or Company Secretary of the Company be and is hereby authorised to file necessary e-Forms with the registrar of companies, and do all necessary acts, deeds and things in this regard.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

Appointment of Dr.Ananda Krishnan Balasubramaniyan (DIN: 02702557) as the Managing Director (MD) of the company for the period of 5 (five) years

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and Articles of Association and such other necessary approvals as may deem necessary, approval of



Members be and is hereby accorded for appointment of Dr.Ananda Krishnan Balasubramaniyan (DIN: 02702557) as Managing Director of the Company for a period of 5 years with effect from 12th August 2022 to 11th August 2027 on payment of remuneration of Rs.10,00,000 (Rupees Ten Lakhs Only) per month. The salary is consolidated and is inclusive of perquisites and is as approved by the Nomination and Remuneration Committee at its meeting held on 12th August 2022.

RESOLVED FURTHER THAT aforesaid Remuneration shall be for such term pursuant to the provisions of Part-II of Schedule-V of the Companies Act, 2013.

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

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and is hereby authorized to file necessary e-Forms with the registrar of companies, and do all necessary acts, deeds and things in this regard."

By Order of Board of Directors

S.Ramprasad
Company Secretary
M No. A 14324

Place: Chennai
Date: 12.08.2022



NOTES:

1. The Explanatory statement, pursuant to section 102 of the Companies Act, 2013, in respect of the business Item No.2, 3, 4, 5 and 6 of the Notice of AGM is given below.
2. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company i.e. Vedadri Village -521457, Jaggaiahpet Mandal, Krishna District, Andhra Pradesh.
3. Members seeking any information with regard to the Accounts are requested to write to the Company to "cs@hemadricements.com" atleast 7 working days prior to the date of the meeting, so as to enable the Management to keep the information ready at the meeting.
4. The notice and the Annual Report of the Company is being sent to the Members through electronic mode whose e-mail IDs are registered with the Company. Members whose e-mail IDs are not registered are requested to get the same registered with the Company by sending an E mail to: cs@hemadricements.com.
5. Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board / governing body resolution / authorisation etc., authorising their representatives to attend and vote on their behalf to cs@hemadricements.com
6. All statutory registers of the Company that are permissible to be inspected by the Members, will be made available for inspection through electronic mode during the AGM and also from the date of circulation of this Notice upto the date of AGM, i.e. Tuesday, 27th September 2022. Members seeking inspection of the aforementioned documents can send an e-mail to cs@hemadricements.com.
7. Instructions for e-voting prior and at the AGM are given as **Annexure A** to this Notice.

To the Notice convening the 40th Annual General Meeting of the Company in accordance with the requirement of Section 102 of the Companies Act 2013

Item No.2:

Though not mandatory, this Explanatory statement is provided for reference

Appointment of M/s.SBSB and Associates, Chartered Accountants (Firm Registration No: 012192S) as Statutory Auditor

M/s.B.Purushottam & Co., Chartered Accountants (Firm Registration No: 002808S), the existing Statutory Auditors of the Company were appointed as Auditors of the Company by the Members to hold office from the conclusion of 37th Annual General Meeting until the conclusion of 42nd Annual General Meeting.

By their letter dated 12th August 2022 M/s.B.Purushottam & Co., Chartered Accountants have expressed their unwillingness to continue as Auditors of the Company with effect from the conclusion of the ensuing 40th Annual General Meeting to be held on 27th September 2022.

The Board Meeting in its meeting held on 12th August 2022, has recommended the appointment of M/s.SBSB and Associates, Chartered Accountants as Statutory Auditors of the Company, in place of M/s.B.Purushottam & Co., Chartered Accountants, to hold office from the conclusion of this 40th Annual General Meeting until the conclusion of 45th AGM on remuneration to be fixed by the Board of Directors, subject to the approval of the Members.

The resolution under this item seeks the approval of the Members by an Ordinary Resolution for the said appointment of the new auditors

None of the Directors / Key Managerial personnel of the Company and their relatives are interested or concerned in the foregoing resolution.

Item No.3 & 4:

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company by way of circular resolution dated 07.10.2021 had appointed Mr.Gopalsamy Rajan as an Additional Director with effect from 07th October 2021. As per the provisions of section 161 of the Companies Act, 2013 Mr.Gopalsamy Rajan will hold office only up to the date of the forthcoming Annual General Meeting of the Company. Mr.Gopalsamy Rajan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

As per Regulation 17 (1A) of the SEBI (LODR) Regulations, 2015, approval of the Members by way of Special Resolution is sought for enabling Mr.Gopalsamy Rajan (DIN: 02348441), to continue as a Director beyond the age limit of 75 years. Considering the qualification, versatile knowledge, rich experience in Cement Industry and Legal Background, it is recommended to retain Mr.G.Rajan on the Board of the Company. The Board considers his association would be of immense benefit to the Company.



As per the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard - 2 as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of the concerned Directors is given below:

| | |
|--|--|
| Name | Mr.Gopalsamy Rajan |
| DIN | 02348441 |
| Date of Birth | 21/05/1935 |
| Qualification | Law Graduate |
| Terms and Condition of Appointment | Non-Independent & Non-Executive Director |
| Date of Appointment | 07.10.2021 |
| Shareholding in Company | Nil |
| Number of board meetings attended during the year 2022 | 3 |
| Directorship in other companies | M/s.H.C.L.Agro Power Limited |
| Brief Profile | He is a Practising Advocate before the Madras High Court for more than 52 years and has rich experience in Company and other matters and has represented various institutions before the said Court. He is also associated with various religious and philanthropic organizations. He has authored a few books on law and religion |
| Membership/ Chairmanship of other Committees | Given under Corporate Governance Report |

None of the Directors / Key Managerial personnel of the Company and their relatives are interested or concerned in the resolution except Mr.Gopalsamy Rajan.

Item No.5 & 6:

Based on the recommendation of Nomination & Remuneration Committee Dr.Ananda Krishnan Balasubramaniyan was appointed as an Additional Director of the Company by the Board with effect from 12th August 2022. In terms of Section 161(1) of Companies Act, 2013 Dr.Anand holds his office upto the conclusion of the ensuing Annual General Meeting (AGM). Dr.Anand is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Further based on the recommendation of NRC, the Board of Directors, subject to approval of the Members of the Company, had appointed Dr.Ananda Krishnan Balasubramaniyan as Managing Director of the Company for a period of 5 years with effect from 12.08.2022. The Members may note that the Company has received a letter of consent from Dr.Anand signifying his willingness to be appointed as Managing Director, a declaration under section 164 of the Companies Act, 2013 and other statutory disclosures/declarations as required under the law.



The essential terms and condition of his appointment and remuneration are as under

- **Tenure of Appointment:-** Period from 12th August 2022 to 11th August 2027
- **Nature of Duties:** Dr.Anand shall be responsible for overseeing the day to day operations and management of the Company and such other matters as identified by the Board from time to time. Dr.Ananda Krishnan Balasubramaniyan shall devote his time and attention to the business of the Company. Dr.Ananda Krishnan Balasubramaniyan shall exercise and perform all such powers and duties as the Board of Directors of the Company shall, from time to time, determine, and subject to the superintendence, control, direction, and restriction from time to time give and imposed by the Board and/or the Articles of Association of the Company and shall not exceed the powers so delegated by the Board.
- **Remuneration:**
 - a) **Emoluments:** Consolidated Salary of Rs.10 Lakhs Per month, inclusive of perquisites and subject to the provisions of Part II of Schedule V of the Companies Act 2013.
 - b) **Sitting Fees:** Managing Director Shall not be eligible for any sitting fees for attending any Board meeting or its Committee thereof.
 - c) **Contribution towards Provident Fund:** Nil
 - d) **Reimbursement of other Cost and expenses:** As per Company's Policy
- The Office of the Managing Director will not be liable to retire by rotation. Dr.Anand does not hold any shares in the Company either by himself or for any other person on a beneficial person. The draft appointment letter/agreement shall be open for inspection by the Members at the registered office of the Company during the normal business hours on any working day, excluding Sunday. Having regard to his qualifications, experience and association with the Company, the Board of Directors considers that it will be in the interest of the Company to appoint Dr.Anand as the Managing Director of the Company

Your Directors recommend the Resolution set out in Item No. 6 of this AGM Notice to the Members for their consideration and approval by Special Resolution.

As per the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard - 2 as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of the concerned Directors is given below:



| | |
|--|--|
| Name | Dr.Ananda Krishnan Balasubramaniyan |
| DIN | 02702557 |
| Age | 55 Years |
| Date of Birth | 26/05/1967 |
| Qualification | IIM Ahmedabad and Doctorate in Business Administration and Management from the American University, New York, USA |
| Share holding in the Company | Nil |
| Directorship in other Companies | M/s.SRMPR Lascom Technologies Private Limited - Director |
| Brief Profile | Dr.Anand has over 30 years of experience in managing various aspects of Finance and Administration. In his previous role he was Vice President of ICICI Group. Dr.Anand was also associated with Encore Investments as Group Director. He also held the position of Executive Director in Banyan Tree. |
| Membership/ Chairmanship of other committees | - |

None of the Directors / Key Managerial personnel of the Company and their relatives are interested or concerned in the resolution except Dr.Ananda Krishnan Balasubramaniyan

By Order of Board of Directors

S.Ramprasad
Company Secretary
M No. A 14324

Place: Chennai
Date: 12.08.2022



Annexure A to the Notice of the 40th AGM

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

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hemadricements.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.



7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins at 10 AM on Saturday, the 24th September 2022 and ends at 5 PM on Monday the 26th September 2022. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Shareholders, in respect of all Shareholders' resolutions. However, it has been observed that the participation by the public non-institutional Shareholders/retail Shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual Shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of Shareholders | Login Method |
|---|---|
| <p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p> | <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL Depository</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on</p> |



| | |
|--|--|
| | the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meetings for **Physical Shareholders and Shareholders other than individual holding in Demat form.**

- 1) The Shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Physical Shareholders and other than individual Shareholders holding shares in Demat. |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field. |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdsliindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual Shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; www.hemadricements.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@hemadricements.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@hemadricements.com. These queries will be replied to by the company suitably by email.
8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical Shareholders- please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat Shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat Shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call toll free no. 1800 22 55 33.

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Company's 40th Annual Report and the Audited Financial Statements of the Company for the Financial Year ended 31st March 2022.

FINANCIAL RESULTS

The performance of the Company for the Financial Year ended 31st March 2022 is as given below:

FINANCIAL HIGHLIGHTS FOR THE YEAR:

(Rs. In Lakhs)

| Particulars | Year ended 2021-22 | Year ended 2020-21 |
|--|--------------------|--------------------|
| Gross Turnover | 8420.79 | 9586.83 |
| Profit /(loss) before interest, depreciation and tax | 281.21 | 593.47 |
| Less Interest | 22.03 | 8.04 |
| Profit/(Loss) before depreciation and tax | 259.18 | 585.42 |
| Less Depreciation | 216.21 | 194.11 |
| Profit / (Loss) before Tax | 42.97 | 391.31 |
| Tax Expenses: | | |
| Current Tax | 16.01 | 148.71 |
| Deferred Tax | 15.54 | 122.24 |
| Profit / (Loss) after Tax | 42.50 | 120.36 |
| Other Comprehensive income | 4.44 | 1.06 |
| Total Comprehensive Income | 46.93 | 121.43 |

PERFORMANCE OF THE COMPANY

During the year under review Company has generated total Revenue of Rs. 8420.79 Lakhs as against Rs.9586.83 Lakhs in the previous financial year. Profit before tax was Rs.42.97 Lakhs as against Rs.391.31 Lakhs in the previous Financial Year. The lower sales volume and profit margin during the year were on account of (i) Plant stoppage due to Covid in first and partly in second quarter, (iii) Unusual heavy and prolonged Monsoon upto Dec 2021. Further Coal Supply shortage from Singareni Mines (~45 days during Oct-Dec) along with price rise in Coal during the last quarter have badly impacted the Profit Margins for the year.

However the factors like optimization of cost of production, other fixed costs, and proactive marketing efforts, had helped the Company in achieving the present numbers.

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

TRANSFER TO RESERVES:

No amount has been transferred to specific reserves during the Financial Year under review

SHARE CAPITAL

As on 31st March 2022, Paid up Share Capital of the Company is Rs. 6,67,00,000/- divided into 66,70,000 equity shares of Rs. 10/- each fully paid up.

