



HEMADRI CEMENTS LIMITED

**38th Annual Report
2019-2020**

HEMADRI CEMENTS LIMITED FIVE YEARS' FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Parameters/Year	2019-20	2018-19	2017-18	2016-17	2015-16
OPERATING RESULTS					
Net Sales	7009.82	7541.70	8461.90	8542.13	9,204.53
Profit Before Tax	43.12	67.67	91.23	774.39	1,049.96
Profit After Tax	13.80	102.80	48.74	102.57	650.40
Net Cash Accrual	77.32	97.09	765.58	872.58	552.28
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	4119.76	4113.93	4017.74	3860.15	3,209.75
Profit and Loss Account	5.83	96.20	55.01	102.57	650.40
Net Worth	4786.76	4780.93	4684.74	4,629.72	4,527.14
Loan Funds	Nil	Nil	Nil	Nil	Nil
Deferred Tax Liability [Net]	33.55	5.99	51.42	31.81	58.22
APPLICATION OF FUNDS					
Fixed Assets: Net [Incl. WIP]	1849.77	1013.94	1054.98	1106.82	845.97
Investments	60.00	60.00	60.00	60.00	60.00
Net Current Assets	854.44	798.41	1539.96	1545.76	1,567.44
Net Assets	2764.21	1872.35	2654.94	2,712.58	2,473.41
RATIOS					
PBT to Sales (%)	0.62	0.90	1.08	9.07	11.41
PAT to Sales (%)	0.20	1.36	0.58	1.20	7.07
Earning per share	0.09	1.44	0.82	1.54	9.75

BOARD OF DIRECTORS

SHRI P. RAVI
 SHRI S. VIVEKANANDAN MURUGAN
 SHRI GOPALSAMY RAJAN
 SHRI DBN RAO
 DR.(Ms)R.ANANDA PRIYA

CHAIRMAN
 DIRECTOR & CEO
 INDEPENDENT DIRECTOR
 INDEPENDENT DIRECTOR
 INDEPENDENT DIRECTOR

AUDIT COMMITTEE

SHRI DBN RAO
 SHRI GOPALSAMY RAJAN
 DR.(Ms)R.ANANDA PRIYA

AGM FINANCE

SHRI C. MOHANA KRISHNA

COMPANY SECRETARY

SMT HEMA PASUPATHEESWARAN

AUDITOR

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

BANKER

Axis Bank

ADMINISTRATIVE OFFICE

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

REGD. OFFICE & FACTORY

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

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NOTICE TO THE SHAREHOLDERS

Please take Notice that the 38th Annual General Meeting of the Members of HEMADRI CEMENTS LIMITED is scheduled to be held on Wednesday, 30th day of September 2020 at 3.00 pm., 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 2020, the Directors' Report and Auditor's Report thereon.
2. To appoint a director in the place of Shri P.Ravi (DIN 0675665) who retires by rotation and being eligible, offers himself for reappointment;
3. To appoint a director in the place of Shri S.Vivekanandan Murugan (DIN: 05223790), who retires by rotation and being eligible, offers himself for reappointment

Special Business:

4. Re-appointment of Dr (Ms).R.Ananda Priya as Independent Director of the Company
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr(Ms).R.Ananda Priya, Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of 5 (five) consecutive years with effect from 30th September 2020 till the conclusion of the 43rd Annual General Meeting of the Company”

**By Order of the Board
For HEMADRI CEMENTS LIMITED**

Place : Chennai
Date : 27.08.2020

Hema Pasupatheeswaran
Company Secretary

1. The Explanatory statement, pursuant to section 102 of the Companies Act, 2013, in respect of the business item no.4 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@hemadriements.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@hemadriements.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@hemadriements.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. Wednesday, 30th September 2020. Members seeking inspection of the aforementioned documents can send an e-mail to cs@hemadriements.com.
7. Members, holding shares as on the cut-off date i.e. 23rd September 2020 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at cs@hemadriements.com and clicking on ‘Speaker Registration’ during the period from 24th September 2020 (9:00 a.m. IST) upto 26th September 2020 (3:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.
8. Instructions for e-voting prior and at the AGM are given as Annexure A to this Notice.

Explanatory Statement

To the Notice convening the 38th Annual General Meeting of the Company in accordance with the requirement of Section 102 of the Companies Act 2013

Item No.4

Dr(Ms).R.Ananda Priya is an independent director of the Company and was appointed in 2015 for a period of five years. Dr(Ms).R.Ananda Priya has completed her first term of five years as independent director during the current year, and is eligible for being reappointed for another term of five consecutive years subject to the approval of members by special resolution. She has consented to her reappointment and confirmed that she does not suffer from any disqualification from being re-appointed as independent director.

The Company has received declaration from Dr(Ms).R.Ananda Priya that she meets the criteria of independence as prescribed under sub section (6) of section 149 of the Act. In the opinion of the Board, Dr(Ms).R.Ananda Priya fulfills the conditions for re-appointment as independent director as specified in the Act.

It is therefore proposed to re-appoint Dr(Ms).R.Ananda Priya as independent director under section 149 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements), regulations, 2015 to hold office for 5 (Five) consecutive years up to the conclusion of the 43rd annual general meeting of the company in the calendar year 2025.

The Board, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience and contributions made by Dr(Ms).R.Ananda Priya, during her tenure, the continued association of Dr(Ms).R.Ananda Priya would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director.

The brief resume of Dr(Ms). R.Ananda Priya, as stipulated under regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Secretarial Standard 2 is given below.

Name	Dr.(Ms)R.Ananda Priya
DIN	01768355
Age	40 years
Qualification	B.Tech (Chemical Engg), MBA (International Business Management), PhD
Expertise in specific area	Business Management
Shareholding in the Company	Nil
List of other Directorships held	Nila Innovatives Private Limited
Brief Profile	She is a dynamic entrepreneurial professional with a flair for administration, corporate governance and business development. She has more than a decade experience in various aspects of administration and business development. She also has interests in social and philanthropic activities.
Membership/Chairmanship of other committees	Given under Corporate Governance Report

Copy of the draft letter for appointment of Dr(Ms).R.Ananda Priya, as independent director setting out the terms and conditions, is available for inspection by members as indicated supra. Except Dr(Ms).R.Ananda Priya and her relatives (as deemed), no other Director/Key Managerial Personnel of the Company/their relatives are interested/deemed to be interested in the resolution set out at Item No.4 of the notice with regard to her appointment. The board recommends the resolution set out at item no. 4 of the notice for approval by the shareholders.

**By Order of the Board
For HEMADRI CEMENTS LIMITED**

Place :Chennai
Date :27.08.2020

Hema Pasupatheeswaran
Company Secretary

Annexure A to the Notice of the 38th AGM

1. 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/EGM will thus be held through 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 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/EGM. 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/EGM 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.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins at 10 AM on Sunday, the 27th September 2020 and ends at 5 pm on Tuesday the 29th September 2020. 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 23rd September 2020 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) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on “Shareholders” module.
- (v) 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.OR
Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

PAN	For Shareholders holding shares in Demat Form and Physical Form
	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 as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.

- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 (company email id). 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 (company email id). These queries will be replied to by the company suitably by email
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting..
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- 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@cdsindia.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 should be mailed to helpdesk.evoting@cdsindia.com and on approval of the accounts they would be able to cast their vote.
- 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 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; cs@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.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdsindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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@cdsindia.com or call on 022 -23058542/43.

DIRECTORS' REPORT

Dear Members,

Your Directors herein present the Company's 38th Annual Report and the Audited Financial Statements of the Company for the FY ended 31st March 2020.

FINANCIAL RESULTS

The performance of the Company for the FY ended 31st March 2020 is as given below:

FINANCIAL HIGH LIGHTS DURING THE YEAR:**(Rs. in Lakhs)**

Particulars	Year ended 2019-20	Year ended 2018-19
Gross Turnover	7052.44	7988.11
Profit /(loss) before interest, depreciation and tax	228.52	247.46
Less Interest	79.57	67.95
Profit/(Loss) before depreciation and tax	148.95	179.51
Less Depreciation	105.83	111.84
Profit / (Loss) before Tax	43.12	67.67
Tax Expenses:		
Current Tax	0.00*	7.98*
Deferred Tax	29.32**	(43.10)
Profit / (Loss) after Tax	13.80	102.79
Other Comprehensive income	(7.97)	(6.60)
Total Comprehensive Income	5.83	96.19

* adjusted against MAT credit

** includes excess provision reversed

PERFORMANCE OF THE COMPANY

The turnover of your Company for the FY 2019-20 was Rs.7052.44 lakhs despite increased supply over demand and addition of large capacity by major cement producers. The prices of cement remained muted as per the study of Rating Agencies like ICRA, India Ratings and CRISIL also. This had also curtailed the growth in operating profits across the sector.

