

# Andhra Cements Limited



**81<sup>st</sup>**

**Annual Report 2019-20**

**BOARD OF DIRECTORS**

<b>Ravindra Kumar Singh</b>	Chairman
<b>K.N. Bhandari</b> (Upto 13-11-2019)	
<b>Pankaj Gaur</b>	
<b>Naveen Kumar Singh</b>	Director & CEO
<b>S. D. M. Nagpal</b>	
<b>R. K. Pandey</b>	
<b>V. K. Jain</b>	
<b>R. B. Singh</b>	
<b>Manju Sharma</b>	

**CFO**

A.K. Agrawal

**Company Secretary**G. Tirupati Rao  
General Manager (Legal) & Company Secretary**Statutory Auditors**M/s Dass Gupta & Associates  
Chartered Accountants, New Delhi**Secretarial Auditors**M/s Savita Jyoti Associates  
Practicing Company Secretaries, Hyderabad**Cost Auditors**M/s J.K. Kabra & Co  
Cost Accountants, Delhi**Registrar & Share Transfer Agent**CIL Securities Ltd,  
214, Raghav Ratna Towers,  
Chirag Ali Lane, Abids,  
Hyderabad - 500001  
Ph: +91-40-23202465 | Fax: +91-40-23203028  
Website: www.cilsecurities.com  
E-mail: rta@cilsecurities.com**Regional Marketing Office & Share Department**Ashoka Hitec Chambers  
3<sup>rd</sup> Floor, Road No. 2, Banjara Hills,  
Hyderabad , 500 034 (TS)**Registered Office**Andhra Cements Limited  
Durga Cement Works  
Sri Durgapuram,  
Dachepalli - 522414  
Guntur (Dist), (AP)  
CIN: L26942AP1936PLC002379  
Ph: +91-8649-257413 | Fax: +91-8649-257449  
Website: www.andhracements.com  
E-mail: investorcell@andhracements.com**Bankers/Lenders**Housing Development Finance Corp. Ltd.  
Edelweiss Asset Reconstruction Co. Ltd.  
Karur Vysya Bank Limited  
Andhra Bank  
State Bank of India

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## NOTICE

NOTICE is hereby given that the **Eighty-first Annual General Meeting** of the members of **ANDHRA CEMENTS LIMITED** will be held on Tuesday, the 29<sup>th</sup> September, 2020 at 3.30 PM, Indian Standard Time ("IST") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the **Audited Balance Sheet** as at 31<sup>st</sup> March, 2020, the Statement of Profit & Loss for the Year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Ram Bahadur Singh (DIN: 00229692)**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Smt Manju Sharma (DIN: 00023037)**, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To ratify the appointment of **M/s. Dass Gupta & Associates, Chartered Accountants (Firm Regn. No. 000112N)**, as Statutory Auditors of the Company (appointed for the term of five years i.e till the conclusion of 85<sup>th</sup> Annual General Meeting to be held in 2024 by the Shareholders at the 80<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019), to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as may be approved by the Board from time to time.

### Special Business:

#### 5. RATIFICATION OF THE REMUNERATION OF COST AUDITOR

To consider and, if thought fit, to pass with or without modification(s), the following Resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the remuneration payable to **M/s. J.K Kabra & Co, Cost Accountants (Firm Regn. No. 00009)**, appointed by the Board as Cost Auditors to conduct Audit of the cost records of the Company, relating to the Cement and Captive Power Production, for the Financial Year 2020-21, as set out in the Statement annexed to the Notice convening this meeting be and is hereby ratified."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution."

By Order of the Board  
For **ANDHRA CEMENTS LTD**

**G. TIRUPATI RAO**  
General Manager (Legal) &  
Company Secretary  
(Membership No. FCS- 2818)

Place : New Delhi  
Date : 29<sup>th</sup> June, 2020

### Notes:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (MCA Circulars) and Securities Exchange Board of India vide its circular dated 12<sup>th</sup> May, 2020 ("SEBI Circular"), permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the 81<sup>st</sup> Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer point No. 14).
2. National Securities Depository Limited ("NSDL") will be providing facility for remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by the Members will not be available for the AGM and hence the proxy Form and Attendance Slip are not annexed to this Notice.