DIVIDEND

Your Directors do not recommend any dividend for the Financial Year 2021-22

BOARD OF DIRECTORS

The Company has 5 (five) Board of Directors as per the requirements of SEBI (LODR) Regulation, 2015. The composition of the board is as given below:-

- 1(One) Executive Director
- 3(Three) Independent Directors (Including 1 Women Director)
- 1(One) Non Executive Director

RESIGNATION AND APPOINTMENT OF DIRECTORS

- Mr.Gopalsamy Rajan (DIN: 02348441), Independent Director of the Company has resigned from the Board with effect from 22nd September 2021. Considering the experience and expertise Mr.G.Rajan was requested subsequently to join the Board. Mr.G.Rajan accorded his assent to join the Board. Accordingly The Board of Directors of the Company appointed Mr.Gopalsamy Rajan as an Additional Director (Non-Independent and Non-Executive Director) with effect from October 7, 2021. In accordance with Section 161 of the Act, Mr.G.Rajan holds office up to the date of the forthcoming Annual General Meeting (AGM) of the Company and being eligible, offers his candidature for appointment as Director. Mr.G.Rajan's appointment for Director of the Company has been proposed by Board of Directors of the Company and approval in this regard has been sought in the Notice convening the forthcoming AGM of the Company. Mr.G.Rajan was also elected as Chairman of the Board effective from 12th August 2022 to conduct the proceedings of the Board Meeting.

A resolution seeking shareholders' approval for his appointment forms a part of the Notice convening the AGM of the Company. Further since Mr.G.Rajan has attained the age of 75 a Special Resolution seeking approval of the Members pursuant to Regulation 17(1A) of SEBI (LODR) form a part of the Notice convening the AGM.

- Mr.P.Ravi (DIN: 00675665), Whole Time Director of the Company has resigned from the Board with effect from 12th August 2022. The Board placed its sincere appreciation for his valuable contribution during his tenure as Director of the Company.
- The Board of Directors appointed Dr.Ananda Krishnan Balasubramaniyan (DIN: 02702557) as Additional Director & Managing Director of the Company with effect from 12th August 2022. His term of office as Additional Director would be till the conclusion of the ensuing Annual General Meeting (AGM). A resolution seeking shareholders' approval for his appointment forms a part of the Notice convening the AGM of the Company.

DECLARATION BY THE INDEPENDENT DIRECTORS

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

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) of the Company as on 31.03.2022, as per Section 2(51) and Section 203 of the Companies Act 2013 are:-

1. Mr. Sanjay D Mukherjee, Chief Executive Officer (CEO)
2. Mr.C.Mohanakrishna, Chief Financial Officer (CFO)
3. Mr.S.Ramprasad, Company Secretary (CS)
4. Mr.P.Ravi, Whole Time Director (Resigned w.e.f 12th August 2022)
5. Dr.Ananda Krishnan Balasubramaniyan, Managing Director (Appointed w.e.f from 12th August 2022)

The disclosure with respect to remuneration as required under Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as **Annexure-V**.

CHANGES IN KMP DURING THE FY 2021-22:

- Mr.Sanjay D Mukherjee was appointed as Chief Executive Officer by the Board effective from 1st July 2021.
- Mr.S.Ramprasad (MNo:14324) was appointed as Company Secretary and Compliance Officer effective from 14th February 2022
- Mrs.M.Muthulakshmi (MNo:29727) was appointed as Company Secretary effective from 14th August 2021. However she resigned subsequently effective from close of the business hours on 19th October 2021.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met four times during the financial year 2021-22 on (i) 29.06.2021, (ii) 14.08.2021, (iii) 15.11.2021 and (iv) 14.02.2022. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. More details of the Board meetings have been provided in the 'Report on Corporate Governance', found elsewhere in the Annual Report.

BOARD COMMITTEE

In compliance to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has constitutes various committee of the Board. Details of Constitution and number of meetings held during the year under review along with the attendance of Committee Members there in forms part of the Report on Corporate Governance.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business during the Financial Year.

BOARD EVALUATION

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

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

REMUNERATION POLICY OF THE COMPANY

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy is available on the website of the Company at <https://hemadricements.com/policies>.

There has been no change in the policy since the last Financial Year.

RISK MANAGEMENT

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

VIGIL MECHANISM

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Your Company is not mandatorily obligated to contribute to the CSR activities as per the extant provisions of the Companies Act 2013. However, your Company has generally been contributing to the welfare of the villages in and around the Registered Office (Factory) of the Company is enclosed as **Annexure-IV**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans, guarantees or investments exceeding the limits specified under Section 186 of the Companies Act, 2013 during the year under review. Details of Loans and Guarantees under Section 186 of the Companies Act 2013 for the Financial Year 2021-2022 is provided in **Annexure-III**.

PUBLIC DEPOSITS

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

RELATED PARTY TRANSACTIONS

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

There are no Material related party transactions entered into during the financial year and the same is mentioned Form AOC 2 in **Annexure II**, which forms part of this Report.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE

The Company does not have any subsidiary or associate Company. The Company is also not a subsidiary of any other Company. As on 31st March 2022 the Company has not entered into Joint Venture.

AUDITORS

Statutory Auditor

M/s.B.Purushottam & Co., Chartered Accountants, Chennai having Firm Registration No.002808S were appointed as Statutory Auditor of the Company, at the 37th AGM held on 27.09.2019 for a term of five consecutive years till the conclusion of the 42nd AGM. Due to pre-occupation in other commitments M/s.Purushottam & Co. have expressed their un-willingness to continue as Auditors from the ensuing Annual General Meeting. The Board took note of the same and placed on record its sincere appreciation for their service during their tenure as the auditors of the Company

Pursuant to the provisions of Section 139(9) of the Companies Act 2013 and the Rules made there under, the board at the Meeting held on 12th August 2022, has recommended appointment of M/s.SBSB and Associates, Chartered Accountants (Firm registration Number: 012192S) as Statutory Auditors of the Company, in place of M/s.B.Purushottam & Co., Chartered Accountants, to hold office from the conclusion of this 40th Annual General Meeting (2022) until the conclusion of 45th AGM to be held in the year 2027

Internal Auditor

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

Secretarial Auditor

The Board appointed M/s. S Dhanapal & Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditor to conduct the Secretarial Audit of the Company during the Financial Year 2021-2022. The Secretarial Audit Report forms part of this report and is found elsewhere in the Annual Report.

The Board earlier appointed Mr.Senthilkumar, practicing Company Secretary as Secretarial Auditor. However due to new PEER review Regulations effective from 1st April 2022, Mr.Senthilkumar has expressed his inability to undertake the assignment as Secretarial auditor and has submitted his resignation as Secretarial Auditor for the financial year 2021-2022.

MATERIAL CHANGES

There were no material changes and commitments affecting the financial position of the Company that occurred between the end of the Financial Year of the Company i.e. 31st March, 2022.

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

LISTING

As on the date of this report, the Company is listed with the Bombay Stock Exchange. However, Company's shares remain in "Suspended Mode" vide Notice of BSE -20200205-11 dated 05th February 2020 and the Company has been taking its all sincere efforts to bring back the shares to the trading platform.

During the Financial Year 2021-2022 the Company has been vibrant in submitting the Application for Revocation of Suspension. In this regard as a step forward, the Company has paid Listing fees on 7-01-2022 of Rs.3,54,000, Revocation Fees of Rs.35,40,000 paid on 7th February 2022. Further BSE undertook Virtual Site Visit at the Registered Office of the Company (Factory) on 25th February 2022

The Company is in the final stage of revoking the suspension of Trading.

CORPORATE GOVERNANCE

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

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company is placed on the Website of the Company and link to the same is http://www.hemadricements.com/annual_reports.php.

CONSERVATION OF ENERGY

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

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the Financial Year ended 31.03.2022.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has adequate system of Internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, safeguarding of assets of the Company, adhering to the management policies besides ensuing compliance.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

For the Financial Year under review, the Auditor has not reported about any fraud by the Company or any fraud on the Company by its officers or employees.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the Financial Year under review there has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

DIRECTORS RESPONSIBILITY STATEMENT

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

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

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair

view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

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

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

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

CAUTIONARY STATEMENT

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

ACKNOWLEDGEMENTS

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

**//By Order of the Board//
For Hemadri Cements Limited**

**Mr.Sivasamy Raju
Director
DIN: 06961330**

**Dr.Ananda Krishnan Balasubramaniyan
Managing Director
DIN: 02702557**

**Place: Chennai
Date: 12.08.2022**

Management Discussion & Analysis Report

Global Economy

The ongoing Russia-Ukraine conflict will have major ramifications for the global economy. Both these countries are major commodity producers and supply chain disruptions will have prices going upwards in the rest of the world. There is also a severe concern around rampant climate change that has been showing its effect all over the world. A UN report released in August 2021 warns about an impending climate catastrophe unless strong measures are taken to control green house gas emissions.

Countries across the globe focused on vaccination coverage and implemented various economic stimuli to minimize the impact of COVID-19 and accelerate economic recovery. Apart from vaccines, governments and central banks play a major role in reviving the economy.

Indian Economy

Large-scale vaccination drive has injected immunity into our vulnerable populations to safeguard from covid related fatalities. In spite of the rapid vaccination drive, infection skyrocketed with the advent of new strains of Virus. Hospitals were once again plagued with acute shortage of Oxygen supply during 1st and 2nd quarter of the previous financial year 2021-2022. The successful rollout of the world's largest vaccination drive, pick-up in government expenditure and better preparedness compared with the first wave, limited the negative economic impact.

The Central Government prioritised Capital Expenditure by allocating ₹7.5 Lakh Crores, an increase of 35% over previous year. The Central Government also had strong focus on projects promoting Infrastructure Development with the belief that increased investments in Infrastructure will propel growth in other industries.

Cement Industry – outlook and opportunities

The union budget FY2022 has allocated Rs.48,000 Crores towards the Pradhan Mantri Awas Yojana to build affordable houses in urban and rural India. As per the Union Budget 2021-22, the government approved an outlay of Rs.1,18,101 Crores (US\$ 16.22 billion) for the Ministry of Road Transport and Highways, these steps are likely to boost the demand for cement.

The Cost of Coal per ton has increased multi-fold without corresponding increase in Selling Price of Cement during the financial year 2021-2022. The Industry expects a steep increase in price of Cement in the Financial Year 2022-2023.

Company Perspective

During The financial year 2021-2022, the Company once again witnessed lockdown due to Covid-19 pandemic which had impacted the operations and revenues of the Company. The Company's focus has been on adherence to all statutory norms and in ensuring the occupational health & safety of all its employees. During the last quarter of the financial year, the Coal price has increased multi-fold accompanied by acute shortage in supply of Coal. This has impacted margins of the Company.



With un-certain market conditions mainly on pricing front, the Company is planning for minimal additional investment in revamping KLIN and Cement Mill at a cost of ~Rs.3 crores, for increasing the life of the Plant and Machinery and reducing Coal Consumption.

Significant Changes in key financial ratios along with detailed explanations thereof forms part of the Financial Statements.