Besides the general industry scenario, there was sluggishness in demand in the Andhra Pradesh market which continued to have its impact on the cement prices and further the sand problem in Andhra Pradesh impacted the construction industry, thereby leading to poor infrastructure growth which had a cascading effect on the cement industry which had thereby resulted in low pricing and weakened demand.

However the factors like optimisation of cost of production, and other fixed costs, and proactive marketing efforts viz., focus on micro markets, marketing re-organization, and holding of regular meetings with the dealers, had all helped your 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.

DIVIDEND

Your Directors do not recommend any dividend for the FY, since your Company would need to plough back the profits for funding maintenance of the existing plant, moreso during the prevailing pandemic situation and also for meeting future growth and development plans.

DIRECTORS

Composition

The Company as on 31st March 2020 had 5 (five) directors, of whom 3 (three) are independent directors and 2 (two) are executive directors

Appointment and resignation of Directors / Key Managerial Personnel

During the year under review, in accordance with Section 152 of the Companies Act 2013, Mr.P.Ravi and Mr.S.Vivekanandan Murugan, Directors, retire by rotation and being eligible offer themselves for being reappointed at this Annual General Meeting. The Independent Director is also to be appointed. The Directors recommend their appointment.

A brief resume of the said Directors is given below

Name	Mr.P.Ravi	Mr.S.Vivekanandan Murugan
DIN	00675665	05223790
Age	53 years	42 years
Qualification	MBA	B.Tech., M.S.,(USA), PMP (USA) ,CSM(USA)
Expertise in specific area	Management and Administration	Project Management, Change Management, Risk Management
Date of first appointment on the Board	26.11.2010	29.01.2014
Shareholding in the Company	Nil	200 shares
List of other Directorships held	Given under Related Party Transactions	SRM Speed Parcel Private Limited
Membership/Chairmanship of other committees	Given under Corporate Governance Report	Given under Corporate Governance Report

Dr. (Ms).R.Ananda Priya completes her first term of five years as independent director and the Board recommends her re-appointment for the 2nd term of five years at this Annual General Meeting.

Mr.B.Ramachandra Rao, Non-Executive Independent Director of the Company ceased to be Director effective 30.11.2019 due to his death. The Directors place on record their deep appreciation for his valuable contribution as member of the Board other Committees and as Chairman of the Audit Committee

Declaration by the Independent Directors

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

Number of Meetings of the Board of Directors

The Board met five times during the financial year 2019-20 on 22.04.2019, 21.05.2019, 07.08.2019, 07.11.2019 and 12.02.2020. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. More details of the Board meetings have been provided in the 'Report on Corporate Governance', found elsewhere in the Annual Report.

Formal Annual Evaluation

The Board 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

Key Managerial Personnel

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

1. Sri P. Ravi, Chairman
2. Sri S. Vivekanandan Murugan, CEO & Director
3. Sri C. Mohanakrishna, AGM (Finance)
4. Smt. Hema Pasupatheeswaran, Company Secretary

There were no changes in the KMP during this year.

RISK MANAGEMENT POLICY

The Audit Committee also functions as the Risk Management Committee and the Board also takes the responsibility in overseeing the risk management plan of the Company. The Risk Management Policy facilitates in identifying the risks associated with the operations of the Company and in giving

suitable measures / solutions to mitigate the same. Risks identified in the business and functions are systematically addressed through mitigating actions on a continuous basis.

VIGIL MECHANISM

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Your Company is not required 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 of the Company, without any mandatory obligation.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PUBLIC DEPOSITS

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

RELATED PARTY TRANSACTIONS

The Audit Committee provides omnibus approval on an annual basis for all related party transactions and the said transactions are also placed on a quarterly basis before the Audit Committee and the Board, during which all interested directors abstain from 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.

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

AUDITORS

Statutory Auditor

In accordance with the provisions of the Companies Act 2013 and the rules framed thereunder, M/s.B.Purushottam & Co., Chartered Accountants, Chennai having Registration No.002828S were appointed as Statutory Auditor of the Company, at the AGM held on 27.09.2019 for a term of five consecutive years till the conclusion of the 42nd AGM.

INTERNAL AUDITOR

The Board has approved the appointment of M/s.DPV Associates, Chartered Accountants, Chennai, as the Internal Auditor of the Company to conduct the internal audit during the year under review. The areas of audit are being taken up in consultation with the Internal Auditor and as per the

recommendations of the Audit Committee. The Internal Audit observations are discussed with senior officials and are placed before the Audit Committee and suitable actions are taken as directed by the said Committee.

SECRETARIAL AUDITOR

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

MATERIAL CHANGES

There are no material changes and commitments affecting the financial position of the Company that occurred between the end of the Financial Year of the Company i.e. 31st March, 2020 and the date of Directors' Report i.e. 27.08.2020.

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.

CORPORATE GOVERNANCE

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

EXTRACT OF ANNUAL RETURN

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

CONSERVATION OF ENERGY

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

COMPLIANCE WITH OTHER APPLICABLE LAWS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been

followed along with proper explanation relating to material departures;

- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d)) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include 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.

ACKNOWLEDGMENTS

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

Place: Chennai
Date: 27.08.2020

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

Management Discussion & Analysis

Indian economic scenario

India's economy grew by only 4.2%, which is considered low compared to a decade. However all countries across the globe experienced slow down in business activities due to impact of covid pandemic. The RBI had pegged the GDP growth for 2019-20 at 5% as against the projection of 6.1% in October in its monetary policy. The main factor was the fourth Quarter of the FY which saw an all time low due to the covid scenario.

Cement Industry – outlook and opportunities

The Cement industry during the year 2019-20 witnessed major expansions and consolidations by major players in the industry. The Government of India had extended the affordable housing scheme till 31st March 2020.

However, the general slowdown in the industrial growth had an impact on infrastructure growth and development, which had inturn brought down the demand for cement.

The Indian Brand Equity Foundation (IBEF) foresees demand for cement in the eastern regions with newer projects being undertaken. Also the focus would be on exporting to countries like Middle East and Africa, with more focus on cement plants near ports like Visakhapatnam and Gujarat. It has also been indicated that several foreign players also may enter the foray due to better demand and improved margins in the days to come.

Company perspective

The Company was driven by change in Andhra Pradesh Government Policies, cost optimization methodologies and adoption of new marketing strategies. The Company has installed new Electro Static Precipitator (ESP) and Pulse Jet Bag Filter (PJBF) to meet the new Environmental norms. On the marketing front, the Company has provided more impetus to developing the market centres like Visakhapatnam, which would be focussed in the years to come.

The lockdown due to Covid 19 pandemic had impacted the operations and revenues of the Company. Your Company has been focusing on adhering to government norms and in ensuring the safety of all its employees. With the slowing down of economy and closure of several businesses, we are confident that your Company will withstand this crisis situation due to the proactive efforts taken in cash conservation, prudent and conservative spending and cut down on major fixed costs.

The Company is looking for upgradation and sustenance of the plant, for optimising the production cost and improving profit margins. The Company plans for expansion of its existing capacity for further growth, and expand to newer markets.

ANNEXURE I TO DIRECTORS' REPORT**FORM A
CONSERVATION OF ENERGY**

A. POWER AND FUEL CONSUMPTION	2019-20	2018-19
1. ELECTRICITY :		
a) Purchased Units	19,233,900	22,754,754
Total Amount Rs.	128,940,913	152,100,474
Average Rate / Unit Rs.	6.70	6.68
b) Own Generation		
Through Diesel Generation Unit		---
Units Per Ltr. of Diesel Generation		---
Cost / Unit Rs.		---
2. COAL :		
Quantity (Tons)	34,518	40,528
Total Cost Rs.	198,258,881	251,302,944
Average Rate (Rs)	5744	6201
3. FURNACE OIL :		NA
Quantity (Tons)	---	---
Total Cost Rs.	---	---
Average Rate (Rs)	---	---

B. CONSUMPTION PER UNIT PRODUCTION:

	Standards		
Electrical Consumption			
Per ton of Cement	140.00 units	98.68 units	100.69 units
Coal Consumption			
Per ton of Cement	0.25 MT	0.18 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):	2019-20	2018-19
1. Specific areas in which R & D carried out by the Company	NIL	NIL
2. Benefits derived as a result of the above R & D	NIL	NIL
3. Future plan of action	NIL	NIL
4. Expenditure on R & D	NIL	NIL
a) Capital		
b) Recurring		
c) Total		
d) Total R & D expenditures as a percentage of total turnover	NIL	NIL