However, pursuant to Section 113 of the Companies Act, 2013 Institutional/Corporate Members (i.e other than individuals/HUF,NRI etc.) can appoint their

representatives to attend the AGM through VC/OAVM and vote through e-voting. They are requested to send the scanned copy (pdf/jpeg Format) of their Board or governing body Resolution/Authorization etc, authorizing their representative to attend the AGM through VC/OAVM to the Scrutinizer by e-mail through its registered e-mail address to mahadev.pcs@gmail.com with a copy marked to evoting@nsdl.co.in.

4. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website i.e www.andhracements.com, websites of the Stock Exchanges i.e BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL i.e www.evoting.nsdl.com.
5. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members may note that the VC/OAVM facility provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e 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, can attend the AGM without any restriction on account of first-come-first-served principle.
8. Explanatory Statements setting out the material facts concerning item of Special Business to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided with this Notice.
9. Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other Documents referred to in the Notice will be available for inspection during the meeting in

electronic mode and same may be accessed upon log-in to NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

10. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN details to RTA viz. CIL Securities Ltd.
  11. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018 amended Regulation 40 of SEBI (LODR) Regulations, 2015, which provides that from 1<sup>st</sup> April, 2019 transfer of Securities would not be processed unless the Securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately. However, Members can continue to make request for transmission or transposition of Securities held in physical form.
  12. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending Notice of the Meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their e-mail address with the Company and Members holding shares in demat mode are requested to register their e-mail address with their respective Depository Participants (DPs). If there is any change in the e-mail address already registered with the Company. Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
  13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, The Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- Instructions for voting through electronic means (e-voting), joining the AGM through VC/OAVM and other instructions relating thereto are as under;**
14. The Company has engaged the Services of NSDL as the Agency to provide remote e-voting facility and e-voting during the AGM.
  15. Mr. Mahadev Tirunagari, Practicing Company Secretary (Membership No. FCS 6681, CP No. 7350) has been appointed as the Scrutinizer to scrutinize the e-voting

during the AGM and remote e-voting process in a fair and transparent manner.

16. Voting rights of the Members for voting through remote e-voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e Tuesday, 22<sup>nd</sup> September, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting and voting during the AGM.
17. The remote e-voting facility will be available during the following period:
  - a. Commencement of remote e-voting: 9.00 am (IST) on Saturday, 26<sup>th</sup> September, 2020.
  - b. End of remote e-voting: 5.00 pm (IST) on Monday, 28<sup>th</sup> September, 2020.
  - c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by NSDL upon expiry of the aforesaid period.
18. The Members who will be present in the AGM through VC/OAVM facility and have not cast 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 during the AGM.
19. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
20. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning their demat account number/folio number, PAN, name and registered address. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for

which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mahadev.pcs@gmail.com](mailto:mahadev.pcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Mrs. Sarita Mote ([saritam@nsdl.co.in](mailto:saritam@nsdl.co.in)) or Mr. Amit Vishal ([amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)).

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 [investorcell@andhracements.com](mailto:investorcell@andhracements.com).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), 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 [investorcell@andhracements.com](mailto:investorcell@andhracements.com).

2. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF 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 Members/ shareholders, who will be 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 in the AGM.
3. Members 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH**

**VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login

26. Since, the AGM will be held through VC/OAVM, the Route Map is not annexed with Notice.
27. The Register of Members and Share Transfer Books will remain closed from 21<sup>st</sup> September, 2020 to 29<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
28. (a) The Shareholdings of all the Directors in the Company (including those of who are being re-appointed) have been disclosed in the Report on Corporate Governance.
- (b) None of the Director(s) proposed to be appointed/re-appointed is related to any Director or Key Managerial Personnel of the Company or their respective relatives.
- (c) Additional details in respect of Directors being re-appointed are given with this Notice.

#### STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013

##### Item No. 5

As the members are aware, in terms of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct Audit of the cost records of the Company, relating to the Cement Product of the Company.

M/s. J.K. Kabra & Co, Cost Accountants have been appointed as the Cost Auditors of the Company for the Financial Year 2020-21 by the Board of Directors, in its meeting held on 29<sup>th</sup> June, 2019, on the recommendation of the Audit Committee of the Company. The Board has fixed remuneration of ₹ 75,000/- (Rupees Ninety Thousands only) exclusive of applicable service tax and out-of-pocket expenses.

In terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors fixed by the Board of Directors shall be ratified by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Resolution for approval of the members as an **Ordinary Resolution**.