**ANNEXURE I TO DIRECTORS' REPORT****FORM A****CONSERVATION OF ENERGY****(Rs. In Lakhs)**

| A. | POWER AND FUEL CONSUMPTION | | 2021-22 | 2020-21 |
|----|--|-----------|----------------|----------------|
| | ELECTRICITY | | | |
| a. | Purchased Units | | 206.25 | 232.55 |
| | Total Amount (in INR) | | 1396.07 | 1547.175 |
| | Average Rate/Unit Rs. | | 6.77 | 6.65 |
| b. | Own Generation | | | |
| | Through Diesel Generation Unit | | | - |
| | Units Per Ltr. of Diesel Generation | | | - |
| | Cost / Unit Rs. | | | - |
| | COAL | | | |
| | Quantity (Tons) | | 0.37 | 0.43 |
| | Total Cost Rs. | | 2753.45 | 2593.85 |
| | Average Rate (Rs) per ton | | 7380 | 6004 |
| | FURNACE OIL: | | | |
| | Quantity (Tons) | | | - |
| | Total Cost Rs. | | | - |
| | Average Rate (Rs) | | | - |
| B. | CONSUMPTION PER UNIT PRODUCTION: | | | |
| | | Standards | | |
| | Electrical Consumption – per ton of cement | 105 Units | 104.89 Units | 98.92 Units |
| | Coal Consumption- per ton of Cement | 0.21 MT | 0.19 MT | 0.18 MT |

TECHNOLOGY ABSORPTION FROM FOREIGN COUNTRIES:

Details of imported machinery

Nil

FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

FORM- B

| A. RESEARCH AND DEVELOPMENT (R & D): | 2021-22 | 2020-21 |
|---|----------------|----------------|
| 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 | | |
| 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 | The Company had installed equipment in compliance with Pollution control Board Norms Adherence to statutory norms | NIL |
| 2. Benefits derived as a result of the above efforts eg., product Improvement, cost reduction, Products development, import substitution etc. | | NIL |
| 3. In case of imported technology (Imported | | NIL |



during the last 5 years reckoned from the beginning of the financial year). Following information may be furnished

- 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//
For Hemadri Cements Limited**

**Mr.Sivasamy Raju
Director
DIN: 06961330**

**Dr.Ananda Krishnan Balasubramaniyan
Managing Director
DIN: 02702557**



ANNEXURE II TO DIRECTORS' REPORT

Form No. AOC-2

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

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

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

| Name(s) of the Related Party and nature of relationship | SRM Civil Works Private Limited Company in which a Director is interested | SRM Global Cements Corporation Ltd Company in which a Director is interested |
|--|--|---|
| Nature of the Contract/ arrangements | - | - |
| Duration of Contract/ Arrangement/ transactions | - | - |
| Salient Terms of the contracts or arrangements or transactions including value if any | - | - |
| Date of approval of the Board if any | - | - |
| Amount paid as advance if any | - | - |

//By Order of the Board//
For Hemadri Cements Limited

Mr.Sivasamy Raju
Director
DIN: 06961330

Dr.Ananda Krishnan Balasubramaniyan
Managing Director
DIN: 02702557

Place: Chennai
Date: 12.08.2022



ANNEXURE - III TO DIRECTORS' REPORT

DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2021-2022

(Rs. In Lakhs)

| S. No | Name of the body corporate | Nature of Relation ship | Purpose of loan / acquisition / guarantee / security | Rate of interest | Amount of loan security / guarantee (Rs.in lakhs) | % to free Reserves* | Purpose for which the loan |
|-------|----------------------------|---|--|------------------|---|---------------------|----------------------------|
| 1. | M/s.HCL Agro Power Limited | Company in which Director is interested | Inter Corporate Loan | Nil | 2.66 | 0.06 | For business purpose |
| | TOTAL | | | | 2.66 | 0.06 | |

*(total reserves – equity-revaluation reserve and capital reserve)



ANNEXURE IV TO DIRECTORS' REPORT

CSR ACTIVITIES OF THE COMPANY

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

Mr. Ananda Krishnan Balasubramaniyan (Appointed w.e.f 12th August 2022)
Mr.D.B.N. Rao
Mr.Sivasamy Raju
Mr.P.Ravi (Resigned w.e.f 12th August 2022)
3. Details of CSR spent during the financial year:

The Company's net profits for the immediate preceding financial year (2020-21) did not exceed Rs.5 Crores as stipulated under Section 135 of the Companies Act 2013. The Company has therefore not made any fresh contribution, except sustaining the facilities granted through its CSR activities in the preceding years.
4. We hereby declare that implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the company.

Mr.Sivasamy Raju
Director
DIN: 06961330

Dr.Ananda Krishnan Balasubramaniyan
Managing Director
DIN: 02702557

Place: Chennai
Date: 12.08.2022

**ANNEXURE-V****DETAILS REQUIRED AS PER SECTION 197 AND RULE 5 OF COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL)
RULES, 2014**

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company**

| Name of Director | Category | Ratio |
|-------------------------|--|--------------|
| Mr.P.Ravi | Chairman and Whole Time Director (WTD) | 12.4:1 |

None of the other Directors were receiving remuneration from the Company excepting sitting fees for attending the meeting.

- ii) The percentage increase in remuneration of each Director, CEO, CFO, Company Secretary or Manager, if any in the Financial Year 2021-22**

| Name of Director/KMP | Category | % of Increase of (Decrease) |
|-----------------------------|--|------------------------------------|
| Mr.P.Ravi | Chairman and Whole Time Director (WTD) | Nil |
| Mr.Sanjay D Mukherjee | Chief Executive officer (CEO) | NA |
| Mr.C.Mohana Krishna | Chief Financial officer (CFO) | Nil |
| Mr.S.Ramprasad | Company Secretary | NA |

- iii) Percentage increase in the median remuneration of employees in the Financial Year 2021-22**

There has been a marginal increase of 9.92% in the median remuneration during the year under review as compared to the median remuneration of the previous year.

- iv) Number of permanent employees on the rolls of the company as on 31st March 2022**

As on 31st March 2022, there were 118 employees on the rolls of the Company.

- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

As between 31st March 2021 and 31st March 2022, there has been an average increase of 2.46% in the remuneration of employees other than the managerial personnel and the percentage of increase or decrease in remuneration of the Key Managerial Person (WTD, CEO, CFO and Company Secretary) is Nil.

REPORT ON CORPORATE GOVERNANCE

The Company believes in enhancing the value to stakeholders through good corporate governance practices. The Company's Corporate Governance practices, complies with the principles laid down under Companies Act 2013 and SEBI (LODR) Regulations 2015.

Company's Philosophy on Corporate Governance:

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

The compliance in terms of the SEBI (LODR) Regulations 2015 for the FY 2021-22 is as under:

Board of Directors

The Company has 5 (five) Board of Directors as per the requirements of SEBI (LODR) Regulation, 2015 and more than half of the Board comprises of Independent Director. The composition of the board is as given below:-

| Category | No. of Directors | Percentage to total number of Directors |
|---|------------------|---|
| Non-executive Independent Directors | 3 | 60 |
| Executive Directors | 1 | 20 |
| Non-executive Non-Independent Directors | 1 | 20 |
| Total | 5 | 100 |

Information flow to the Board

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

Board Meetings and attendance

During the Financial Year ended 31st March 2022, four meetings of the Board of Directors were held as follows:

| S.No | Date | Board Strength | No of Directors present |
|------|------------|----------------|-------------------------|
| 1. | 29.06.2021 | 5 | 5 |
| 2. | 14.08.2021 | 5 | 5 |
| 3. | 15.11.2021 | 5 | 5 |
| 4. | 14.02.2022 | 5 | 4 |

**The Committees as on 31.03.2022:-**

| Name of the Committee | Members |
|--|---|
| Audit Committee | 1. Mr.D.B.N. Rao (Independent Director) (Chairman) 2. Mr.Sivasamy Raju (Independent Director) 3. Mrs.R.Anandapriya (Independent Director) |
| Nomination & Remuneration Committee | 1. Mr.D.B.N. Rao (Independent Director) (Chairman) 2. Mr.Sivasamy Raju (Independent Director) 3. Mrs.R.Anandapriya (Independent Director) |
| Stakeholders' Relationship Committee | 1. Mr.D.B.N. Rao (Independent Director) (Chairman) 2. Mr.Sivasamy Raju (Independent Director) 3. Mrs.R.Anandapriya (Independent Director) |
| Corporate Social Responsibility Committee | 1. Mr.P.Ravi (Executive Director) (Chairman) 2. Mr.Sivasamy Raju (Independent Director) 3. Mr.D.B.N.Rao (Independent Director) |

Particulars of Attendance of the Directors at the Board & Committee meetings during the financial year and at the last Annual General Meeting are as given below.

| Name of the Director | DIN No. | Category | Board Meeting | AC | SRC | NRC | CSR | Whether attended the AGM held on 27.09.2021 |
|-----------------------------|----------------|------------------------|----------------------|-----------|------------|------------|------------|--|
| Mr.P.Ravi | 00675665 | Executive Director | 4 | NA | 1 | NA | 1 | No |
| Mr.D.B.N.Rao | 01180539 | Independent Director | 4 | 4 | 1 | 3 | 1 | Yes |
| Ms.R.Ananda Priya | 01768355 | Independent Director | 4 | 4 | NA | 3 | NA | Yes |
| Mr.Sivasamy Raju | 06961330 | Independent Director | 4 | 2 | NA | 1 | 1 | Yes |
| Mr.G.Rajan | 02348441 | Non Executive Director | 3 | 2 | 1 | 2 | NA | No |

AC - Audit Committee

SRC - Stakeholders' Relationship Committee

NRC - Nomination & Remuneration Committee

CSR - Corporate Social Responsibility Committee

NA - Not Applicable

Except Mr.D.B.N.Rao, who is an Independent Director in Sanghi Industries Limited, no other Director holds Directorship in any other listed Company.

Functions of the Committees

A. Audit Committee:

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

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

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

B. Meetings of the Audit Committee and Attendance

| S.No | Date | Committee Strength | Present |
|------|------------|--------------------|---------|
| 1. | 29.06.2021 | 3 | 3 |
| 2. | 14.08.2021 | 3 | 3 |
| 3. | 15.11.2021 | 3 | 3 |
| 4. | 14.02.2022 | 3 | 3 |

**C. Stakeholders' Relationship Committee**

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

Meetings of the Stakeholders' Relationship Committee and attendance

| S.No | Date | Committee Strength | Present |
|------|------------|--------------------|---------|
| 1. | 29.06.2021 | 3 | 3 |

D. Nomination & Remuneration Committee

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

Meetings of the Nomination & Remuneration Committee and its attendance

| S.No | Date | Committee Strength | Present |
|------|------------|--------------------|---------|
| 1. | 29.06.2021 | 3 | 3 |
| 2. | 14.08.2021 | 3 | 3 |
| 3. | 14.02.2022 | 3 | 3 |

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

DIRECTORS' ANNUAL REMUNERATION (as on 31st March 2022)

| Name of the Directors | Designation | Remuneration | Total |
|-----------------------|-------------|--------------|--------------|
| Mr.P.Ravi | Chairman | Rs.30,00,000 | Rs.30,00,000 |

The Company pays sitting fee of Rs.10,000/- for the Board meeting and Rs.2,500 for all the Committee meetings. However the Executive Directors are not paid any sitting fees for the meetings.

E. Corporate Social Responsibility (CSR) Committee

The provisions of Section 135 of the Companies Act 2013, pertaining to CSR is not applicable to the Company for the FY 2020-21.

DETAILS OF OTHER DIRECTORSHIPS OF INDEPENDENT DIRECTORS

| Mr. D.B.N.Rao | Ms.R.Ananda Priya | Mr.Sivasamy Raju |
|--|--|--|
| 1. M/s. Sanghi Industries Limited (Listed) 2. M/s. Sanghi Cements Limited (unlisted) 3.M/s. Seetharam Cements Limited (unlisted) | 1.M/s. Nila Innovatives Private Limited (unlisted) | 1.M/s. Trac Media Private Limited (unlisted) 2.M/s. SRM Hotels Private Limited (unlisted) |



GENERAL BODY MEETINGS

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

| S.No. | Date of the AGM | Venue |
|-------|-----------------|---|
| 1. | 27.09.2019 | Vedadri Village, Jaggaiahpet Mandal Krishna District, Andhra Pradesh |
| 2. | 30.09.2020 | Through Video Conference (VC) and Other Audio Visual Means (OAVM) |
| 3. | 27.09.2021 | Through Video Conference (VC) and Other Audio Visual Means (OAVM) |

Financial Calendar

Financial Year of the Company : 1st April 2021 - 31st March 2022
 Quarterly Results :
 1st Quarter – on/before 14th August
 2nd Quarter- on/before 15th October
 3rd Quarter – on /before 14th February
 4th Quarter – on /before 30th May

AGM : on/before 30th September

Hemadri Cement Limited's Code of Conduct

The HCL Code of Conduct, as adopted by the Board of Directors and found in the Company's website www.hemadricements.com under Investors – Policies, is applicable to all the Directors and senior management personnel of the Company. The code is based on five basic principles of governance viz., to act diligently, respect confidentiality, no conflict of interest, abiding to applicable laws, follow the principles of justice, equity and good conscience and is a commitment by the Company to its stakeholders on good corporate governance.

Dematerialization of shares

Your Company has been admitted with both Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) with ISIN-INE07BK01011 for Dematerialisation. Transferability of shares is permitted only in dematerialized form. As on 31st March 2022 approximately 8,60,253 numbers of shares has been dematerialized.

Registrar & Share Transfer Agents

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

Address for correspondence

No.3, Sagar Society, Banjara Hills, Road No.2, Hyderabad 500034

Contact person: Mr.R.RamPrasad, Manager

Email id: xlfield@gmail.com; ramprasadr@xlsoftech.com

**Compliance Officer**

As on 31st March 2022, Mr.S.Ramprasad, Company Secretary and Compliance Officer under Regulation 6(1) of the SEBI (LODR) Regulations 2015.