B. TECHNOLOGY ABSORPTION, ADOPTION INNOVATION:

1. Efforts, in brief, made towards Technology absorption, adoption and innovation	The Company had installed equipment in compliance with Pollution Control Board Norms	NIL
2. Benefits derived as a result of the above efforts eg., product Improvement, cost reduction, Products development, import substitution etc.	Adherence to statutory norms	NIL
3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year). Following information may be furnished	NIL	NIL
a) Technology imported:		
b) Year of import:		
c) Has technology been fully absorbed:		
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action:		

For and on behalf of the Board

Place: Chennai
Date: 27.08.2020P.Ravi
Chairman

ANNEXURE - II TO DIRECTOR'S REPORT**FORM NO. MGT- 9
EXTRACT OF ANNUAL RETURN****As on financial year ended 31st March 2020**

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 percent or more of the total turnover of the company shall be stated

Sl. No:	Name and Description of the main Products/Services	NIC Code of the Product /Service	% to total turnover of the Company
1	Cement manufacturing and Sales of Cement	Clinker 25291000 Intermediate product Cements 25232910	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has neither subsidiary nor Associate Companies during the year 2019-20.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TO TOTAL EQUITY) AS AT 31ST MARCH 2020

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. Promoters									
(1) Indian									
a) Individual/HUF		204151	204151	3.06		201151	201151	3.02	(0.04)
b) Central Govt		0	0	0.00		0	0	0.00	
c) State Govt(s)		0	0	0.00		0	0	0.00	
d) Bodies Corporate		3898159	3898159	58.44	319800	3898159	4217959	63.24	4.80
e) Bank/FI		0	0	0.00		0	0	0.00	
f) Any Other		0	0	0.00		0	0	0.00	
SUB- TOTAL (A)(1)		4102310	4102310	61.50	319800	4099310	4419110	66.25	4.76
(2) Foreign									
a) NRI- Individuals		0	0	0.00		0	0	0.00	
b) Other Individuals		0	0	0.00		0	0	0.00	
c) Bodies Corporate		0	0	0.00		0	0	0.00	
d) Banks/FI		0	0	0.00		0	0	0.00	
e) Any Other- Director									
Relative NRI		0	0	0.00		0	0	0.00	
SUB TOTAL (A)(2)		0	0	0.00		0	0	0.00	
Total Shareholding of Promoter									
(A) = (A)(1) + (A)(2)		4102310	4102310	61.50	319800	4099310	4419110	66.25	4.76
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		0	0	0.00		0	0	0.00	
b) Banks/FI		1000	1000	0.01		1000	1000	0.01	
c) Central Govt		0	0	0.00		0	0	0.00	
d) State Govt(s)		0	0	0.00		0	0	0.00	
e) Venture Capital Fund		0	0	0.00		0	0	0.00	
f) Insurance Companies		0	0	0.00		0	0	0.00	
g) FIs		0	0	0.00		0	0	0.00	
h) Foreign Venture Capital Funds		0	0	0.00		0	0	0.00	
i) Others (specify)		0	0	0.00		0	0	0.00	
SUB TOTAL (B)(1)		1000	1000	0.01		1000	1000	0.01	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(2) Non Institutions									
a) Bodies corporates		0	0	0.00		0	0	0.00	
i) Indian		91717	91717	1.38	10621	91717	102338	1.53	0.15
ii) Overseas		0	0	0.00		0	0	0.00	
b) Individuals									
i) Individual shareholder holding nominal share capital upto Rs. 2 Lakh		1469472	1469472	22.03	250949	12233447	1484396	22.25	0.22
ii) Individual shareholder holding nominal share capital in excess of Rs. 2 Lakh		997232	997232	14.95	197465	457422	654887	9.82	(5.13)
c) Others (specify)									
i) Clearing Members		0	0	0.00		0	0	0.00	
ii) Directors & their Relatives		0	0	0.00		0	0	0.00	
iii) Hindu Undivided Families		0	0	0.00		0	0	0.00	
iv) Non-Resident Indian		8269	8269	0.12		8269	8269	0.12	0.00
v) Others-NRI-Repatriable		0	0	0.00		0	0	0.00	
SUB TOTAL (B)(2)		25566690	25566690	38.48	459035	1790855	2249890	33.72	(4.76)
Total Public Shareholding									
(B) = (B)(1) + (B)(2)		2567690	2567690	38.49	459035	1791855	2250890	33.73	(4.76)
C. Shares held by Custodian for GDRs & ADRs		0	0	0.00		0	0	0.00	0.00
Grand Total (A+B+C)		6670000	6670000	100.00	778835	5891165	6670000	100.00	0.00

(ii) Shareholding of Promoters:

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares	% of shares pledged/ encumbered to total shares	
1	SRM TRP PROPERTIES & INVESTMENT	1496899	22.44	0	1496899	22.44	0	0.00
2	KILARU ARUNA	130000	1.949	0	130000	1.949	0	0.00
3	KILARU PADMAJA	28251	0.424	0	28251	0.424	0	0.00
4	SRIMANNARAYANA KILARU	20000	0.30	0	20000	0.30	0	0.00
5	KILARU VIDYA SAGAR VARMA	10000	0.15	0	10000	0.15	0	0.00
6	KOTHA PRASUNAMBA	7500	0.11	0	7500	0.11	0	0.00
7	P USHA	3000	0.04	0	3000	(0.04)	0	(0.04)
8	KOTHA MADHU MURTHY	2250	0.03	0	2250	0.03	0	0.00
9	G VENKATESWARA RAO	1594	0.02	0	1594	0.02	0	0.00
10	KOTESWARA RAO KOTHA	1500	0.02	0	1500	0.02	0	0.00
11	A SUSEELA	56	0.00	0	56	0.00	0	0.00
12	SRM CIVIL WORKS PVT LTD	2401260	36.00	0	2721060	40.80	0	4.80
	TOTAL	4102310	61.50	0.00	4419110	66.25	0	4.76

V. INDEBTEDNESS:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Rs. In Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary	Shri P. Ravi(Chairman)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	30.00	30.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others (specify)	-	-
5	Others - Productivity Incentive	-	-
	Total (A)	30.00	30.00

B. Remuneration to other Directors:

Sl. No	Particulars	Name of the Director					Total
		Shri G.Rajan	Shri B.Ramachandra Rao*	Shri DBN Rao	Dr(Ms).R.Ananda Priya		
1	Independent Directors						
	a) Fee for attending Board/ Committee Meetings	0.46	0.44	0.40	0.40	1.46	
	(b) Commission	Nil	Nil	Nil	Nil	Nil	
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	
	TOTAL (1)	0.46	0.44	0.40	0.40	2.06	
2	Other Non Executive Directors		NIL				
	(a) Fee for attending Board/ Committee Meetings		Nil			Nil	
	(b) Commission		Nil			Nil	
	(c) Others, please specify.		Nil			Nil	
	TOTAL (2)		Nil			Nil	
	TOTAL (B) = (1+2)					1.70	
	Total Managerial						
	Remuneration(A+B)					31.70	

* till the BM held on 07.11.2019

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

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Director/ CEO	Company Secretary	AGM Finance	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961	72,00,000	16,24,000	18,55,276	1,06,79,276
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act 1961	Nil			
	Stock Option				
2	Sweat Equity	-	-	-	-
3	Commission	-	-	-	-
4	- as % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify				-
	TOTAL	72,00,000	16,24,000	18,55,276	1,06.79,276

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE III TO DIRECTORS' REPORT**Form No. AOC-2**

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

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

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

Name(s) of the Related Party and nature of relationship	SRM Civil Works Private Limited Company in which a Director is interested
Nature of the Contract/ arrangements	Sale of Cement
Duration of Contract/Arrangement/ transactions	Continuing contract – based on invoices raised
Salient Terms of the contracts or arrangements or transactions including value if any	As per invoice terms and conditions
Date of approval of the Board if any	BM held on 22.04.2019
Amount paid as advance if any	Nil

Place: Chennai
Date : 27.08.2020

P. Ravi
Chairman

ANNEXURE - IV TO DIRECTORS' REPORT

DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2019-20							
S. No:	Name of the body corporate	Nature of relationship	Purpose of loan / acquisition / guarantee / security	Rate of interest	Amount of loan / security / guarantee (Rs.in lakhs)	% to free Reserves	Purpose for which the loan / guarantee utilised by the recipient
1	HCL Agro Power Ltd	Company in which a Director is interested	Inter Corporate Loan	NIL	10.05	0.24	For Business purpose
	TOTAL				10.05	0.24	

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

ANNEXURE V TO DIRECTORS' REPORT

CSR ACTIVITIES OF THE COMPANY

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

The Committee comprises of the following directors to look into the CSR activities of the company.
 - a) Shri. P Ravi - Chairman
 - b) Shri. S.Vivekanandan Murugan - Member
 - c) Shri D.B.N.Rao – Member
3. Details of CSR spent during the financial year:

The Company's average net profits for the preceding three financial years 2016-17, 2017-18, and 2018-19 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.