#### DETAILS OF DIRECTORS RETERING BY ROTATION /APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Particulars	Shri Ram Bahadur	Smt. Manju Sharma
Date of Birth & Age	01.01.1950, (70 Years)	27.07.1964 (56 Years)
Date of Appointment	12.11.2014	11.02.2015
Qualifications	FCA	Graduate (Match), Certificate Course in Application Programming from Landon Institute (UK)
Expertise in specific functional area Experience (Yrs)	Finance & Accounts, Cost Control, Internal Audit, Risk Management and Commercial Functions, Experience: 47 years	Hotel Business & Management, Finance & Accounts, Experience: 30 Years
Chairmanship/ Membership of Board Committees of the Company	Audit Committee – Member, Risk Management Committee – Member, Nomination & Remuneration Committee – Member, Stake Holder Relationship Committee - Member	Nil
Chairmanship/ Membership of Board Committees of other Companies	Nil	CSR Committee – Member (Jaypee Hotels Ltd)
Number of shares held	Nil	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Share holding in the Company	Nil	Nil
No. Board Meetings Attended during the Year	4 Meetings	3 Meetings
Director Ship in Other Companies	Jaypee Cement Corporation Ltd, Bhilai Jaypee Cement Ltd, MP Jaypee Coal Ltd, Sunil Hitech Energy Pvt, Ltd, SHEL Investments Consultancy Pvt, Ltd	Jaypee Hotels Ltd, Ibonshoume Ltd, Hotel and Restaurant Association of North India.



## DIRECTORS' REPORT

### To, The Members

The Directors of your Company are pleased to present the Eighty First Annual Report together with the Audited Accounts of the Company for the Year ended 31<sup>st</sup> March, 2020.

### FINANCIAL HIGHLIGHTS

Summary of the financial results of the Company for the year under report are as under:

	Current Year 2019-20	Previous Year 2018-19
Net Sales	14292	32124
Other Income	71	180
PBIDT	(702)	1509
Finance Cost	12174	10844
Depreciation	4783	4747
Profit/(Loss) before exceptional Items	(17660)	(14082)
Exceptional Item	-	3974
Profit/(Loss) before Tax	(17660)	(18056)
Deferred Tax	(828)	(43)
Net Profit / (Loss)	(16832)	(18013)
Other Comprehensive Income	(10)	2
Total Comprehensive Income	(16841)	(18011)

### SHARE CAPITAL

The paid up equity share capital as at 31<sup>st</sup> March, 2020 is ₹ 293.52 Crores. During the period under review, your Company has not issued any shares with differential rights,

### KEY FINANCIAL RATIOS

Pursuant to Reg. 34(3) and 53(1) and Schedule V (B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the year 2019-20 are given below:

Sl. No.	Particulars	31.03.2020	31.03.2019	Formula adopted
1	Debtors Turnover Ratio (Days)	50.23	26.44	365 Days/(Net Revenue/ Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	39.04	24.38	365 Days/ Net Revenue/Average Inventories)
3	Interest Coverage Ratio	(0.45)	(0.67)	(Profit before Tax +Interest)/(Interest + Interest Capitalised)
4	Current Ratio	0.08	0.14	Current Assets/(Total Current Liabilities-Security Deposits payable on demand-Current maturities of Long Term Debt)
5	Debt-equity Ratio	(*)	(*)	Total Debt Total Equity
6	Operating Profit Margin Ratio	(0.17)	(0.08)	EBITDA/Net Revenue
7	Net Profit Margin Ratio	(1.18)	(0.56)	Net Profit/Net Revenue
8	Return on Network	(#)	(#)	Total Comprehensive Income/Average Network

(\*) Since equity is negative, ratio cannot be calculated.

(#) Since Network is negative, ratio cannot be calculated

sweat equity shares and equity shares under employees stock option scheme. Your Company has also not bought back its own shares during the period under review.

### Dividend

No Dividend is recommended in view of the loss during the year and non-availability of any carry forward surplus.

### OPERATIONS

During the year under review, Company's plant viz, Durga Cement Works (DCW) was not operated fully due to some operational, technical reasons and also in view of the massive outbreak of the COVID-19 pandemic, the Company produced Clinker and Cement lesser quantity comparatively previous year and the plant viz, Visakha Cement Works (VCW) was operated till July, 2018, and later the production was stopped due to operational viability reasons. The Company has commissioned its 30 MW Captive Power Plant (CPP) situated at Durga Cement Works but not in operation.