Address for correspondence:

Vedadri Village 521457, Jaggayapet Mandal, Krishna District, Andhra Pradesh

Email id: cs@hemadricements.com

Distribution of Shareholding as on 31st March 2022

| Shareholdings of Nominal value of (Rs.) | Shareholders | | Share Amount | |
|---|--------------|---------------|-----------------|---------------|
| | Numbers | % | (Rs.) | % |
| Up to 5,000 | 3009 | 83.98 | 5263580 | 7.89 |
| 5,001 - 10,000 | 350 | 9.77 | 2799840 | 4.20 |
| 10,001 - 20,000 | 106 | 2.96 | 1633950 | 2.45 |
| 20,001 - 30,000 | 38 | 1.06 | 970410 | 1.45 |
| 30,001 - 40,000 | 13 | 0.36 | 476750 | 0.71 |
| 40,001 - 50,000 | 14 | 0.39 | 666460 | 1.00 |
| 50,001 - 1,00,000 | 16 | 0.45 | 1215670 | 1.82 |
| 1,00,001 & above | 37 | 1.03 | 53673340 | 80.47 |
| Total | 3583 | 100.00 | 66700000 | 100.00 |

**COMPLIANCE CERTIFICATE****To****THE MEMBERS OF Hemadri Cements Limited,**

We have examined the compliance of conditions of Corporate Governance by **Hemadri Cements Limited, (the Company)** for the year ended 31st March, 2022 as per regulations 17-27 and regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations 2015 (Listing regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been 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 the opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of Code of Ethics issued by Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) – 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, during the aforesaid year, complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Regulations.

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.

Restrictions on use:

This certificate is issued solely for the purpose of Complying with the aforesaid Regulations and may not be suitable for any other purposes.

Place: Chennai**Date: 27.05.2022****For B.PURUSHOTTAM & CO
Chartered Accountants
Reg No.002808S****KVNS Kishore
Partner
M.No.206734**



**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2022**

To

The Members,
HEMADRI CEMENTS LIMITED,
Chennai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. HEMADRI CEMENTS LIMITED**, (hereinafter called the Company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion/ understanding thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on **March 31, 2022**, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the Books, Papers, Minutes' Book, Forms and Returns filed and other records maintained by the Company and made available to us, for the financial year ended on **March 31, 2022** according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable.



- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') to the extent applicable during the year:-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi) The management has identified and confirmed the Laws relating to Cement Industry as being specifically applicable to the Company.
- a) Limestone & Dolomite Mines Labour Welfare Fund Act 1972
 - b) Mines & Minerals (Development & Regulation) Act 1957 .
 - c) Mineral Conservation & Development Rules 2017.
 - d) Metalliferous Mines Regulations, 1961.
 - e) Explosives Act, 1884.
 - f) Explosives Rules, 2008.
 - g) Mineral Concession Rules 2021.
 - h) Environmental Protection Act along with Rules and Regulations.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2), and
- ii) The Listing Agreements entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the period under review and as per the explanations and clarifications given to us and the representation made by the Management, the Company has complied with the requirements to be met in accordance with the applicable provisions of the specific Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above by the factory except instances which would not materially affect the operations of the company.

During the period under review and as per the explanations and clarifications given to us and the representation made by the Management, the Company has complied with the requirements to be met in accordance with the applicable provisions of the Companies Act, 2013, The Securities Contracts (Regulation) Act, 1956 and related Rules, Regulations, Guidelines, Standards, etc. mentioned above except shares suspension from BSE and related non compliance.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the Statutory Authorities and Letters/ Notices received by the Company during the financial year under various enactments as applicable to the company.

We further report that, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that, the Company has submitted application for Revocation of Suspension of its securities with BSE Ltd.

We further report that, based on our limited review of the compliance mechanism established by the Company, there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that, during the audit period the company has sought the approval of its members for following main events other than ordinary business at the AGM held on 27.09.2021 and through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

- a) Appointment of Mr. Sivasamy Raju (DIN: 06961330) as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years with effect from 31.03.2021
- b) Appointment of Mr.Badri Narayanrao Dabbar (DIN: 01180539) to be continued as an Independent Director of the Company.

We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

We further report that, we have conducted the Secretarial Audit whenever required through online verification and examination of records, as requested and facilitated by the Company, due to prevailing **COVID** situation for the purpose of issuing this Report.

Place: Chennai
Date: 12.08.2022

For S DHANAPAL & ASSOCIATES
(A firm of Practicing Company Secretaries)
Peer Review Certificate No. 1107/2021

N.Ramanathan
(Partner)
FCS :F6665
CP No. 11084
UDIN : F006665D000782066

This Report is to be read with our testimony of even date which is annexed as Annexure and forms an integral part of this report.



Annexure to Secretarial Audit Report

To

The Members,
Hemadri Cements Limited,
Chennai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 12.08.2022

For S DHANAPAL & ASSOCIATES
(A firm of Practicing Company Secretaries)
Peer Review Certificate No. 1107/2021

N.Ramanathan
(Partner)
FCS :F6665
CP No. 11084
UDIN : F006665D000782066

INDEPENDENT AUDITOR'S REPORT

To the members of HEMADRI CEMENTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **HEMADRI CEMENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under sec 133of the Act read with the Companies (Indian Accounting Standards)Rules,2015,as amended,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

Emphasis of Matter

We draw attention to note no 5& 37 of the financial statements, where in company has invested a sum of Rs.60 Lakhs in equity of HCL Agro power limited. And also pending advance of Rs.1773.48lakhs against there is a provision of Rs.530Lakhs is being carried. The management is of the opinion that the balance amount is recoverable, in view of the assets held by the company which can be monetised.

Our Opinion is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there were no key audit matters to be communicated in our audit report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year 31st march 2022.



- iv. The Management has represented that, to the best of its knowledge and belief:
- a. No funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. No funds (which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. The Company did not propose, declare or pay dividends during the year ended 31 March 2022

For B. Purushottam & Co
Chartered Accountants
Firm Registration Number: 002808S

K.V.N.S Kishore
Partner
Membership number: 206734
UDIN: 22206734AJTNGE5775

Place: Chennai
Date: 27.05.2022

Annexure A to the INDEPENDENT AUDITOR'S REPORT of even date to the members of HEMADRI CEMENTS LIMITED, on the financial statements for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view of the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us, in the normal course of audit, and to the best of our knowledge, we report that:

- i. in respect of the Company's property, plant and equipment and intangible assets:
 - (a) a. the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b. the Company has maintained proper records showing full particulars of intangible assets.
 - (b) the Company has a program of physical verification of property, plant and equipment at regular intervals so to cover all the assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification
 - (c) the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under property, plant and equipment are held in the name of the Company
 - (d) the Company has not revalued any of its property, plant and equipment and intangible assets during the year
 - (e) no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (as amended in 2016) and rules made thereunder
- ii. (a) the Company has a program of physical verification of inventory at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its inventory. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (b) the Company has availed working capital facilities in excess of INR 5 Crores from banks / financial institutions on the basis of security of current assets and the quarterly returns / statements filed by the Company are in agreement with the books of accounts.
- iii. The Company has not made investments or provided guarantee or security or granted loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties, during the year and hence reporting under clause 3(iii) of the Order is not applicable:

- iv. the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans granted, investments made and guarantees and securities provided, as applicable
- v. the Company has not accepted any deposits from the public and hence the directives issued by RBI and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015. Hence, reporting under clause 3(vi) of the Order is not applicable.
- vi. We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii. in respect of statutory dues:
 - (a) the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities though there has been a slight delay in a few cases. There were no undisputed amounts payable which were outstanding as on 31 March 2022 for a period of more than six months from the date on which they became payable
 - (b) details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022, on account of disputes are given below:

| Name of the statute | Amount in INR Lakhs | Period to which the amount related to | Forum where the dispute is pending |
|----------------------------|----------------------------|--|---|
| NIL | | | |

- viii. there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix.
 - (a) the Company has not defaulted during the year in repayment of dues to any lender during the year.
 - (b) the Company has not been declared a willful defaulter by any bank of financial institution or government or any government authority
 - (c) the Company has not taken any term loan during the year.
 - (d) on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company
 - (e) on an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries / joint ventures / associates.
 - (f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries / joint ventures / associate companies and hence reporting under clause 3(ix)(f) is not applicable.



- x. (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) is not applicable.
- (b) the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
- xi. (a) no reporting under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the date of this report.
- (b) no fraud by the Company and no fraud on the Company has been noticed or reporting during the year.
- (c) as informed by the Company, there were no whistle-blower complaints received during the year.
- xii. the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards
- xiv. (a) in our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) we have considered the internal audit reports of the Company issued during the year and till date.
- xv. the Company has not entered into any non-cash transactions its directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.
- xvi. in our opinion, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) and its sub-clauses of the Order is not applicable
- xvii. the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year
- xviii. there has been no resignation of the statutory auditors of the Company during the year
- xix. on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as



to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

- (a) there are no ongoing projects as defined under sub-section (5) of section 135 of the Act and hence reporting under clause 3(xx)(a) of the Order is not applicable
- (b) there are no unspent amount as defined under under sub-section (5) of section 135 of the Act and hence reporting under clause 3(xx)(b) of the Order is not applicable

For B. Purushottam & Co
Chartered Accountants
Firm Registration Number: 002808S

K.V.N.S Kishore
Partner
Membership number: 206734
UDIN: 22206734AJTNGE5775

Place: Chennai
Date: 27.05.2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HEMADRI CEMENTS LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HEMADRI CEMENTS LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. Purushottam & Co
Chartered Accountants
Firm Registration Number: 002808S

K.V.N.S Kishore
Partner
Membership number: 206734
UDIN: 22206734AJTNGE5775

Place: Chennai
Date: 27.05.2022



HEMADRI CEMENTS LIMITED
BALANCE SHEET AS AT 31st MARCH 2022
CIN : L26942AP1981PLC002995

Amount in Lakhs

| Particulars | Note No. | As at 31-03-2022 | As at 31-03-2021 |
|--|----------|---------------------|---------------------|
| ASSETS | | | |
| Non - current assets | | | |
| (a) Property, plant and equipment | 3 | 1488.44 | 1666.58 |
| (b) Capital work in progress | 4 | 70.62 | - |
| (c) Financial Assets | | | |
| (i) Investment | 5 | 60.00 | 60.00 |
| (iii) Other financial assets | 6 | 288.62 | 289.59 |
| (d) Deferred tax assets (net) | | - | - |
| (e) Other non-current assets | 7 | 1246.14 | 1243.48 |
| Total Non-Current Assets | | 3153.82 | 3259.65 |
| Current Assets | | | |
| (a) Inventories | 8 | 1326.03 | 905.16 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 9 | 838.21 | 916.84 |
| (ii) Cash and cash equivalents | 10 | 583.88 | 716.96 |
| (iii) Bank Balance other than (ii) | 11 | 830.39 | 557.37 |
| (iv) Other Financial Assets | 12 | 50.75 | 17.16 |
| (c) Current tax assets (Net) | 23 | 117.88 | 121.28 |
| (d) Other current assets | 13 | 295.17 | 165.28 |
| Total Current Assets | | 4042.31 | 3400.06 |
| TOTAL ASSETS | | | |
| | | 7196.13 | 6659.71 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 14 | 667.00 | 667.00 |
| (b) Other equity | 15 | 4288.13 | 4241.19 |
| Total Equity | | 4955.13 | 4908.19 |
| Non - current liabilities | | | |
| (a) Long term provisions | 16 | 30.59 | 1.39 |
| (b) Deferred tax liabilities (Net) | 17 | 142.29 | 156.20 |
| Total Non-Current Liabilities | | 172.88 | 157.59 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 | 478.14 | - |
| (ii) Trade payables | | | |
| (a) Total outstanding dues to Micro enterprises and small enterprises | | | |
| (b) Total outstanding dues of creditors other than Micro enterprises and small enterprises | 19 | 673.20 | 519.45 |
| (ii) Other financial Liabilities | 20 | 178.81 | 170.58 |
| (b) Other current liabilities | 21 | 666.50 | 790.58 |
| (c) Short term provisions | 22 | 71.47 | 113.32 |
| (d) Current tax Liability | 23 | - | - |
| Total Current Liabilities | | 2068.12 | 1593.93 |
| TOTAL EQUITY AND LIABILITIES | | | |
| | | 7196.13 | 6659.71 |