Place: Chennai
Date : 27.08.2020

P. Ravi
Chairman

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 interalia 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 2019-20 is as under:

BOARD OF DIRECTORS

The Board comprises of 3 independent directors viz., Mr.D.B.N.Rao, Mr.G.Rajan and Dr.(Ms)R.Ananda Priya, and 2 executive directors, viz., Mr.P.Ravi, Chairman and Mr.S.Vivekanandan Murugan, CEO and Director. More than half of the Board comprises of independent directors.

The composition of the Board as on 31st March 2020 is as under:

Category	No of Directors	Percentage to total number of directors
Non-executive independent directors	3	60
Executive Directors	2	40
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 requirement. 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 2020, five meetings of the Board of Directors were held as follows:

S.No.	Date	Board Strength	No of Directors present
1.	22.04.2019	7	4
2.	21.05.2019	7	6
3.	07.08.2019	7	6
4.	07.11.2019	6	6
5.	12.02.2020	5	5

The Committees were reconstituted on 12.02.2020 as given below

Name of the Committee	Members
Audit & Risk Management Committee	1. Mr. D.B.N.Rao (Independent Director) (Chairman) 2. Mr. G.Rajan (Independent Director) 3. Dr (Ms).R.Anandapriya (Independent Director)
Nomination & Remuneration Committee	1. Mr. G.Rajan (Independent Director) (Chairman) 2. Mr. D.B.N.Rao (Independent Director) 3. Dr (Ms).R.Anandapriya (Independent Director)
Stakeholders' Relationship Committee	1. Mr. D.B.N.Rao (Independent Director) (Chairman) 2. Mr. P.Ravi (Executive Director) 3. Mr. G.Rajan (Independent Director)
CSR Committee	1. Mr.P.Ravi (Executive Director) (Chairman) 2. Mr.S.Vivekanandan Murugan (Executive 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	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	CSR Committee	Whether attended AGM held on 27.09.2019
Shri.P.Ravi	00675665	Promoter/ Executive	5	NA	4	NA	1	Yes
Shri.S.Vivekanandan Murugan	05223790	Executive	5	NA	NA	NA	1	Yes
Shri.G.Rajan	02348441	Independent	5	4	4	1	NA	No
Shri.D.B.N.Rao	01180539	Independent	5	4	4	1	1	No
Shri.B.Ramachandra Rao**	00637389	Independent	4	4	NA	1	NA	Yes
Smt. R.Ananda Priya	01768355	Independent	5	1	NA	1	NA	No

**Mr.Ramachandra Rao ceased to be director effective 30.11.2019 due to his sudden death

NA - Not Applicable

Except Shri D.B.N.Rao, who is an Independent Director in Sanghi Industries Limited, no other director holds directorship in any other listed company.

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

Functions of the Committees

Audit Committee:

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

Meetings of the Audit Committee and Attendance

S.No.	Date	Committee Strength	No present
1.	21.05.2019	4	3
2.	07.08.2019	4	3
3.	07.11.2019	3	3
4.	12.02.2020	3	3

B. Share Transfer & Stakeholders' Relationship Committee

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

Meetings of the Stakeholders' Relationship Committee and attendance

S.No.	Date	Committee Strength	No present
1.	21.05.2019	4	3
2.	07.08.2019	4	3
3.	07.11.2019	3	3
4.	12.02.2020	3	3

C. 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

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 Compensation Committee and other committees.

Meetings of the Nomination & Remuneration Committee and its attendance

S.No.	Date	Committee Strength	No present
1.	12.02.2020	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 Compensation Committee and other committees.

DIRECTORS' ANNUAL REMUNERATION (as on 31st March 2020)

		Remuneration	Total
Shri.P Ravi	Chairman	Rs. 30,00,000	30,00,000
Shri.Vivekanandan Murugan	Director & CEO	Rs. 72,00,000	72,00,000

The Company pays a consolidated sitting fee of Rs.10,000/- for the Board and Committee meetings held on a single date. However the Executive Directors are not paid any sitting fees for the meetings. The Non-executive directors are not paid any other remuneration.

D. Corporate Social Responsibility (CSR) Committee

The provisions of Section 135 of the Companies Act 2013, pertaining to CSR is not applicable to the Company for the FY 2019-20.

Other Shareholder information**PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT :**

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

1. Shri P.Ravi is the promoter director of the Company. He holds Master's degree in Business Administration with 30 years of varied experience in the fields of Education, Construction, Hospitality, Health and manufacturing. He is the Chairman of the SRM Group and has been instrumental in acquiring the Company from BIFR and reviving the same. He has been very active in establishing several educational institutions, hospitals and has a niche for hospitality industry too.
2. Shri S.Vivekanandan Murugan is the CEO of the Company. He holds a B.Tech., degree and a M.S. degree from the Ohio State University, USA, and also has additional qualifications of PMP (USA), CSM (USA) to his credit. He has work experience of more than 20 years, of which his stint in US was for more than 10 years where he started off as a Project Engineer at Stantec and continued to become the Project Director at First American Corporation -Federal Solutions for Federal Energy & Management Agency (FEMA). He has been instrumental in bringing about changes in the day-to-day functioning, including lean management solutions for the Company
3. Dr.(Ms)R.Ananda Priya is an independent director of the Company. She holds B.Tech Degree in Chemical Engineering, Masters in International Business Management and has completed her doctorate on the topic of "Beyond Rituals: Social Media and the changing landscape of Politics in India" and has been conferred with PhD. She is an entrepreneur, and is also involved in various social welfare activities including activities for development of women and children.

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

DETAILS OF OTHER DIRECTORSHIPS OF INDEPENDENT DIRECTORS INCLUDING THE DIRECTOR WHOSE RE-APPOINTMENT IS PROPOSED AT THIS AGM

Mr.G.Rajan	Mr.D.B.N.Rao	Smt.R.Ananda Priya
HCL Agro Power Limited (unlisted)	1. Sanghi Industries Limited (Listed) 2. Sanghi Cements Limited (unlisted) 3. Seetharam Cements Limited	Nilva Innovatives Private Limited

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.	22.09.2017	Vedadri Village, Jaggayyapet Mandal, Krishna District, Andhra Pradesh
2.	25.09.2018	Vedadri Village, Jaggayyapet Mandal, Krishna District, Andhra Pradesh
3.	27.09.2019	Vedadri Village, Jaggayyapet Mandal, Krishna District Andhra Pradesh

Financial Calendar

Financial Year of the Company	: April-March
Quarterly Results	: 1st Quarter – on/before 14 th August 2nd Quarter- on/before 15 th October 3rd Quarter – on /before 14 th February 4th Quarter – on /before 15 th May
AGM	: on/before 30 th 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. Transferability of shares is permitted only in dematerialized form. As on 31st March 2020 approximately 5891165 number 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
Road No.2, Banjara Hills, Hyderabad 500034
Contact person: Mr.R.Ram Prasad, Manager
Email id: xlfield@gmail.com; ramprasadr@xlsoftech.com

Compliance Officer

Mrs.Hema Pasupatheeswaran, Company Secretary is the Compliance Officer under Regulation 6(1) of the SEBI (LODR) Regulations 2015.

Address for correspondence:

Vedadri Village 521457, Jaggayapet Mandal, Krishna District, Andhra Pradesh
Email id: cs@hemadricements.com

Distribution of Shareholding as on 31st March 2020

Shareholdings of Nominal value of	Share Holder		Share Holder	
	Nos	%	(Rs.)	%
Upto - 5,000	2998	83.93	5245130	7.76
5,001 - 10,000	346	9.69	2754630	5.14
10,001 - 20,000	113	3.16	1753460	2.04
20,001 - 30,000	36	1.01	923180	1.18
30,001 - 40,000	11	0.31	408240	0.54
40,001 - 50,000	14	0.39	663490	0.99
50,001 - 1,00,000	16	0.45	1205390	1.81
1,00,001 & above	38	1.06	53746480	80.54
Total	3572	100.00	66700000	100.00

Auditor's Certification

To The Members of Hemadri Cements Limited

We have examined the compliance of conditions of Corporate Governance by Hemadri Cements Limited for the year ended 31st March 2020 as stipulated in SEBI (LODR) Regulations, of the said Company with the Stock Exchange(s) in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied majority conditions of Corporate Governance as stipulated in the above-mentioned LODR.