### IMPACT OF COVID-19

Due to Covid-19 virus the Indian Economy is expected to witness a growth rate of around 5% for the year 2019-20, which shall be the lowest witnessed since the Global Financial Crisis in 2008-09. This is largely because of poor showing by manufacturing, construction and mining sectors. Lockdown imposed in the Country as a result of Covid-19 virus has had an unprecedented impact on the entire economy of the Country. In the month of March, 2020 to June, 2020 was visually a complete standstill. There is uncertainty as to how long the impact of lockdown is expected to continue and when one can witness normalcy returning to the economy. In view of the above reasons our Company's performance also effected largely and stopped the entire plant operations since lockdown imposed by the Government of India due to viability and operational reasons.

- a. EBITDA denotes Profit before Interest+Tax+Depreciation.
- b. Increase in Debtor Turnover Ratio is on account of reduction in Sales.
- c. Reduction in Interest Coverage Ratio is due to reduction in Sales and Profit.
- d. Current Ratio is reduced as current liability has increased due to reduction in Sales and Profit.

## COST

During the year under review, the diesel prices have increased abnormally. Due to this, the cost of raw materials as well as cost of distribution of cement has increased. The relaxation by the Government of India rationalizing the axle load norms for the heavy vehicles, has provided some relief in managing the distribution cost.

The price of pet coke and coal has increased significantly impacting the margins. The company has taken steps to manage the increasing cost by using low cost fuels.

The Company has been continuously taking various measures in the areas of production, productivity, quality and cost reduction, to mitigate the increase in the cost of raw materials, power and transport.

## FINANCIAL STATEMENTS

As per the provisions of the Companies Act, 2013 and Regulation 34 of LODR, Companies are required to prepare financial statements to be laid before the Annual General Meeting of the Company. Accordingly, the financial statements along with the Auditors' Report thereon, form part of this Annual Report.

As per section 136(1) of the Companies Act, 2013 the Financial Statements are available at the Company's website i.e [www.andhracements.com](http://www.andhracements.com).

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under report the following changes took place in the Board of the Company:

1. Shri Ram Bahadur Singh and Smt. Manju Sharma, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment. Shri K.N. Bhandari, submitted resignation for his Directorship due to his advancing age and other personal reasons and he ceased to be a Director of the Company w.e.f. 13<sup>th</sup> November, 2019. Shri S.D.M. Nagpal, Shri R.K. Pandey and R.K. Singh, independent Directors of the Company are going to retire by 29<sup>th</sup> September, 2020 as their 2<sup>nd</sup> term of appointment is completing on that date.
2. During the year under report, the Board Meet 4 times, the details whereof are given in Report on Corporate Governance. The meetings of Board of Directors were held on 29.05.2019, 30.07.2019, 12.11.2019 and 12.02.2020.

3. All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the Committees constituted by it. The manner in which the formal annual evaluation has been carried out has been explained in the Report on Corporate Governance.

5. The Board has on the recommendation of the Nomination & Remuneration Committee adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. Brief features of the said Policy are:

- a) Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of Director;
- b) Nomination and Remuneration Committee shall identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management Position;
- c) While selecting Independent Directors, the Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise and experience required for the position;
- d) Non-executive/Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof, as amount as may be approved by the Board of Directors within the limits prescribed under the Companies Act, 2013 and the rules made thereunder, provided that the amount of such fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The sitting fee for Independent Directors and Women Directors shall not be less than the sitting fee payable to other Directors;
- e) An Independent Director shall not be entitled to any stock option of the Company;
- f) Other employees of the Company shall be paid remuneration as per the Company's HR policies. The breakup of the pay scale and quantum of perquisites including employer's contribution to PF, pension scheme, medical expenses, etc. shall be as per the Company's HR Policy.

The Company shall reimburse actual expenditure

incurred by the Directors in the performance of their duties as per the rules and policies of the Company.

Remuneration of other employees shall be reviewed/decided on an annual basis or earlier if deemed necessary, based on performance appraisal of individual employees taking into account several factors such as job profile, qualifications, seniority, experience, commitment including time commitment, performance and their roles and duties in the organization.