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

As per our report of even date

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

For and on behalf of the Board

K.V.N.S. KISHORE
Partner
M No: 206734

P.RAVI
Chairman
DIN: 00675665

SANJAY D MUKHERJEE
Chief Executive Officer

Place: Chennai
Date: 27-05-2022

C. MOHANA KRISHNAN
Chief Financial Officer

S.RAMPRASAD
Company secretary

HEMADRI CEMENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2022
CIN : L26942AP1981PLC002995

| | | Amount in Lakhs except otherwise stated | |
|---|----------|---|---------------------|
| Particulars | Note No. | As at 31-03-2022 | As at 31-03-2021 |
| I. Revenue from Operations | 24 | 8246.15 | 9548.72 |
| II Other Income | 25 | 174.64 | 38.11 |
| III Total Income (I + II) | | 8420.79 | 9586.83 |
| IV Expenses | | | |
| Cost of materials consumed | 26 | 1883.82 | 2125.60 |
| Changes in inventories of finished goods, work in progress | 27 | -202.20 | -243.78 |
| Power & Fuel Charges | 28 | 4149.51 | 4141.02 |
| Employee benefits expense | 29 | 615.44 | 706.23 |
| Finance costs | 30 | 22.03 | 8.04 |
| Depreciation and amortization | 31 | 216.21 | 194.12 |
| Other expenses | 32 | 1693.00 | 2264.29 |
| Total Expenses (IV) | | 8377.82 | 9195.51 |
| V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV) | | 42.97 | 391.32 |
| VI Exceptional Items | | - | - |
| VII Profit/(Loss) before tax | | 42.97 | 391.32 |
| VIII Tax expense: | | | |
| (1) Current tax | | 16.02 | 148.71 |
| (2) MAT Credit | | 0.00 | 0.00 |
| (3) Deferred tax | | -15.48 | 122.24 |
| (4) Excess Provision reversed | | -0.07 | 0.00 |
| IX Profit/(Loss) for the period | | 42.50 | 120.36 |
| X Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plan actuarial gains/(losses) | | 6.00 | 1.48 |
| Less: Deferred tax expenses on above | | 1.56 | 0.41 |
| Total Comprehensive Income for the period (Comprising profit and other comprehensive income) | | 46.94 | 121.43 |
| XIII Earning per equity share in Rupees* | | | |
| (1) Basic in Rs. | 33 | 0.70 | 1.82 |
| (2) Diluted in Rs. | | 0.70 | 1.82 |

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

*EPS is presented in Rupees only/-

As per our report of even date

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

For and on behalf of the Board

K.V.N.S. KISHORE
Partner
M No: 206734

P.RAVI
Chairman
DIN: 00675665

SANJAY D MUKHERJEE
Chief Executive Officer

Place: Chennai
Date: 27-05-2022

C. MOHANA KRISHNAN
Chief Financial Officer

S.RAMPRASAD
Company secretary



HEMADRI CEMENTS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2022
CIN : L26942AP1981PLC002995

| Particulars | As at | | As at | |
|--|-----------------|---------|-----------------|---------|
| | Amount in Lakhs | | Amount in Lakhs | |
| Cash flows from operating activities | | | | |
| Total Income for the Period (PBT) | | 42.97 | | 391.32 |
| Adjustments for: | | | | |
| - Other Comprehensive Income | 6.00 | | 1.48 | |
| - Depreciation and amortization expense | 216.21 | | 194.12 | |
| - Interest income | -56.86 | | -29.93 | |
| - Bank Guarantee commission paid and Interest Exp | 22.03 | | 8.04 | |
| | | 187.38 | | 173.70 |
| | | 230.35 | | 565.02 |
| <i>Changes in</i> | | | | |
| - Decrease/(Increase) In Trade Receivables | 78.63 | | 309.16 | |
| - Decrease/(Increase) In Inventory | -420.87 | | -159.56 | |
| - Decrease/(Increase) In Other Financial Asset(s) & Bank deposits | -306.61 | | -444.91 | |
| - Decrease/(Increase) In Other current Asset(s) | -129.89 | | 60.55 | |
| - Decrease/(Increase) In Other non-current financial assets | 0.97 | | -1.98 | |
| - Decrease/(Increase) In Other non-current asset | -2.66 | | 526.92 | |
| (Decrease)/Increase In Long term Provisions | 29.20 | | -0.53 | |
| (Decrease)/Increase In Trade Payables current | 153.74 | | 153.21 | |
| (Decrease)/Increase In other current liabilities | -124.07 | | 392.22 | |
| (Decrease)/Increase In Other financial liabilities current | 8.23 | | 47.04 | |
| (Decrease)/Increase In Short Term provisions current | -41.85 | | -14.84 | |
| Cash generated from operations | | -755.18 | | 867.29 |
| Income taxes paid | | -12.54 | | -213.17 |
| Cash generated from / (used in) operations | | -537.37 | | 1219.13 |
| Cash flows from investing activities | | | | |
| Purchase of fixed assets & capital work in progress | | -108.69 | | -10.92 |
| Interest received | | 56.86 | | 29.93 |
| Net cash generated from/(used in) investing activities [B] | | -51.83 | | 19.01 |
| Cash flows from financing activities | | | | |
| Proceeds from / (repayment of) long term and short term borrowings | | 478.14 | | -590.46 |
| tax) | | - | | - |
| Bank Guarantee commission paid and Interest Exp | | -22.03 | | -8.04 |
| Proceeds from long term loans | | - | | - |
| Repayment of long term loans | | - | | - |
| Net cash used in financing activities | | 456.11 | | -598.50 |
| Increase /(Decrease) in cash and cash equivalents | | -133.09 | | 639.64 |
| Cash and cash equivalents at the beginning of the year | | 716.96 | | 77.32 |
| Cash and cash equivalents at the end of the year | | 583.88 | | 716.96 |
| Cash & Cash equivalents: | | | | |
| Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market | | | | |
| Cash on hand | | 1.60 | | 0.76 |
| Balances with banks | | 582.27 | | 716.21 |
| Total cash and cash equivalents | | 583.88 | | 716.96 |

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

K.V.N.S. KISHORE

Partner

M No: 206734

For and on behalf of the Board

P.RAVI
Chairman
DIN: 00675665SANJAY D MUKHERJEE
Chief Executive OfficerC. MOHANA KRISHNAN
Chief Financial OfficerS.RAMPRASAD
Company secretaryPlace: Chennai
Date: 27-05-2022



Hemadri Cements Ltd
CIN : L26942AP1981PLC002995

Statement of Change in Equity*Amount in Lakhs*

| Particulars | Share Capital | Reserves and Surplus | | | | Remeasurement of Net Defined benefit Liability/ Asset | Total |
|---|---------------|----------------------|---------------------|----------------|-------------------|---|----------------|
| | | Capital Reserve | Revaluation Reserve | Other Reserves | Retained Earnings | | |
| Balance as at April 1, 2020 | 667.00 | 133.52 | 14.36 | 9.74 | 3976.47 | -14.33 | 4786.76 |
| Profit / (Loss) for the period | | | | - | 120.36 | | 120.36 |
| Other Comprehensive Income for the Year | | | | | | 1.07 | 1.07 |
| Balance as at March 31, 2021 | 667.00 | 133.52 | 14.36 | 9.74 | 4096.84 | -13.26 | 4908.19 |
| Profit / (Loss) for the period | | | | | 42.50 | | 42.50 |
| Other Comprehensive Income for the Year | | | | | | 4.44 | 4.44 |
| Balance as at March 31, 2022 | 667.00 | 133.52 | 14.36 | 9.74 | 4139.33 | -8.82 | 4955.13 |

Previous year 31-03-2021*Amount in Lakhs*

| Particulars | Share Capital | Reserves and Surplus | | | | Remeasurement of Net Defined benefit Liability/ Asset | Total |
|---|---------------|----------------------|---------------------|----------------|-------------------|---|----------------|
| | | Capital Reserve | Revaluation Reserve | Other Reserves | Retained Earnings | | |
| Balance as at April 1, 2019 | 667.00 | 133.52 | 14.36 | 9.74 | 3962.67 | -6.35 | 4780.93 |
| Profit / (Loss) for the period | | | | - | 13.80 | | 13.80 |
| Other Comprehensive Income for the Year | | | | | | -7.97 | -7.97 |
| Balance as at March 31, 2020 | 667.00 | 133.52 | 14.36 | 9.74 | 3976.47 | -14.33 | 4786.76 |
| Profit / (Loss) for the period | | | | | 120.36 | | 120.36 |
| Other Comprehensive Income for the Year | | | | | | 1.07 | 1.07 |
| Balance as at March 31, 2021 | 667.00 | 133.52 | 14.36 | 9.74 | 4096.84 | -13.26 | 4908.19 |

As per our report of even date attached

For **B.PURUSHOTTAM & CO**

Chartered Accountants

FRN: 002808S

For and On behalf of the Board of Directors

K.V.N.S. KISHORE

Partner

M No: 206734**P. RAVI**

Chairman

DIN: 00675665**SANJAY D MUKHERJEE**

Chief Executive Officer

Place: Chennai

Date: 27-05-2022

C. MOHANA KRISHNAN

Chief Financial Officer

S. RAMPRASAD

Company secretary

**Note 1. Corporate Information**

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

Note 2. Significant Accounting Policies**(a) Basis of preparation and presentation:**

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

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

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

(b) Critical accounting estimates and judgments

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

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

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

• Current versus non-current classification

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

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



All other assets are classified as non-current

A liability is current when:

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.
Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.



- **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date. Fair value of financial instruments, that are traded in active market is determined from market prices as reduced by estimated cost of trading.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(c) Functional currency :

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

(d) Revenue recognition:

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

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

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

**Interest**

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

Dividend

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

(e) Employee Benefits (other than for persons engaged through contractors):**i. Provident Fund:**

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

ii. Gratuity Fund

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

iii. Compensated Absences

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

(f) Property, Plant and Equipment:

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

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

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

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

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

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

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

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

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

(g) Intangible Assets:

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

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

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

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset



may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year.

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

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances

indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

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

(i) Foreign Currency Translation:

Initial Recognition

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

Subsequent Recognition

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



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

(j) Assets taken on lease:

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

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

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

(k) Inventories:

Finished goods are valued as follows:

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

(l) Government Grants

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

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

**(m) Income Taxes:**

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

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

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

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

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



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

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

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

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

Contingent assets are not recognized in the financial statements.

(o) Borrowing Costs:

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

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

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

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

(q) Cash Flow Statement:

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

(r) Earnings Per Share:

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

(s) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking



into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

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

Equity investments

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

Derecognition

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

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

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

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

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

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

Impairment of financial assets

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



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

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Loans and borrowings

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

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of



the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

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

Equity instruments

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

(t) Corporate Social Responsibility:

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



HEMADRI CEMENTS LIMITED
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| Particulars | GROSS BLOCK (AT COST) | | | DEPRECIATION | | | | NET BLOCK | | Amount in lakhs | |
|--------------------------------------|-----------------------|------------------------|----------------------------|------------------|------------------|---------------|----------------------------|----------------------|------------------|-----------------|------------------|
| | As at 01-04-2021 | Additions for the year | Deductions during the year | As at 31-03-2022 | As at 01-04-2021 | For the year | Deductions during the year | Adjusted to Reserves | As at 31-03-2022 | | As at 01-04-2021 |
| | | | | | | | | | | | |
| Tangible Assets | | | | | | | | | | | |
| Own assets | | | | | | | | | | | |
| Land | 111.64 | - | - | 111.64 | - | - | - | - | 111.64 | 111.64 | |
| - Free Hold | 84.92 | - | - | 84.92 | - | - | - | - | 84.92 | 84.92 | |
| - Land & Site Development | 639.92 | - | - | 639.92 | 358.43 | 7.59 | - | 366.01 | 273.91 | 281.50 | |
| Buildings | 4389.30 | 10.42 | - | 4399.72 | 3227.23 | 197.09 | - | 3424.32 | 975.41 | 1162.07 | |
| Plant & Machinery | 398.43 | - | - | 398.43 | 385.76 | 2.36 | - | 388.12 | 10.31 | 12.67 | |
| Electrical Insulation | | | | | | | | | | | |
| Furniture & Fixtures | | | | | | | | | | | |
| 1. Computers | 14.89 | 4.26 | - | 19.15 | 14.10 | 0.23 | - | 14.33 | 4.82 | 0.78 | |
| 2. Furniture & Fixtures | 4.20 | 1.33 | - | 5.53 | 4.08 | 0.22 | - | 4.29 | 1.24 | 0.12 | |
| 3. Office Equipment | 29.36 | 3.32 | - | 32.68 | 26.01 | 1.83 | - | 27.84 | 4.84 | 3.35 | |
| Vehicles | 116.41 | 21.19 | 30.01 | 107.59 | 106.95 | 6.91 | 27.57 | 86.29 | 21.29 | 9.46 | |
| Construction Machinery | 4.80 | - | - | 4.80 | 4.78 | - | - | 4.78 | 0.03 | 0.03 | |
| Work Shop Equipment | 3.90 | - | - | 3.90 | 3.86 | - | - | 3.86 | 0.04 | 0.04 | |
| Assets taken on finance lease | | | | | | | | | | | |
| | 5797.78 | 40.52 | 30.01 | 5808.29 | 4131.20 | 216.21 | 27.57 | 4319.85 | 1488.44 | 1666.58 | |
| Intangible assets | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| TOTAL | 5797.78 | 40.52 | 30.01 | 5808.29 | 4131.20 | 216.21 | | | 1488.44 | 1666.58 | |
| Previous Year | 5786.86 | 10.92 | - | 5797.78 | 3937.09 | 194.12 | - | 4131.20 | 1666.58 | 1852.21 | |