We state that in respect of investor grievances, there was no unresolved grievance received during the year ended 31st March, 2020.

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

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

B.S.Purushottam
PARTNER
M.No. 026785

Chennai
27-08-2020

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31/03/2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of M/s. HEMADRI CEMENTS LTD books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: subject to the observation as given below :

The status of the company’s share remains in “Suspended Mode” vide Notice of BSE -20200205-11 dated 05th February 2020.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. HEMADRI CEMENTS LIMITED for the financial year ended on 31/03/2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- vi. The Management has identified and confirmed the following Laws as specifically applicable to the Company :
1. Factories Act, 1948
 2. Industrial dispute Act, 1947
 3. Income Tax Act, 1961
 4. Goods and Service Act, 2017
 5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 6. Employees' State Insurance Act, 1948
 7. The Payment of Gratuity Act, 1972
 8. Competition Act 2002
 9. Limestone & Dolomite Mines Labour Welfare Fund Act , 1972
 10. Mineral Conservation & Development Rules 2017
 11. Mines Act 1952 & Metalliferous Mines Regulations 1961
 12. Explosives Act and Rules
 13. The Andhra Pradesh Factories And Establishments (National, Festival and Other Holidays) Act, 1974
 14. Water (Prevention & Control of Pollution) Act 1974
 15. Air (Prevention and Control of Pollution) Act 1981
 16. Environment Protection Act, along with the Rules and notifications
 17. Hazardous Waste (Management Handling & Trans-boundary Movement), Rules 2016 (under the Environment Protection Act 1986)
 18. Code on wages 2019.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Uniform Listing Agreement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into by the Company with, Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.,

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including One Women Director.

- 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 member's views, if any are captured and recorded as part of the minutes.

I further report that there are 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.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulation, guidelines, etc, having a major bearing on the companies affairs.

Place: Chennai
Date: 27.08.2020

G.PORSELVAM
Company Secretary in Practice
C.P.NO. 3187
UDIN : A009322B000622363

INDEPENDENT AUDITOR'S REPORT

To the members of HEMADRI CEMENTS LIMITED

Report on 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, 2020, 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 133 of 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, 2020, 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.

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 Annexures 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:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

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.

Other Matters

On account of the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories subsequent to the year end. Also, we were not able to

physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 “Audit Evidence - Specific Considerations for Selected Items” and have obtained sufficient audit evidence to issue our unmodified opinion. Our report on the Statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, we give in the Annexure A, a statement on the matters specified in Para 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of accounts as required bylaw have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss,(including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “ Annexure B” .
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 34B to Financial Statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there is no provision required for material foreseeable losses.

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

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

Place : Chennai
Date : 29th June, 2020.

B.S.PURSHOTHAM
Partner
M No: 026785

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of Hemadri Cements Limited on the financial statements for the year ended 31st March 2020, we report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are informed that the management has physically verified the fixed assets of the company at reasonable intervals and no discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) In our opinion the inventories have been physically verified during the year by the management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
- (iii) The company has not granted loans, secured or unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013, hence reporting under the clause iii (a), (b) and (c) does not arise.
- (iv) In respect of loans, investments, guarantees, and security, the company has complied the provisions of sec 185 and 186 of the Companies act 2013 wherever applicable.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence, reporting under clause (v) of the Order does not arise.
- (vi) In our opinion, the prescribed accounts and records have been made and maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) As per the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues applicable to it with the appropriate authorities and there were no undisputed amounts payable which were outstanding as on 31.03.2020 for a period of more than six months from the date on which they became due

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

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

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

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

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on our examination of records of the Company, the managerial remuneration has been paid or provided in accordance with the provisions of Section 197 read with Schedule V to the Companies Act.

(xii) The Company is not Nidhi Company hence reporting under this clause does not arise.

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

(xiv) According to the information and explanations given to us and on our examination of records, the company has not made any preferential allotment or private placement of

shares or fully or partly convertible debentures during the year under review and the provisions of section 42 of companies act 2013 are not applicable.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to information and explanations provided to us, the Company is not required to be registered under Section 45-I A of the Reserve Bank of India Act, 1934.

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

Place : Chennai
Date : 29.06.2020

B.S.PURSHOTHAM
Partner
M No: 026785

Annexure B to Auditors' Report of even date

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

We have audited the internal financial controls over financial reporting of Hemadri Cements Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the Stand alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Chennai
Date : 29.06.2020

B.S.PURSHOTHAM
Partner
M No: 026785

HEMADRI CEMENTS LIMITED
BALANCE SHEET AS AT 31st MARCH 2020
CIN : L26942AP1981PLC002995

Particulars	Note No:	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
ASSETS			
Non - current assets			
(a) Property, plant and equipment	3	184,976,993	101,394,348
(b) Capital work in progress	4	-	87,934,156
(c) Fixed Assets			
(i) Investments	5	6,000,000	6,000,000
(ii) Other financial assets	6	28,761,034	28,726,134
(d) Deferred tax assets (net)		-	-
(e) Other non-current assets	7	177,040,764	176,035,422
Total Non-Current Assets		396,778,791	4,00,090,060
Current Assets			
(a) Inventories	8	74,560,211	80,417,320
(b) Financial Assets			
(i) Trade Receivables	9	122,600,231	109,107,276
(ii) Cash and cash equivalents	10	7,731,884	9,708,960
(ii) Bank balance other than(iii)	11	9,919,737	26,555,288
(iv) Other Financial Assets	12	3,041,892	2,810,438
(c) Other Current Assets	13	28,936,976	34,973,568
Total Current Assets		246,790,931	263,572,850
TOTAL ASSETS		643,569,722	663,662,910
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	66,700,000	66,700,000
(b) Other equity	15	411,976,105	411,393,135
Total Equity		478,676,105	478,093,135
Non - current liabilities			
(a) Long term provisions	16	191,888	1,238,758
(b) Deferred tax liabilities (net)	17	3,354,811	599,144
Total Non-Current Liabilities		3,546,699	1,837,902
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	59,045,526	67,236,705
(ii) Trade payables			
(a) Total outstanding dues to Micro enterprises and small enterprises	19		
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises		36,624,010	43,760,349
(iii) Other financial Liabilities	20	12,353,670	15,712,647
(b) Other current liabilities	21	39,835,666	41,299,283
(c) Short term provisions	22	12,815,365	14,290,515
(d) Current Tax Liabilities	23	672,681	1,432,374
Total Current Liabilities		161,346,918	183,731,873
TOTAL EQUITY AND LIABILITIES		643,569,722	663,662,910

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

As per our report of even date

For and on behalf of the Board

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 29.06.2020

C. MOHANA KRISHNA
AGM Finance

HEMA PASUPATHEESWARAN
Company Secretary

HEMADRI CEMENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020
CIN : L26942AP1981PLC002995

Particulars	Note No:	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
I Revenue from Operations	24	700,981,904	754,169,614
II Other Income	25	4,262,479	44,641,685
III Total revenue (I + II)		705,244,383	798,811,299
IV Expenses			
Cost of materials consumed	26	138,602,418	173,253,453
Purchase of Stock-in-Trade		9,197,206	-
Changes in inventories of finished goods, work in progress & stock-in-trade	27	4,788,825	6,495,710
Power and Fuel	28	327,199,798	403,403,421
Employee benefits expense	29	75,408,126	75,427,884
Finance costs	30	7,957,837	6,794,688
Depreciation and amortization	31	10,582,846	11,184,530
Other expenses	32	127,195,269	115,484,808
Total Expenses (IV)		700,932,325	792,044,494
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		4,312,058	6,766,805
VI Exceptional Items		-	-
VII Profit/(Loss) before tax		4,312,058	6,766,805
VIII Tax expense:			
(1) Current tax		672,681	2,229,100
(2) MAT Tax		(672,681)	-
(3) Deferred tax		3,035,860	(4,310,442)
(4) Excess Provision reversed		(104,244)	(1,431,542)
IX Profit/(Loss) for the period		1,380,441	10,279,689
X Other Comprehensive Income Items that will not be reclassified to profit or loss Remeasurements of defined benefit plan actuarial gains/ (losses) Less : Deferred tax expense on above		(1,077,666) (280,193) (797,473)	(892,107) (231,948) (660,159)
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)	33	582,968	9,619,530
XII Earning per equity share:			
(1) Basic		0.09	0.14
(2) Diluted		0.09	0.14

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

As per our report of even date

For B. PURUSHOTTAM & CO

Chartered Accountants
(Firm Regn.No.002808S)