- g) The age, term of appointment and retirement of Managing Director/Whole-time Director shall be determined in accordance with the provisions of Companies Act, 2013 read with Rules made thereunder;
- h) Managing Director/Whole-time Director and Key Managerial Personnel shall be paid the remuneration within the overall limit prescribed under the Companies Act, 2013 and the Rules made thereunder as recommended by the Nomination and Remuneration Committee subject to the approval of the Board;
- i) The Company shall provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the company operates, business model of the Company etc;

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013. Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. As required under Regulation 25(7) of LODR, the Company has programmes for familiarization for the Independent Directors.

Board Evaluation: Pursuant to Section 134(3)(p) of the Companies Act, 2013 and Regulation 25(4) of LODR, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the management and the board, performance of the Board as a whole and its Members and other required matters. Pursuant to Regulation 17(10) of LODR Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board/Committee Meetings.

The Company had formulated a code of conduct for the Directors and Senior Management personnel and the same has been complied.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were

in the ordinary course of business. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction.

The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at [www.andhracemens.com](http://www.andhracemens.com).

The details of Related Party Transactions as required under IND AS-24 are provided in the accompanying financial statements forming part of this Annual Report. Form AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "Annexure-A" to this Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **AUDITORS**

##### **1. Statutory Auditors**

As the members are aware in accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s. Dass Gupta & Associates, Chartered Accountants (Firm Registration No. 000112N), were appointed as Statutory Auditors of the Company in the 80<sup>th</sup> Annual General Meeting (AGM) for a period of Five consecutive years till the conclusion of 85<sup>th</sup> AGM of the Company to be held in the year 2024. The Company has obtained a written consent and a certificate from the Statutory Auditors to the effect that their appointment, if ratified, would be in accordance with the conditions as prescribed and they fulfill the criteria laid down in Section 141 of the Companies Act, 2013.

Based on the recommendations of the Audit Committee, the Board has recommended the ratification of appointment of M/s. Dass Gupta & Associates, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2020-21 and to hold office till the conclusion of the 85<sup>th</sup> Annual General Meeting to be held in the year 2024, subject to ratification of their appointment in every AGM.

##### **2. Cost Auditors**

For the Financial Year 2020-21, the Board of Directors of the Company have on the recommendation of Audit Committee, appointed M/s. J.K. Kabra & Associates, Cost Accountants (Firm Regn No. 00009) Cost Auditors of the Company for auditing the Cost Records relating to the product 'Cement'. In this regard, they have submitted a certificate certifying their independence and their arms

length relationship with the Company. The Resolution for ratification of their remuneration has been included in the Notice for ensuing Annual General Meeting.

### 3. Secretarial Auditor

Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2020, issued by M/s. Savita Jyoti Associates, Company Secretaries, in form MR-3 forms part of this report and marked as "Annexure-B".

The said report does not contain any qualification or observation requiring explanation or comments from Board under section 134(3)(f)(ii) of the Companies Act, 2013.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, on recommendations of the Audit Committee, the Board has appointed M/s. Savita Jyoti Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2021.

## AUDITORS REPORT

The Directors of the Company wish to state that the Statutory Auditors of the Company has given modified opinion on the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020. The qualification in the Financial Statement and management response to the aforesaid qualification is given under:

Auditors Qualification	Management's Reply
<p>We refer to Note 35 to the financial statements in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the financial year ended March 31, 2020, the Company has incurred losses of ₹16,841 lakhs, resulting into accumulated losses of ₹ 86,998 lakhs and erosion of net worth as at March 31, 2020. The Company has obligation towards fund based borrowings aggregating to ₹1,09,494 lakhs as on March 31, 2020 including working capital loans and interest accrued thereon. The Company's current liabilities have exceeded current assets as on March 31, 2020. These matters require the Company to generate additional cash flow to fund the operations as well as payments to lenders, creditors, statutory dues and other obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, we are unable to comment on the consequential impact, if any on the accompanying financial statements.</p>	<p>The management has approached the financial institutions/banks for restructuring of the debts which is under consideration by major lenders. Further, the Cement market has started improving and company is hopeful to achieve the profitable operations and is of the view that the company will continue as a going concern.</p>

Note: The Auditors have also drawn attention to some items under Emphasis of matter in their report. However, they have not modified their opinion in respect of the said matters.

### EXTRACT OF ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013 extract of the Annual Return in Form MGT-9 for the year ended 31<sup>st</sup> March, 2020 is attached as "Annexure-C" which forms part of this Report.