HEMADRI CEMENTS LIMITED

CIN : L26942AP1981PLC002995

4 Capital work in progress:

Amount in lakhs

| Particulars | As at | As at |
|-----------------------------------|--------------|------------|
| | 31-03-2022 | 31-03-2021 |
| i) Plant & Machinery | | |
| Opening Balance | - | - |
| Add: Addition during the year | 70.62 | 8.48 |
| | 70.62 | 8.48 |
| Less: Capitalised during the year | - | 8.48 |
| Total | 70.62 | - |
| Less: | | |
| Provision for impairment | - | - |
| | 70.62 | - |

Capital work in progress

Amount in lakhs

| Ageing schedule | Amount in CWIP for a period of | | | | Total |
|---------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | 70.62 | | | | 70.62 |

Capital work in progress completion schedule

Amount in lakhs

| Ageing schedule | To be completed in | | | | Total |
|---------------------|--------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | 70.62 | | | | 70.62 |

5 - Non Current Investments

Amount in lakhs

| Particulars | As at | As at |
|---|--------------|--------------|
| | 31-03-2022 | 31-03-2021 |
| Investments in Equity Instruments (Fair valued through OCI) | 60.00 | 60.00 |
| Total | 60.00 | 60.00 |
| 5.1 Aggregate amount of unquoted investments | 60.00 | 60.00 |
| (Less): Impairment on above investments | - | - |
| Net value of unquoted investments | 60.00 | 60.00 |

6 - Other Non Current Financial Assets

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31-03-2022 | 31-03-2021 |
| Long Term Security Deposits (Unsecured considered good) | 288.62 | 289.59 |
| Total | 288.62 | 289.59 |

7- Other Non Current Assets

| Particulars | As at | As at |
|---|----------------|----------------|
| | 31-03-2022 | 31-03-2021 |
| Loans and advances to related parties(Refer Note- 37) | 1776.14 | 1773.48 |
| Less:Provision for doubtful | 530.00 | 530.00 |
| Total | 1246.14 | 1243.48 |


8- Inventories

| Particulars | Amount in lakhs | |
|-----------------------|---------------------|---------------------|
| | As at 31-03-2022 | As at 31-03-2021 |
| i) Raw materials | 255.71 | 57.58 |
| ii) Work in progress | 640.08 | 427.44 |
| iii) Finished goods | 6.66 | 17.10 |
| iv) Stores and spares | 390.35 | 388.96 |
| v) Others- Packing | 33.24 | 14.07 |
| Total | 1326.03 | 905.16 |

9 - Trade Receivables

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|---------------------------|---------------------|---------------------|
| Secured Considered Good | | |
| Unsecured Considered good | 838.21 | 916.84 |
| Considered Doubtful | | |
| Total | 838.21 | 916.84 |

Trade receivables ageing schedule

| Particulars | as at 31-03-2022 | | | | | |
|--|----------------------|-------------------|--------------|----------|---------------------|---------------|
| | Less than 6months | 6months- 1year | 1-2years | 2-3years | more than 3years | Total |
| (i) Undisputed trade receivables-considered good | 70.01 | 0.25 | 16.04 | - | 751.91 | 838.21 |
| (ii) Undisputed trade receivables-Which have significant increase in credit risk | | | | | | |
| (iii) Undisputed trade receivables- Credit impaired | | | | | | |
| (iv) Disputed trade receivables- considered good | | | | | | |
| (v) Disputed trade receivables-Which have significant increase in credit risk | | | | | | |
| (vi) Disputed trade receivables- Credit impaired | | | | | | |
| Total | 70.01 | 0.25 | 16.04 | - | 751.91 | 838.21 |

Trade receivables ageing schedule

| Particulars | as at 31-03-2021 | | | | | |
|--|----------------------|-------------------|--------------|---------------|---------------------|---------------|
| | Less than 6months | 6months- 1year | 1-2years | 2-3years | more than 3years | Total |
| (i) Undisputed trade receivables-considered good | 135.95 | 16.84 | 11.85 | 752.20 | - | 916.84 |
| (ii) Undisputed trade receivables-Which have significant increase in credit risk | | | | | | |
| (iii) Undisputed trade receivables- Credit impaired | | | | | | |
| (iv) Disputed trade receivables- considered good | | | | | | |
| (v) Disputed trade receivables-Which have significant increase in credit risk | | | | | | |
| (vi) Disputed trade receivables- Credit impaired | | | | | | |
| Total | 135.95 | 16.84 | 11.85 | 752.20 | - | 916.84 |

**10. - Cash and cash equivalents**

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|---|-----------------------------|-----------------------------|
| i) Balances with banks; -In current accounts | 582.27 | 716.21 |
| ii) Cash on hand | 1.60 | 0.76 |
| Total | 583.88 | 716.96 |

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

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|---|-----------------------------|-----------------------------|
| Bank Balances held as Margin Money | 62.42 | 52.49 |
| Deposits with more than 3 months maturity | 767.96 | 504.88 |
| Total | 830.39 | 557.37 |

12- Other Current Financial Assets

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|------------------------------------|-----------------------------|-----------------------------|
| Unsecured, considered good; | | |
| - Advance to Employees | 8.19 | 0.24 |
| - Interest accrued but not due | 1.84 | 1.10 |
| - Others | 40.72 | 15.82 |
| Total | 50.75 | 17.16 |

13- Other Current Assets

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|----------------------------------|-----------------------------|-----------------------------|
| Unsecured considered good | | |
| Cenvat (or) GST Input receivable | 35.65 | 25.63 |
| Advances to Supplier | 247.40 | 124.60 |
| Prepaid expenses | 12.12 | 15.04 |
| Total | 295.17 | 165.28 |

HEMADRI CEMENTS LIMITED
Notes forming part of Financial statements as at and for the year ended MARCH 31st, 2022
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14 Equity Share Capital: *Amount in Lakhs except Equity share data*

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | 31-03-2022 | 31-03-2021 |
| | Amount in Lakhs | Amount in Lakhs |
| Authorized Share Capital | | |
| 1,00,00,000 Equity shares of Rs. 10/- each | 1000.00 | 1000.00 |
| Total | 1000.00 | 1000.00 |
| Issued, subscribed and fully paid up: | | |
| 66,70,000 Equity shares of Rs. 10/- each | 667.00 | 667.00 |
| Total | 667.00 | 667.00 |

14.1 Movement in respect of Equity Shares is given below :

| Particulars | As at | | As at | |
|---|------------------|-----------------|------------------|-----------------|
| | 31-03-2022 | | 31-03-2021 | |
| | Number | Amount in Lakhs | Number | Amount in Lakhs |
| At the beginning of the period | 66,70,000 | 667.00 | 66,70,000 | 667.00 |
| (+) Issued during the period* | - | - | - | - |
| (-) Redeemed during the period | - | - | - | - |
| Outstanding at the end of the period | 66,70,000 | 667.00 | 66,70,000 | 667.00 |

14.2 Terms/rights attached to equity shares

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

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

| Particulars | As at | | As at | |
|--|------------------|---------------|------------------|---------------|
| | Number | % of Holding | Number | % of Holding |
| SRM TRP Properties and Investments P Ltd | 14,96,899 | 22.44% | 14,96,899 | 22.44% |
| SRM Civil works P Ltd | 27,21,060 | 40.80% | 27,21,060 | 40.80% |
| | 42,17,959 | 63.24% | 42,17,959 | 63.24% |

14.4 Details of shares held by Promoters at the end of the year 31-03-2022

| Particulars | As at | | As at | | % of changes during the year |
|--|------------------|---------------|------------------|---------------|------------------------------|
| | Number | % of Holding | Number | % of Holding | |
| SRM Civil Works Private Limited | 27,21,060.00 | 40.80% | 27,21,060.00 | 40.80% | Nil |
| SRM TRP Properties & Investments Pvt Ltd | 14,96,899.00 | 22.44% | 14,96,899.00 | 22.44% | Nil |
| KILARU ARUNA | 1,30,000.00 | 1.95% | 1,30,000.00 | 1.95% | Nil |
| KILARU PADMAJA | 28,251.00 | 0.42% | 28,251.00 | 0.42% | Nil |
| SRIMAN NARAYANA KILARU | 20,000.00 | 0.30% | 20,000.00 | 0.30% | Nil |
| KILARU VIDYA SAGAR VARMA | 10,000.00 | 0.15% | 10,000.00 | 0.15% | Nil |
| KOTHA PRASUNAMBA | 7,500.00 | 0.11% | 7,500.00 | 0.11% | Nil |
| KOTHA MADHU MURTHY | 2,250.00 | 0.03% | 2,250.00 | 0.03% | Nil |
| G VENKATESWARA RAO | 1,594.00 | 0.02% | 1,594.00 | 0.02% | Nil |
| KOTESWARA RAO KOTHA | 1,500.00 | 0.02% | 1,500.00 | 0.02% | Nil |
| A SUSEELA | 56.00 | 0.00% | 56.00 | 0.00% | Nil |
| Total | 44,19,110 | 66.25% | 44,19,110 | 66.25% | Nil |



Hemadri Cements Ltd
Notes forming part of Financial statements as at and for the year ended MARCH 31st, 2022
CIN : L26942AP1981PLC002995

15 Other Equity

Amount in lakhs

For the year ended MARCH 31, 2022

| Particulars | Reserves and Surplus | | | Other Components of Equity | | Total |
|---|----------------------|---------------------------------------|----------------|----------------------------|--|----------------|
| | General Reserve | Investment allowance reserve utilised | Other reserves | Retained Earnings | Remeasurement of Net Defined benefit Liability/Asset | |
| Balance as at April 01, 2021 | 133.52 | 14.36 | 9.74 | 4096.84 | -13.26 | 4241.19 |
| Provision For Dividend and taxes | - | - | - | - | - | - |
| Profit / (Loss) for the period | - | - | - | 42.50 | 4.44 | 46.94 |
| Other Comprehensive Income for the Year | - | - | - | - | - | - |
| Balance as at 31-03-2022 | 133.52 | 14.36 | 9.74 | 4139.33 | -8.82 | 4288.13 |

For the year ended MARCH 31, 2021

| Particulars | Reserves and Surplus | | | Other Components of Equity | | Total |
|---|----------------------|---------------------------------------|----------------|----------------------------|--|----------------|
| | General Reserve | Investment allowance reserve utilised | Other reserves | Retained Earnings | Remeasurement of Net Defined benefit Liability/Asset | |
| Balance as at April 01, 2020 | 133.52 | 14.36 | 9.74 | 3976.47 | -14.33 | 4119.76 |
| Provision For Dividend and taxes | - | - | - | - | - | - |
| Profit / (Loss) for the period | - | - | - | 120.36 | 1.07 | 121.43 |
| Other Comprehensive Income for the Year | - | - | - | - | - | - |
| Balance as at 31-03-2021 | 133.52 | 14.36 | 9.74 | 4096.84 | -13.26 | 4241.19 |

HEMADRI CEMENTS LIMITED

Notes forming part of Financial statements as at and for the year ended MARCH 31st, 2022

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| 16 Long term Provisions | | <i>Amount in lakhs</i> | |
|-------------------------------------|-------------------------|-------------------------|--|
| Particulars | As at 31-03-2022 | As at 31-03-2021 | |
| a) Provisions for employee benefits | 30.59 | 1.39 | |
| Total | 30.59 | 1.39 | |

17-Current tax & Deferred Tax Asset/ Liability

Tax recognised in Statement of profit and loss

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|---|-------------------------|-------------------------|
| Current income tax | | |
| Current year | 16.02 | 148.71 |
| | | - |
| Sub Total (A) | 16.02 | 148.71 |
| Deferred tax expenses | | |
| Origination and reversal of temporary differences | -15.48 | 122.24 |
| Change in accounting policy | | |
| Sub Total (B) | -15.48 | 122.24 |
| Total (A+B) | 0.54 | 270.95 |