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 29.06.2020

C. MOHANA KRISHNA
AGM Finance

HEMA PASUPATHEESWARAN
Company Secretary

HEMADRI CEMENTS LIMITED
CIN : L26942AP1981PLC002995

Statement of Change in Equity

Particulars	Share Capital	Reserves and Surplus				Other Components of Equity	Total
		Capital Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2018	66,700,000	13,351,587	1,435,690	974,250	385,987,087	24,992	468,473,606
Profit / (Loss) for the period			-		10,279,689	-	10,279,689
Other Comprehensive Income for the Year			-			(660,159)	(660,159)
Balance as at March 31, 2019	66,700,000	13,351,587	1,435,690	974,250	396,266,776	(635,168)	478,093,135
Profit / (Loss) for the period			-		1,380,441		1,380,441
Other Comprehensive Income for the Year						(797,473)	(797,473)
Balance as at March 31, 2020	66,700,000	13,351,587	1,435,690	974,250	397,647,217	(1,432,640)	478,676,104

The notes attached form an integral part of Financial Statements

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

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

P.RAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 29.06.2020

C. MOHANA KRISHNA
AGM Finance

HEMA PASUPATHEESWARAN
Company Secretary

HEMADRI CEMENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2020
CIN : L26942AP1981PLC002995

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
Cash flows from operating activities		
Total Income for the Period (PBT)	4,312,058	6,766,805
Adjustments for:		
- Other Comprehensive Income	(1,077,666)	(892,107)
- Depreciation and amortization expense	10,582,846	11,184,530
- Interest income	(3,658,898)	(2,293,670)
- Bank Guarantee commission paid and Interest Exp	7,957,837	6,794,688
	13,804,119	14,793,441
Changes in	18,116,177	21,560,246
- Decrease/(Increase) In Trade Receivables	(13,492,955)	(45,525,737)
- Decrease/(Increase) In Inventory	5,857,108	654,811
- Decrease/(Increase) In Other current Financial Asset(s)	16,404,097	12,568,693
- Decrease/(Increase) In Other current Asset(s)	7,567,965	6,200,421
- Decrease/(Increase) In Other non-current financial assets	(34,900)	1,000,000
- Decrease/(Increase) In Other non-current asset	(1,005,342)	5,565,146
(Decrease)/Increase In Long term Provisions	(1,046,870)	(2,578,785)
(Decrease)/Increase In Trade Payables current	(7,136,339)	21,018,283
(Decrease)/Increase In other current liabilities	(1,463,617)	(23,527,027)
(Decrease)/Increase In Other financial liabilities current	(3,358,977)	(32,275,669)
(Decrease)/Increase In Short Term provisions current	(1,475,150)	1,905,016
Cash generated from operations	815,020	(54,994,848)
Income taxes paid	(2,186,822)	(1,746,824)
Cash generated from / (used in) operations	16,744,375	(35,181,426)
Cash flows from investing activities		
Purchase of fixed assets	(6,231,335)	(94,403,361)
Interest received	3,658,898	2,293,670
Net cash generated from/(used in) investing activities[B]	(2,572,437)	(92,109,691)
Cash flows from financing activities		
Proceeds from/(repayment of) long term and short term borrowings	(8,191,178)	67,236,704
Preference dividend paid(including dividend distribution tax)		
Bank Guarantee commission paid and Interest Exp	(7,957,837)	(6,794,688)
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in financing activities	(16,149,015)	60,442,016
Increase /(Decrease) in cash and cash equivalents	(1,977,076)	(66,849,101)
Cash and cash equivalents at the beginning of the year	9,708,960	76,558,061
Cash and cash equivalents at the end of the year	7,731,884	9,708,960

Cash & Cash equivalents:

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

Cash on hand	161,743	161,642
Balances with banks	7,570,141	9,547,318
Total cash and cash equivalents	7,731,884	9,708,960

As per our report of even date**For B. PURUSHOTTAM & CO**

Chartered Accountants
(Firm Regn.No.002808S)

B.S.PURSHOTHAM

Partner

M No: 026785**P.RAVI**

Chairman

DIN: 00675665**S.VIVEKANANDAN MURUGAN**

CEO & Director

DIN: 05223790

Place: Chennai

Date: 29.06.2020

C. MOHANA KRISHNA

AGM Finance

HEMA PASUPATHEESWARAN

Company Secretary

HEMADRI CEMENTS LIMITED
NOTES TO FINANCIAL STATEMENTS CIN : L26942AP1981PLC002995
3 - Fixed Assets

Particulars	Gross Block (AT COST)				Depreciation				Net Block			
	As at 01.04.2019	Additions for the year	Deductions during the Year	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions during the Year	Adjusted to Reserves	As at 31.03.2020	As at 31.03.2020	As at 01.04.2020	
Tangible Assets- Own Assets												
Land												
- Free Hold	11,164,136			11,164,136	-				-	11,164,136	11,164,136	
- Land & Site Development	8,491,855			8,491,855	-				-	8,491,855	8,491,855	
Buildings	63,992,461			63,992,461	34,199,759	864,742			35,064,501	28,927,960	29,792,702	
Plant & Machinery	344,033,726	94,047,882		438,081,608	296,277,096	8,609,207			304,886,303	133,195,304	47,756,630	
Electrical Insulation	39,843,375			39,843,375	38,054,781	285,662			38,340,443	1,502,932	1,788,594	
Furniture & Fixtures												
1. Computers	1,462,082	26,550		1,488,632	1,386,777	8,453			1,395,230	93,402	75,305	
2. Furniture & Fixtures	420,087			420,087	393,667	9,416			403,083	17,004	26,420	
3. Office Equipment	2,600,947	91,058		2,692,005	2,409,829	91,248			2,501,077	190,928	191,118	
Vehicles	11,641,237			11,641,237	9,539,843	714,118			10,253,961	1,387,276	2,101,394	
Construction Machinery	480,450			480,450	477,802				477,802	2,648	2,648	
Work Shop Equipment	389,730			389,730	386,182				386,182	3,548	3,548	
Depreciation for Apr 19												
Assets taken on finance lease	484,520,086	94,165,490		578,685,577	383,125,736	10,582,846			393,708,582	184,976,993	101,394,348	
Intangible assets												
TOTAL	484,520,086	94,165,490		578,685,577	383,125,736	10,582,846			393,708,582	184,976,993	101,394,348	
Previous Year	477,438,943	7,081,143		484,520,086	371,941,206	11,184,530			383,125,736	101,394,348	105,497,737	

4. Capital work in progress:

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
i) Plant & Machinery		
Opening Balance	87,934,156	611,938
Add: Additions	5,674,068	87,322,218
	93,608,224	
Less: Capitalised during the year	93,608,224	-
Total	-	87,934,156
Less: Provision for impairment	-	-
Total	-	87,934,156

5. Non Current Investments:

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

6. Other Non Current Financial Assets

Long Term Security Deposit (Unsecured considered good)	28,761,034	28,726,134
Total	28,761,034	28,726,134

7. Other Non Current Assets

Loans and advances to related parties (Refer Note- 37)	177,040,764	176,035,422
Total	177,040,764	176,035,422

8. Inventories:

i) Raw materials	9,890,260	25,855,692
ii) Work in progress	13,575,290	20,276,465
iii) Finished goods	6,500,850	4,588,500
iv) Stores and spares	43,839,914	28,768,887
v) Others- Packing materials	753,897	927,775
Total	74,560,211	80,417,319

9. Trade Receivables:

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Secured Considered Good		
Unsecured Considered good	122,600,231	109,107,276
Considered Doubtful		
Total	122,600,231	109,107,276

10. Cash and cash equivalents

i) Balances with banks:		
-In current accounts	7,570,141	9,547,318
ii) Cash on hand	161,743	161,642
Total	7,731,884	9,708,960

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

Bank Balances held as Margin Money	9,919,737	24,115,061
Deposits with more than 3 months maturity	-	2,440,227
Total	9,919,737	26,555,288

12. Other Current Financial Assets

Unsecured, considered good;		
- Advance to Employees	478,892	188,316
- Others	2,563,000	2,622,122
Total	3,041,892	2,810,438

13. Other Current Assets

Unsecured considered good		
IT refund receivable	6,354,890	4,823,517
Cenvat (or) GST Input receivable	2,167,608	3,596,032
Advances to Suppliers	18,029,606	25,626,952
Prepaid expenses	2,384,872	927,067
Total	28,936,976	34,973,568

14. Equity Share Capital

(Amount in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
<u>Authorised Share Capital</u>		
1,00,00,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Total	100,000,000	100,000,000
<u>Issued, Subscribed and Paid Up</u>		
66,70,000 Equity Shares of Rs.10/- each	66,700,000	66,700,000
Total	66,700,000	66,700,000