In accordance with Clause 22 of Secretarial Standard on Report of the Board of Directors (SS4), a copy of Annual Return for the year ended 31<sup>st</sup> March, 2020 has been placed on the website of the Company.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, there were no Loans, Guarantees and Investments made/given as per the provisions of Section 186 of the Companies Act, 2013.

### RISK MANAGEMENT

The Company has formulated a Risk Management Policy. The Risk Management Policy, which inter-alia:

- a) define framework for identification, assessment, monitoring, mitigation and reporting of risks.

- b) ensures that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.

The Risk Management policy of the Company is available at the Company's website.

### CORPORATE SOCIAL RESPONSIBILITY

In view of absence of required profit/net worth/turnover, the provisions of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

### MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3) (i) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the year and date of this report.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Corporate Governance as stipulated by Regulation 34(3) of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, forms part of this Annual Report along with the required Certificate from the Practicing Company Secretary confirming compliance with conditions of Corporate Governance.

As required under Regulation 34(2)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report on operations and financial position of the Company has been provided in a separate section which forms part of this Annual Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors, based on the representation received from the operating management, certification by CEO and CFO to the Board of Directors and after due enquiry, confirm that in respect of the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2020 that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- b) the Directors had, in consultation with the Statutory Auditors, 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 for the year ended 31<sup>st</sup> March, 2020 and the loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid proper internal financial controls to be followed and that such internal financial controls were adequate and were operating effectively; and
- f) Directors had devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

#### **WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

The Company has in terms of the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulated Whistle Blower Policy and Vigil Mechanism for Directors and employees under which protected disclosures can be made by a whistle blower. ([www.andhracemts.com](http://www.andhracemts.com))

#### **INTERNAL FINANCIAL CONTROL**

The Internal Financial Controls with reference to financial

statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for insufficiency or inadequacy of such controls.

The information about internal financial controls is set out in the Management Discussion & Analysis Report which forms part of this Report.

#### **DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the details relating to deposits as also requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

However, In accordance with the Modified Rehabilitation Scheme (MS-08), the Company is settling the claims lodged by fixed deposit holders. As per the provisions of Section 125 of the Companies Act, 2013 the company is in the process to transfer the Unclaimed Amount to the 'Investor Education and Protection Fund'.

#### **REDEMPTION OF PREFERENCE SHARES**

The payments against these shares are being made as and when claimed by the holders. It has not been possible to locate the addresses of the shareholders, despite notices being published in daily newspapers. No claims were received during the year. There is no liability for dividend on these shares.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Annual Report and is provided as "Annexure- D" in this report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as "Annexure- D" to this Report.

#### **PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Second Amendment Rules, 2015 (as per the notification dated 4<sup>th</sup> September, 2015), is annexed herewith as "Annexure-E".

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaints were received by the Company.

## **FUTURE OUTLOOK**

GDP growth for the year 2020-21 was originally projected at 4.5%, which is around 3% lower than previous year in view of the massive outbreak of Covid-19 pandemic. However, there are several uncertainties which can have an impact in the projected GDP. The outlook of oil prices continue to be hazy both on upside and downside. It is expected that the demand for cement would decline and will growth plugging to a historical low of negative 4-5% for the financial year 2020-21. Our plants are fully equipped and supported with grinding units at strategic locations. Our company will be able to make suitable measures to take advantage of the present economic momentum in the coming years.

## **THREATS**

The Sanctions imposed on countries from where India is imposing maximum crude would adversely affect the fuel price, which would have negative impact on our manufacturing and transportation cost. The Mines and Minerals (Development & Regulation) Amendment Act, 2015, (MMDR) has made the Limestone as a notified mineral. Pursuant to the amendment act, grant of mining lease for

all notified minerals shall be through public auction process by the respective State Governments. Since, several State Governments do not have the required geological data of availability of the reserves and they are not able to proceed with the auction. This is delaying the process of getting fresh mining leases allotted.

## **OPPORTUNITIES**

The Company's products have always been perceived to possess superior quality standards in the market and the company has been enjoying a high level customer satisfaction index. Hence, products will be sold at higher profitability and revenue. The Company is planning to introduce products catering to specific customers to meet their customized applications and requirements.