Tax recognised in other comprehensive income

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|--|-------------------------|-------------------------|
| Defined benefit plan actuarial gains (losses)-net of tax expense | 1.56 | 0.41 |
| Total | 1.56 | 0.41 |

Reconciliation of effective tax rates

| Particulars | <i>Amount in lakhs</i> | |
|---|-------------------------|-------------------------|
| | As at 31-03-2022 | As at 31-03-2021 |
| Profit before tax | 48.97 | 392.80 |
| Enacted tax Rate (under Normal Provisions) | 26.00% | 27.82% |
| Enacted tax Rate (under MAT) | 15.60% | 15.60% |
| Computed Expected Tax Expenses - Normal Provision* | 16.02 | 148.71 |
| Computed Expected Tax Expenses - MAT** | | |
| Non-deductible expenses | - | - |
| Ind AS Transition Adjustment | - | - |
| OCI Income | - | - |
| Current tax | 16.02 | 148.71 |
| Deferred Tax | -13.92 | 122.65 |
| Tax Expenses for the year | 2.10 | 271.37 |

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| Particulars | <i>Amount in lakhs</i> | |
|---|-------------------------|-------------------------|
| | As at 31-03-2022 | As at 31-03-2021 |
| Deferred Tax Liability | | |
| Property, Plant & Equipment | 168.01 | 187.30 |
| Others | | |
| Sub Total | 168.01 | 187.30 |
| Deferred tax Assets | | |
| Current year business losses | - | - |
| Amortised cost computation of debentures and loans outstanding | | |
| On account of timing differences in recognition of expenditure between books of accounts and Taxation | 25.72 | 31.10 |
| Sub Total | 25.72 | 31.10 |
| Net Deferred Tax Assets/ (Liabilities) | -142.29 | -156.20 |



| 18- Borrowings - Current | Particulars | Amount in lakhs | |
|--------------------------|------------------------------------|------------------|------------------|
| | | As at 31-03-2022 | As at 31-03-2021 |
| | Secured - At Amortised cost | | |
| | Working Capital Loans | | |
| | From Banks | 478.14 | - |
| | Rupee Loans * | | |
| | Total | 478.14 | - |

The above Working Capital loan secured by

- i). Hypothecation charge on entire current assets of the company (both present and future),
- ii). Hypothecation of entire movable fixed assets of the company (both present & future).
- iii) Hypothecation of Factory land and building

| 19- Trade Payables | Particulars | As at 31-03-2022 | As at 31-03-2021 |
|--------------------|--|------------------|------------------|
| | Trade payables | | |
| | - Dues to Micro and Small Enterprises (Refer Note -36) | - | - |
| | - Others | 673.20 | 519.45 |
| | Total | 673.20 | 519.45 |

| Trade Payables ageing schedule | Particulars | Amount in lakhs | | | |
|--------------------------------|---------------|--|----------|------------------|------------------|
| | | Outstanding for following periods from due date of payment | | As at 31-03-2022 | |
| | | Less than 1Year | 1-2years | 2-3years | more than 3years |
| (i) MSME | | | | | |
| (ii) Others | 672.41 | 0.65 | - | 0.13 | 673.20 |
| (iii) Disputed dues – MSME | | | | | - |
| (iv) Disputed dues - Others | | | | | - |
| Total | 672.41 | 0.65 | - | 0.13 | 673.20 |

| Trade Payables ageing schedule | Particulars | Amount in lakhs | | | |
|--------------------------------|---------------|--|-------------|------------------|------------------|
| | | Outstanding for following periods from due date of payment | | As at 31-03-2021 | |
| | | Less than 1Year | 1-2years | 2-3years | more than 3years |
| (i) MSME | | | | | |
| (ii) Others | 519.32 | | 0.13 | - | 519.45 |
| (iii) Disputed dues – MSME | | | | | - |
| (iv) Disputed dues - Others | | | | | - |
| Total | 519.32 | - | 0.13 | - | 519.45 |



| 20 - Other Financial Liabilities | | <i>Amount in lakhs</i> | |
|---|-------------------------|-------------------------|--|
| Particulars | As at 31-03-2022 | As at 31-03-2021 | |
| Outstanding Liabilities for Expenses | 165.05 | 159.79 | |
| Payable to employees | 13.77 | 10.79 | |
| Total | 178.81 | 170.58 | |

| 21- Other Current Liabilities | | | |
|--------------------------------------|-------------------------|-------------------------|--|
| Particulars | As at 31-03-2022 | As at 31-03-2021 | |
| Statutory Liabilities | 205.88 | 267.24 | |
| Advance from customers | 460.62 | 523.34 | |
| Total | 666.50 | 790.58 | |

| 22- Short term provision | | | |
|---------------------------------|-------------------------|-------------------------|--|
| Particulars | As at 31-03-2022 | As at 31-03-2021 | |
| Provision for Employee benefits | 71.47 | 113.32 | |
| Total | 71.47 | 113.32 | |

| 23- Current Tax Asset/ Liabilities (Net) | | | |
|---|-------------------------|-------------------------|--|
| Particulars | As at 31-03-2022 | As at 31-03-2021 | |
| Advance Income tax ,TDS,TCS etc | 133.89 | 270.00 | |
| Less: Provision for Income tax | 16.02 | 148.71 | |
| Total Net | 117.88 | 121.28 | |



| HEMADRI CEMENTS LIMITED | | |
|--|--|---|
| Notes forming part of Financial statements as at and for the year ended MARCH 31st, 2022 | | |
| CIN : L26942AP1981PLC002995 | | |
| <i>Amount in lakhs</i> | | |
| Particulars | For the period ended 31.03.2022 Rs. | For the year ended 31.03.2021 Rs. |
| 24 Revenue from operations: | | |
| i) Sale of products Cement | 8246.15 | 9548.72 |
| Total | 8246.15 | 9548.72 |
| 25 Other Income: | | |
| Particulars | For the period ended 31.03.2022 | For the year ended 31.03.2021 |
| Interest on Fixed Deposit | 44.80 | 17.72 |
| Interest on Electricity Deposit | 12.05 | 12.21 |
| Sale of Scrap | 94.44 | 8.18 |
| Profit on Sale of Vehical (skoda) | 0.05 | - |
| Provision no longer required withdrawn | 23.30 | - |
| Total | 174.64 | 38.11 |
| 26 Cost of materials consumed: | | |
| Particulars | For the period ended 31.03.2022 | For the year ended 31.03.2021 |
| Consumption of raw materials | 1177.73 | 1300.41 |
| Consumption of stores and spare parts | 280.56 | 416.67 |
| Consumption of Packing Material | 425.53 | 408.52 |
| Total | 1883.82 | 2125.60 |
| Additional Disclosure | | |
| Consumption of Major Raw materials | | |
| Fly Ash Consumption | 110.54 | 86.17 |
| Gypsum Consumption | 150.24 | 174.62 |
| Lateriate Consumption | 372.64 | 390.61 |
| Limestone Consumption | 494.70 | 587.63 |
| Dolomite Consumption | 3.07 | 3.38 |
| Iron Ore Consumption | 1.23 | - |
| Carbon Block Consumption | 45.31 | - |
| Clinker Purchase Consumption | - | 58.00 |
| Total | 1177.73 | 1300.41 |
| 27 Changes in inventories of finished goods, work in progress and stock in trade: | | |
| Particulars | For the period ended 31.03.2022 | For the year ended 31.03.2021 |
| Closing Balance | | |
| Work in Progress | 640.08 | 427.44 |
| Finished goods | 6.66 | 17.10 |
| Total - A | 646.74 | 444.54 |
| Less :Opening Balance | | |
| Work in Progress | 427.44 | 135.75 |
| Finished goods | 17.10 | 65.01 |
| Total - B | 444.54 | 200.76 |
| Total (A - B) | 202.20 | 243.78 |
| 28- Power and Fuel | | |
| Particulars | For the period ended 31.03.2022 | For the year ended 31.03.2021 |
| Coal Consumption | 2753.45 | 2593.85 |
| Power Charges | 1396.07 | 1547.18 |
| Total | 4149.51 | 4141.02 |



| Particulars | Amount in lakhs | |
|--|--|--------------------------------------|
| | For the period ended 31.03.2022 Rs. | For the year ended 31.03.2021 Rs. |
| 29- Employee benefits expense | | |
| Salaries, wages and bonus | 485.92 | 503.38 |
| Contribution to provident and other funds | 23.17 | 23.18 |
| Directors remuneration | 30.00 | 96.00 |
| Staff welfare expenses | 44.06 | 34.46 |
| Earned leaves | 17.11 | 37.48 |
| Gratuity | 15.18 | 11.73 |
| | 615.44 | 706.23 |
| 30 Finance Costs: | | |
| i) Bank Charges | - | - |
| ii) Interest on Other | 0.15 | 0.21 |
| iii) Axis Bank OD Interest | 21.88 | 7.83 |
| | 22.03 | 8.04 |
| 31 Depreciation and amortization: | | |
| i) Depreciation | 216.21 | 194.12 |
| | 216.21 | 194.12 |
| 32 Other expenses: | | |
| Operating expenditure: | | |
| i) Factory Maintenance | 180.49 | 161.54 |
| ii) Repairs to Plant and Machinery | 24.32 | 17.63 |
| iii) Repairs to Other Assets | - | 0.05 |
| iv) Repairs to Buildings | - | 0.13 |
| v) Freight Cooly & Cartage | 15.30 | 13.05 |
| vi) Licence Fee | 8.20 | 5.90 |
| vii) lab manitainance | 1.08 | 1.24 |
| viii) Insurance | 8.42 | 12.15 |
| Total-A | 237.81 | 211.69 |
| Selling & Distribution expenses | | |
| viii) Selling expenses | 60.60 | 73.36 |
| ix) Cement Outward Freight (FOR) | 1201.19 | 1192.64 |
| Total-B | 1261.79 | 1266.00 |
| Administrative expenditure: | | |
| x) Rent | 8.04 | 7.24 |
| xi) Printing and Statinery | 3.55 | 4.67 |
| Postages & Telecommunication | 0.40 | 0.34 |
| Payment to the auditors as | | |
| - auditor | 4.50 | 4.00 |
| xii) - for taxation matters | 1.00 | 0.50 |
| xiii) - for Audit Expenses | - | - |
| xiv) Conveyance ,Travelling exp and others | 18.34 | 8.43 |
| xv) Legal and professional charges | 40.02 | 14.49 |
| xvi) Rates and taxes | 34.91 | 4.05 |
| xvii) Director sitting fees | 2.35 | 0.70 |
| xviii) Vehicle Maintenance | 9.27 | 6.71 |
| xix) Computer/ Xerox Maintenance | 3.72 | 6.87 |
| xx) Phone & Internet Exp | 5.60 | 5.77 |
| xxi) General Expenses | 5.51 | 81.05 |
| xxii) Security Charges | 25.72 | 29.11 |
| xxiii) Bank Charges | 14.15 | 1.26 |
| xxiv) Miscellaneous expenses | 16.32 | 1.41 |
| xxv) Bad debts written off | - | 80.00 |
| xxvi) Provision for Loans and Advances | - | 530.00 |
| Total-C | 193.39 | 786.60 |
| Total other expenditure(A+B+C) | 1693.00 | 2264.29 |



HEMADRI CEMENTS LIMITED
Notes forming part of Financial statements as at and for the year ended MARCH 31st, 2022
CIN : L26942AP1981PLC002995

Amount in Lakhs except Equity share data

| Particulars | As at 31-03-2022 | As at 31-03-2021 |
|--|---------------------|------------------|
| 33 Earnings per share: | | |
| After extraordinary item: | | |
| Profit for the year after tax expense | - | - |
| Less: | | |
| Preference dividend payable including dividend tax | - | - |
| Weighted average number of equity shares* | 66,70,000 | 66,70,000 |
| Earning per share | - | - |
| Before extraordinary item: | | |
| Profit for the year after tax expense | 46.94 | 121.43 |
| Adjustment for Extraordinary item (net of tax) | 46.94 | 121.43 |
| Less: | | |
| Preference dividend payable including dividend tax | 46.94 | 121.43 |
| Weighted average number of equity shares* | 66,70,000 | 66,70,000 |
| Earning per share in Rs. | 0.70 | 1.82 |

*equity shares are shown in number of shares

34. Contingent Liabilities

Guarantees: Outstanding Guarantees furnished by banks on behalf of the company is 279.50 Lakhs. (PY Rs. 208.85Lakhs)

35. There is no foreign exchange earnings and expenditure during the year.

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

Amount remaining unpaid to any supplier:

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

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

37. The Company advanced a sum of Rs.1773.48 Lakhs to HCL Agro Power Limited in the past to purchase power. However, the operation of HCL Agro Power Limited completely stopped few years back and there is no scope of the power being supplied. In view of this, considering the financial position/assets of HCL Agro Power Limited, company consider it prudent to estimate a provision. Accordingly, a sum of Rs.530.00 Lakhs is estimated and provided till now.