14.1 Movement in respect of Equity Shares is given below :

Particulars	As at 31.03.2020		As at 31.03.2019	
	Numbers	Amount in Rs	Numbers	Amount in Rs
At the beginning of the period	6,670,000	66,700,000	6,670,000	66,700,000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	6,670,000	66,700,000	6,670,000	66,700,000

14.2 Terms/rights attached to equity shares

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

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	Numbers	% held	Numbers	% held
SRM TRP Properties and Investments P Ltd	1,496,899	22.44%	1,496,899	22.44%
SRM Civil works P Ltd	2,721,060	40.80%	2,401,260	36.00%
Total	4,217,959	63.24%	3,898,159	58.44%

15. Other Equity**(Amount in Rs.)****For the year ended March 31, 2020**

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 01,2019	13,351,587	1,435,690	974,250	396,266,776	(635,167)	411,393,136
Provision For Dividend and taxes	-	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	1,380,441	(797,473)	582,968
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at 31.03.2020	13,351,587	1,435,690	974,250	397,647,217	(1,432,640)	411,976,105

For the year ended March 31, 2019

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 01,2018	13,351,587	1,435,690	974,250	385,987,087	24,992	401,773,605
Provision For Dividend and taxes	-	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	10,279,689	(660,159)	9,619,530
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at March 31, 2019	13,351,587	1,435,690	974,250	396,266,776	(635,167)	411,393,135

16. Long Term Provisions

Particulars	As at 31.03.2020 Rs	As at 31.03.2019 Rs
Provision for Employee Benefits	191,888	1,238,758
Total	191,888	1,238,758

17- Deferred Tax Liability**Tax recognised in Statement of profit and loss****Amount in Rupees**

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Current income tax		
Current year	672,681	2,229,100
Sub Total (A)	672,681	2,229,100
Deferred tax expense		
Origination and reversal of temporary differences	3,035,860	(4,310,442)
Change in accounting policy		
Sub Total (B)	3,035,860	(4,310,442)
Total (A+B)	3,708,541	(2,081,342)

Tax recognised in other comprehensive income

Amount in Rupees

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Defined benefit plan actual gains (losses)- net of tax expense	(280,193)	231,948
Total	(280,193)	231,948

Reconciliation of effective tax rates

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Profit before tax	3,234,392	5,874,698
Enacted tax Rate (under Normal Provisions)	26.00%	26.00%
Enacted tax Rate (under MAT)	20.39%	20.39%
Computed Expected Tax Expenses - Normal Provision*	672,681	2,229,100
Computed Expected Tax Expenses - MAT**		
Non-deductible expenses	-	-
Ind AS Transition Adjustment	-	-
OCI Income	-	-
Current tax	672,681	2,229,100
Deferred Tax	2,755,667	(4,542,390)
Total Expenses for the year	3,428,348	(2,313,290)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Deferred Tax Liability		
Property, Plant & Equipment	11,449,100	4,638,684
Others		
Sub Total	11,449,100	4,638,684
Deferred tax Assets		
Current year business losses	5,263,525	-
On account of timing differences in recognition of expenditure between books of accounts and Taxation	2,830,763	4,039,540
Sub Total	8,094,288	4,039,540
Net Deferred Tax Assets/ (Liabilities)	(3,354,811)	(599,144)

18. Borrowings - Current

Particulars	As at 31.03.2020	As at 31.03.2019
Secured - At Amortised cost Working Capital Loans From Banks Rupee Loans*	59,045,526	67,236,705
Total	59,045,526	67,236,705

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

Amount in Rupees

Particulars	As at 31.03.2020	As at 31.03.2019
Trade payables		
- Dues to Micro and Small Enterprises(Refer Note-36)	-	-
- Others	36,624,010	43,760,349
Total	36,624,010	43,760,349

20. Other Financial Liabilities

Outstanding Liabilities for Expenses	8,483,178	11,835,751
Payable to employees	3,870,492	3,876,896
Total	12,353,670	15,712,647

21. Other Current Liabilities

Statutory Liabilities	17,034,360	24,525,175
Advance from customers	22,801,306	16,774,108
Total	39,835,666	41,299,283

22. Short term provision

Provision for Employee benefits	12,815,365	14,290,515
Total	12,815,365	14,290,515

23. Current Tax Liabilities (Net)

Provision for income tax for current year (Net)	672,681	1,432,374
Total	672,681	1,432,374

24. Revenue From Operations

Sale of Products	700,981,904	754,169,614
Total	700,981,904	754,169,614

25. Other Income

Interest on Fixed Deposit	2,046,051	2,293,670
Interest on Electricity Deposit	1,612,847	1,867,719
Other Non-operating Income	603,581	15,753,856
Creditors written back	-	24,726,440
Total	4,262,479	44,641,685

26. Cost of materials Consumed**Amount in Rupees**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	Consumption of raw materials	97,002,779
Consumption of stores and spares	11,001,558	20,217,096
Consumption of Packing material	30,598,082	37,561,404
Total	138,602,418	173,253,453

Additional Disclosure**Consumption of Major Raw materials**

Fly Ash consumption	7,131,494	8,083,427
Gypsum consumption	16,710,299	21,855,520
Iron Ore consumption	-	98,266
Laterite Consumption	25,057,984	27,954,478
Lime stone consumption	46,466,293	56,043,917
Dolomite Consumption	1,636,709	1,439,346
Total	97,002,779	115,474,953

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

Closing Balance		
Work in Progress	13,575,290	20,276,465
Finished goods	6,500,850	4,588,500
Total	20,076,140	24,864,965
Less :Opening Balance		
Work in Progress	20,276,465	27,218,725
Finished goods	4,588,500	4,141,950
Total	24,864,965	(31,360,675)
Total (A - B)	(4,788,825)	(6,495,710)

28. Power and Fuel

Coal consumption	198,258,885	251,302,947
Power charges	128,940,913	152,100,474
Total	327,199,798	403,403,421

29. Employee benefits expense

Salaries, wages and bonus	52,656,638	52,135,890
Contribution to provident and other funds	2,683,885	2,791,474
Directors remuneration	10,200,000	10,200,000
Directors remuneration - Commission on profit	-	-
Staff welfare expenses	5,172,696	5,621,885
Earned leaves	3,595,768	3,506,238
Gratuity	1,099,139	1,172,397
Total	75,408,126	75,427,884

30. Finance Cost

Amount in Rupees

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Bank Charges	-	-
Interest on Other	1,873	2,099
Axis Bank OD Interest	7,955,964	4,053,955
B G Commission	-	2,738,634
Total	7,957,837	6,794,688

31. Depreciation and Amortisation

Depreciation	10,582,846	11,184,530
Amortisation for the year	-	-
Others	-	-
Total	10,582,846	11,811,103

32. Other expenses

Selling and distribution expenses		
Selling expenses	4,127,129	4,167,685
Freight Outward	89,552,907	69,699,340
	93,680,036	73,867,025
Other expenses		
Rent	832,580	412,000
Factory Maintenance	12,860,539	15,082,821
Repairs to Plant and Machinery	1,569,429	1,968,323
Repairs to Other Assets	27,180	-
Repairs to Buildings	8,500	-
Rates and taxes	715,015	462,733
Licence Fee	171,731	708,149
Insurance	487,949	493,278
Printing and Stationery	456,417	599,603
Postages & Telecommunication	712,545	906,065
Payment to the auditors as		
- auditor	400,000	400,000
- for taxation matters	50,000	50,000
- other charges	-	-
- for Audit Expenses	47,985	62,718
Conveyance, Travelling exp and others	1,557,776	2,427,789
Legal and professional charges	1,523,010	2,929,758
Freight Cooly & Cartage	986,925	1,165,346
General Expenses	4,692,694	5,070,342
Security Charges	3,178,977	2,922,776
CSR Expenses	-	-
Bank Charges	1,114,633	228,913
BSE Expenses	-	1,808,447
Miscellaneous expenses	2,121,348	3,918,723
Total	33,515,233	41,617,783
Grand Total	127,195,269	115,484,808

33. Earnings per share:**Amount in Rupees**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
After extraordinary item: Profit for the year after tax expense	-	-
Less: Preference dividend payable including dividend tax	-	-
Weighted average number of equity shares	6,670,000	6,670,000
Earning per share Before extraordinary item:	-	-
Profit for the year after tax expense	582,968	9,619,530
Adjustment for Extraordinary item (net of tax)	582,968	9,619,530
Less: Preference dividend payable including dividend tax	582,968	9,619,530
Weighted average number of equity shares	6,670,000	6,670,000
Earning per share	0.09	1.44

1. NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2020

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

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

estimated cost of trading.

Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavourable 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 reliably
- 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.

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

i Provident Fund:

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

of Profit and Loss during the year. The contributions as specified under the law are paid 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 existed when the values were the fair value measured.

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

(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.

OTHER NOTES FORMING PART OF ACCOUNTS:**34. Contingent Liabilities**

A:Guarentees:Outstanding Guarantees furnished by banks on behalf of the company is Rs.2,08,84,600.(PY Rs. 2,40,94,039)

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

Amount Rs. in Lakhs

Particulars	As at 31.03.2020	As on 31.03.2019
Income tax appeal for AY 2008-09 pending before Income tax Appellate Tribunal – Hyderabad	265.86	265.86
Total	265.86	265.86

35 A. Corporate Social responsibility

The Company charges its CSR expenditure during the year to the statement of profit and loss. Section 135 of The Companies Act, 2013 is not applicable to the company for the financial year 2019-20.

35. B In view of the lock-down declared across the country by the Central / State Governments due to COVID-19 pandemic during second half of March 2020, the company's operations were adversely impacted. The operations have since resumed in a phased manner in compliance with the guidelines issued by the relevant regulatory authorities and also the Company's standard operating procedures.

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 year end together with interest paid / payable as required under the Act have not been given..

37. The Company has entered into an agreement with HCL Agro Power Limited for purchase of 1.5 M.W. of power per hour from 1.7.2013 on a captive basis and relevant declarations have also been given to APSPDCL. Payments of Rs.17,70,40,764/- were made periodically calculating the power requirements but as their generation did not stabilize, no power was flown till March 2020. However, there are no operations in HCL Agro Limited but the company is confident of recovering the advance hence treated as good.

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

a. Financial Instruments by Categories

(March 31, 2020)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	2,87,61,034		
Non-Current Investments			60,00,000
Current Trade Receivables	12,26,00,231		
Cash & Cash Equivalents	77,31,884		
Other Bank Balances	99,19,737		
Other Financial Assets	30,41,892		
Liabilities:			
Other Financial Liabilities	7,13,99,196		
Trade Payables	3,66,24,010		

(March 31, 2019)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	2,87,26,134		
Non-Current Investments			60,00,000
Current Trade Receivables	10,91,07,276		
Cash & Cash Equivalents	97,08,960		
Other Bank Balances	2,65,55,288		
Other Financial Assets	28,10,438		
Liabilities:			
Other Financial Liabilities	8,29,49,352		
Trade Payables	4,37,60,350		

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

39. 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.12,26,00,231 and Rs.10,91,07,276 as of March 31, 2020 and March 31, 2019 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, 2020		March 31, 2019	
	Gross	Impairment	Gross	Impairment
0 to 180 days	12,26,00,231	-	10,88,38,726	-
More than 180 days	43,41,091	-	2,68,550	-

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.

40. 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:

Particulars	31.03.2020	31.03.2019
Defined benefit obligation - Beginning of the year	84,17,519	78,69,822
Current service cost	9,96,919	9,99,965
Net Interest Cost	1,02,220	1,72,432
Benefits Paid	(8,20,392)	(17,75,305)
Re-measurements - actuarial loss/(gain)	10,40,604	8,11,244
Defined benefit obligation - End of the year	1,02,29,378	84,17,519

Movement in Plan asset:

Particulars	31.03.2020	31.03.2019
Fair value of plan assets at beginning of year	65,26,795	2991218
Employer contributions	19,47,825	50,52,384
Benefits paid	(8,20,392)	(17,75,305)
Re-measurements - Return on plan assets	(37,062)	(80,863)
Re-measurements - actuarial (loss)/gain	10,40,604	8,11,244
Fair value of plan assets at end of year	81,09,674	65,26,795

Amount recognised in Statement of Profit and Loss

Particulars	31.03.2020	31.03.2019
Current service cost	9,96,919	9,99,965
Curtailment cost/(credit)	-	-
Expected return on Plan Assets	-	-
Net Interest on Net Defined Benefit Liability/(assets) (B)	1,02,220	1,72,432
Past service cost	-	-
Cost Recognized in P&L	10,99,139	11,72,397

Amount recognised in Statement of Other Comprehensive Income

Particulars	31.03.2020	31.03.2019
Actuarial (gain)/loss due to assumption changes	10,40,604	8,11,244
Return on Plan assets	37,062	80,863
Actuarial (gain)/loss recognized in OCI	10,77,666	8,92,107

Actuarial Assumptions

Particulars	31.03.2020	31.03.2019
Discount rate	6.14%	7.35%
Rate of salary increase	4%	4%
Attrition Rate(Past Service 0 to 40)	2%	2%
Retirement Age		
Average Future Service	9.88%	9.6%

**41. Disclosure in respect of Indian Accounting Standard (Ind AS)-37
“Provisions, Contingent Liabilities and Contingent Assets”**

(March 31, 2020)

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)	93,46,362	35,95,768	69,03,817	60,38,313
Provision for gratuity	18,90,724	21,76,805	19,47,825	21,19,704
Provision for Income Tax	18,35,894	6,72,681	14,32,374	10,76,201

(March 31, 2019)

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)	78,58,504	35,06,238	20,18,380	93,46,362
Provision for gratuity	48,78,604	20,64,504	50,52,384	18,90,724
Provision for Income Tax	26,01,466	14,32,374	21,97,946	18,35,894

42. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

a. Names of related parties and description of relationship:

1	Key Managerial Personnel:	Mr. P.Ravi (Chairman) Mr. S.Vivekanandan Murugan (Director & CEO) Mr. C.MohanaKrishna (AGM-Finance) Ms. Hema Nagarajan (Company Secretary)
2	Companies in which directors are interested:	M/s HCL Agro Power Ltd M/s SRM Transports India Pvt Ltd M/s SRM Civil Works Pvt Ltd M/s SRM Engineering Construction Corporation Ltd M/s SRM Global Cements Corporation Ltd M/s SRM Hotels Private Limited
3	Relatives of Key Management Personnel	Mr. T.R.Pachamuthu Mr. P. Satyanarayanan

b. Transactions with related parties during the year:

Particulars	KMP	Director Interest Companies	Relative of KMP
Sales of Goods			
HCL Agro Power Ltd		Nil (Nil)	
SRM Civil Works Pvt Ltd		2,08,07,202 (1,49,71,773)	
SRM Global Cements Corporation Ltd (including duties and taxes)		2,000 (23,18,26,037)	
SRM Hotels Private Limited		Nil (Nil)	
SRM Engineering Construction Corporation Ltd		Nil (Nil)	
SRM Engineering Science & Tech		Nil (Nil)	
Expenses			
SRM Transports India Pvt. Ltd (Transport outward)		6,410 (Nil)	
Remuneration			
P Ravi - Chairman (including Incentive)	30,00,000 (30,00,000)		
S. Vivekanandan Murugan - Director&CEO	72,00,000 (72,00,000)		
C. Mohana Krishna – AGM Finance	18,55,276 (18,65,276)		
Hema Pasupatheeswaran - Company Secretary (Including Bonus and Earned leaves)	16,24,000 (16,49,250)		
Rent Paid			3,00,000
Mr. T.R. Pachamuthu			(3,00,000)
Loans and Advances Given			
HCL Agro Power Ltd		10,05,342 (14,34,854)	
Loans and Advances Received			
HCL Agro Power Ltd		NIL (Nil)	

c. Closing Balances at the year ended 31st March 2020:

Particulars	KMP	Director Interest Companies	Relative of KMP
Loans and Advance Receivable			
HCL Agro Power Ltd		17,70,40,764	
SRM Transports India Pvt Ltd		(17,60,35,422) Nil (Nil)	
Trade Receivables			
SRM Civil Works Pvt Ltd		27,93,408 (33,22,372)	
SRM Global Cement Corporation Ltd		7,33,44,752 (7,35,95,737)	
SRM Hotels Private Limited		Nil (Nil)	
Trade Payable			
SRM Transports India Pvt Ltd		Nil (Nil)	
SRM Institute of Science & Technology		Nil (3,08,000)	

Note :Values in the bracket represent previous year values.

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

43. 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.

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Number of external customers each contributing more than 10% of total revenue	-	1
Total revenue from the above customers (Excluding Taxes)	-	18,06,25,385

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

For and on behalf of the Board

B.S.PURSHOTHAM
Partner
M No: 026785

PRAVI
Chairman
DIN: 00675665

S.VIVEKANANDAN MURUGAN
CEO & Director
DIN: 05223790

Place: Chennai
Date: 29.06.2020

C. MOHANA KRISHNA
AGM Finance

HEMA PASUPATHEESWARAN
Company Secretary

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