Disclosure requirements of Indian Accounting Standards**38. Disclosures in respect of Ind AS 107 - Financial Instruments****a. Financial Instruments by Categories**

| Particulars | Amortized | Financial assets/ liabilities at fair value through profit or loss | Financial assets/liabilities at fair value through OCI |
|------------------------------------|-----------|---|--|
| | | | |
| Assets: | | | |
| Other Non-current Financial Assets | 288.62 | | |
| Non-Current Investments | | | 60.00 |
| Current Trade Receivables | 838.21 | | |
| Cash & Cash Equivalents | 583.88 | | |
| Other Bank Balances | 830.39 | | |
| Other Financial Assets | 50.75 | | |

| | | | |
|-----------------------------|--------|--|--|
| Liabilities: | | | |
| Other Financial Liabilities | 178.81 | | |
| Trade Payables | 673.20 | | |

(March 31, 2022)
(March 31, 2021)

| Particulars | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/liabilities at fair value through OCI |
|------------------------------------|------------------------|---|---|
| | Amount in Lakhs | | |
| Assets: | | | |
| Other Non-current Financial Assets | 289.59 | | |
| Non-Current Investments | | | 60.00 |
| Current Trade Receivables | 916.84 | | |
| Cash & Cash Equivalents | 716.96 | | |
| Other Bank Balances | 557.37 | | |
| Other Financial Assets | 17.16 | | |
| Liabilities: | | | |
| Other Financial Liabilities | 170.58 | | |
| Trade Payables | 519.45 | | |

b. Fair Value Hierarchy

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

Financial risk management

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

Market Risk

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

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

Credit Risk

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

Trade receivables:

The company has outstanding trade receivables amounting to Rs.838.21 Lakhs and Rs.916.84 Lakhs as of March 31,2022 and March 31,2021 respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

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

Credit risk exposure:

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

| Particulars | March 31, 2022 | | March 31, 2021 | |
|--------------------|----------------|------------|----------------|------------|
| | Gross | Impairment | Gross | Impairment |
| 0 to 180 days | 70.01 | - | 135.94 | - |
| More than 180 days | 768.20 | - | 780.90 | - |

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

Liquidity Risk

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



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

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

Interest Rate Risk

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

Capital management

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

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

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

a. Provident Fund:

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

b. Gratuity:

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

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

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

Movement in defined benefit obligation: Amount in Lakhs

| Particulars | 31.03.2022 | 31.03.2021 |
|--|--------------|---------------|
| Defined benefit obligation - Beginning of the year | 74.11 | 102.29 |
| Current service cost | 9.63 | 10.75 |
| Net Interest Cost | 1.71 | 0.97 |
| Benefits Paid | (13.57) | (42.50) |
| Re-measurements - actuarial loss/(gain) | (6.43) | (2.12) |
| Defined benefit obligation – End of the year | 68.30 | 74.11 |

Movement in Plan asset:

| Particulars | 31.03.2022 | 31.03.2021 |
|--|------------|------------|
| Fair value of plan assets at beginning of year | 43.12 | 81.09 |
| Employer contributions | 0 | (0.45) |
| Benefits paid | (13.57) | (42.50) |
| Re-measurements – Return on plan assets | (0.43) | (0.65) |
| Re-measurements - actuarial (loss)/gain | (6.43) | (2.12) |
| Fair value of plan assets at end of year | 31.96 | 43.12 |

Amount recognised in Statement of Profit and Loss

| Particulars | 31.03.2022 | 31.03.2021 |
|--|--------------|--------------|
| Current service cost | 9.63 | 10.75 |
| Curtailement cost/(credit) | - | - |
| Expected return on Plan Assets | - | - |
| Net Interest on Net Defined Benefit Liability/(assets) (B) | 1.71 | 0.97 |
| Past service cost | - | - |
| Cost Recognized in P&L | 11.35 | 11.73 |

Amount recognised in Statement of Other Comprehensive Income

| Particulars | 31.03.2022 | 31.03.2021 |
|---|---------------|---------------|
| Actuarial (gain)/loss due to assumption changes | (6.43) | (2.12) |
| Return on Plan assets | 0.43 | 0.64 |
| Actuarial (gain)/loss recognized in OCI | (6.00) | (1.48) |

**Actuarial Assumptions**

| Particulars | 31.03.2022 | 31.03.2021 |
|---------------------------------------|------------|------------|
| Discount rate | 7.24% | 6.57% |
| Rate of salary increase | 4% | 4% |
| Attrition Rate (Past Service 0 to 40) | 2% | 2% |
| Retirement Age | | |
| Average Future Service | 11.83% | 10.84% |

40. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"**Amount in lakhs (March 31, 2022)**

| Description | At the beginning of the year | Addition. | Used | At the end of the year |
|--|------------------------------|-----------|--------|------------------------|
| Provision for leave encashment (including sick and C off leaves) | 44.58 | 15.76 | 5.06 | 55.28 |
| Provision for gratuity | 30.99 | 9.19 | 3.83 | 36.35 |
| Provision for Income Tax | 148.71 | 15.82 | 148.64 | 15.89 |

(March 31, 2021)

| Description | At the beginning of the year | Addition. | Used | At the end of the year |
|---|------------------------------|-----------|-------|------------------------|
| Provision for leave encashment(including sick and C off leaves) | 60.38 | 35.65 | 51.45 | 44.58 |
| Provision for gratuity | 21.19 | 10.32 | 0.52 | 30.99 |
| Provision for Income Tax | 6.72 | 148.71 | 6.72 | 148.71 |



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

a. Names of related parties and description of relationship:

| | | |
|---|--|---|
| 1 | Key Managerial Personnel: | <ol style="list-style-type: none"> 1. Mr. P.Ravi (Chairman) 2. Mr. Sanjay D Mukherjee (CEO) (from 1st July 2021) 3. Mr. C.MohanaKrishna (CFO) 4. Ms.S.Ramprasad (Company Secretary) (from 10th December 2021) <p>Resigned KMP's</p> <ol style="list-style-type: none"> (i) Mrs. M. Muthulakshmi (Company secretary-resigned w.e.f 19th October 2021) (ii) Mr. S.Vivekanandan Murugan (Director & CEO-resigned w.e.f 28th February 2021) (iii) Ms.Hema Nagarajan (Company secretary-resigned w.e.f 28th February 2021) |
| 2 | Companies in which directors are interested: | <p>M/s HCL Agro Power Ltd M/s SRM Transports India Pvt Ltd M/s SRM Civil Works Pvt Ltd(New name-M/s.SRMPR construction private limited) M/s SRM Engineering Construction Corporation Ltd M/s SRM Global Cements Corporation Ltd M/s SRM Hotels Private Limited</p> |
| 3 | Relatives of Key Management Personnel | Mr. T.R.Pachamuthu |

b. Transactions with related parties during the year: Amount in Lakhs

| Particulars | KMP | Companies in which directors are interested. | Relative of KMP |
|---|----------------------|--|-----------------|
| Sales of Goods | | | |
| SRM Civil Works Pvt Ltd | | NIL (P.Y 9.18) | |
| SRM Global Cements Corporation Ltd (Including GST) | | NIL (P.Y 5.02) | |
| Remuneration/Salary paid | | | |
| P Ravi - Chairman | 30.00 (P.Y 30.00) | | |
| Sanjay D Mukherjee – CEO (w.e.f. 01-07-2021) | 20.00 | | |
| S.Vivekanandan Murugan - Director&CEO(resigned | NIL | | |



| | | | |
|---|----------------------|--------------------|--------------------|
| w.e.f 28 th February 2021) | (P.Y 72.16) | | |
| C. Mohana Krishna – CFO | 18.51 (P.Y 20.15) | | |
| S Ram Prasad - Company Secretary (w.e.f. 10-12-2021) | 7.35 | | |
| M Muthulakshmi - Company Secretary (resigned w.e.f 19 th October 2021) | 3.43 NIL | | |
| HemaNagarajan Company Secretary (resigned w.e.f 28 th February 2021) | NIL (P.Y 13.66) | | |
| Rent Paid | | | |
| Mr. T.R. Pachamuthu | | | 2.92 (P.Y 2.50) |
| Expenditure incurred on behalf | | | |
| HCL Agro Power Ltd | | 2.66 (P.Y 3.07) | |

c. Closing Balances at the year ended 31st March 2022 :

| Particulars | KMP | Director Interest Companies | Relative of KMP |
|-------------------------------------|-----|-----------------------------|-----------------|
| Loans and Advance Receivable | | | |
| HCL Agro Power Ltd | | 1776.14 (P.Y 1773.48) | |
| Trade Receivables | | | |
| SRM Civil Works Pvt Ltd | | 26.94 (P.Y 27.93) | |
| SRM Global Cement Corporation Ltd | | 738.76 (P.Y 738.46) | |

Note: Values in the bracket represent previous year values.

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

42. Operating Segments

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

Information relating to geographical areas

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

43. Under section 135 of the Companies Act, 2013 the company is required to spend Rs.Nil/- (P.Y.Rs.Nil) during the year under review towards Corporate Social Responsibility (CSR) activities as framed by the company in its Corporate Social responsibility program.

44. Disclosure of various ratios

| SL No | Name of the Ratio | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % Change |
|--|---------------------------------|--|--|----------------|----------------|----------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.95 | 2.13 | -8% |
| 2 | Debt Equity Ratio | Total non current and current borrowings | Shareholder's Equity | 0.10 | 0.00 | -10% |
| 3 | Debt Service Coverage Ratio | Profit After Tax + Depreciation + Interest on Loans + non-cash adjustments | Interest on Loans + Loans repaid during the year | 12.11 | 56.76 | -79% |
| 4 | Return on Equity Ratio | Net profits after tax | Average Shareholder's Equity | 0.86% | 2.48% | -65% |
| 5 | Inventory Turnover Ratio | Sales | Average Inventory | 7.39 | 11.57 | -36% |
| 6 | Trade Receivable Turnover Ratio | Credit Sales | Average Accounts Receivable | 9.40 | 8.91 | 5% |
| 7 | Trade Payable Turnover Ratio | Credit Purchase | Average Accounts Payables | 3.16 | 4.80 | -34% |
| 8 | Net Capital Turnover Ratio | Net Sales = Total Sales - Sales Return | Working capital = Current assets - Current liabilities | 4.18 | 5.29 | -21% |
| 9 | Net Profit Ratio | Net Profit after tax | Net Sales = Total Sales - Sales Return | 0.52% | 1.26% | -59% |
| 10 | Return on Capital Employed | Earning before interest and tax | Total Assets - current Liabilities | 1.26% | 7.88% | -84% |
| Other ratios are not applicable. Reasons for more than 25% variance in the ratios with previous year given below | | | | | | |



Reasons for more than 25% variance in the ratios compared with the previous year

- 1.The variance in Debt service coverage ratio is due to borrowings from the bank during the financial year previous year no borrowings exist.
- 2.The variance in return on equity is due to reduction in the net profit compared to the previous year. Net profit is reduced due to increase in cost of production as compared to previous year
- 3.The variance in inventory turnover ratio is due to inventory holding at the year end is more compared to the previous year end inventory holding
- 4.The variance in trade payables turnover is due to favourable credit period availed.
- 5.The variance in net profit ratio is due to increase in cost and reduction in turnover compared to previous year.
6. The variance in return on capital employed is due to reduction in the net profit compared to the previous year. Net profit is reduced due to increase in cost of production as compared to previous year

45. Previous year figures have been regrouped wherever necessary.

As per our report of even date attached

For B.PURUSHOTTAM & CO

Chartered Accountants

FRN: 002808S

For and on behalf of the Board of Directors

K.V.N.S Kishore

Partner

M No.: 206734

Chennai

Dated : 27-05-2022

P. Ravi

Chairman

DIN: 00675665

Sanjay D Mukherjee

Chief Executive Officer

C. Mohana Krishna

Chief Financial Officer

S.RAM PRASAD

Company secretary

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