## **ACKNOWLEDGEMENT**

The Board places on record its sincere appreciation and gratitude to various Departments and Undertakings of the Central Government, and State Governments, Financial Institutions, Banks and other authorities for their continued co-operation and support to the Company. The Board sincerely acknowledges the faith and confidence reposed by the Shareholders in the Company.

For and on behalf of the Board

**R.K. SINGH**

Chairman

[DIN: 0859229]

Place : New Delhi

Date : 29<sup>th</sup> June, 2020

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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.**

There were no contracts or arrangements or transactions entered by the Company during the Financial Year 2019-20 which were not at Arm's length basis.

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

Sl. No.	Particulars	Details No.
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/arrangements/transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the values, if any	-
e)	Dates of approval by the Board	-
f)	Amount paid as advances, if any	-

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

**FOR THE YEAR ENDED 31ST MARCH, 2020**

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

To,  
The Members,  
**Andhra Cements Limited**  
CIN: L26942AP1936PLC002379  
Durga Cement Works, Durgapuram,  
Dachepalli – 522 414, Guntur (Dist), AP

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Andhra Cements Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my/our opinion, the company has, during the audit period from April 1, 2019 to March 31, 2020 ('audit period') 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31<sup>st</sup> March, 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the Audit period)
- (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the Audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the Audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the Audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the Audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the Audit period)

We have relied on certifications/representations made by the officers of the Company and mechanism formed by the Company for compliance under the Applicable Act, Laws and Regulations to the Company. Major laws applicable to the company are as follows:



1. Mines and Minerals (Development and Regulation) Act , 1957
2. Factories Act, 1984;
3. Contract Labour Act, 1970;
4. Employees' Provident Funds & Miscellaneous Provisions Act, 1952;
5. Industrial Dispute Act, 1947;
6. Environment (Prevention of pollution control) Act, 1986;
7. Cement (Quality Control) Order, 2003;
8. Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
9. Mineral Conservation and Development Rules, 1988;
10. Metalliferous Mine Regulations, 2012; and
11. Explosives Act, 2008.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited, Mumbai.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis.

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

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

All the decisions at the Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further Report that during the audit period of the Company:

There was no instance of: Demerger/ Restructuring/ Scheme of Arrangement.

We further report that, during the audit period of the company, there was no events which required the approval of its members.

We 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.

We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company.

We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable.

For **Savita Jyoti Associates**  
**Company Secretaries**

**Savita Jyoti**  
FCS No.3738; C P No.:1796

Place: Hyderabad  
Date : May 06, 2020

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31<sup>st</sup> March, 2020

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

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	L26942AP1936PLC002379
ii)	Registration Date	9 <sup>th</sup> December, 1936
iii)	Name of the Company	Andhra Cements Limited
iv)	Category/Sub-Category of the Company	Public Company
v)	Address of the Registered Office and Contact Details	Durga Cement Works, Sri Durgapuram, Dachehalli - 522414, Guntur Dist, (AP)
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	CIL Securities Ltd, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500001 Phone No.:+91-40-23202465

<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10% or more of the total turnover of the company	As per Attachment - I
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment - II
<b>IV.</b>	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)</b>	
	i) Category-wise Share Holding	As per Attachment - III
	ii) Shareholding of Promoters	As per Attachment - IV
	iii) Change in Promoters' Shareholding	As per Attachment - V
	iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment - VI
	v) Shareholding of Directors and Key Managerial Personnel	As per Attachment - VII
<b>V.</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment - VIII
<b>VI.</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
	i) Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment - IX
	ii) Remuneration to other directors	As per Attachment - X
	iii) Remuneration to Key Managerial Personnel other than MD/ Manager/WTD	As per Attachment - XI
<b>VII.</b>	<b>PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES</b>	NIL

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY****ATTACHMENT- I**

	All the business activities contributing 10% or more of the total turnover of the company shall be stated:-
--	---

SL No	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Cement Manufacturing	NA	100%

III Particulars of Holding, Subsidiary & Associate Companies			ATTACHMENT- II		
SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Jaypee Development Corporation Limited, Sector-128, Noida – 201304 (UP)	U74140UP2007PLC052885	Holding	68.79	2(46)

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

(i) Category -wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
	a) Individual/HUF	0	0	0	0	0	0	0	0	0
	b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
	c) Bodies Corporates	20,19,26,406	0	20,19,26,406	68.79	20,19,26,406	0	20,19,26,406	68.79	0
	d) Bank/Fl	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL:(A) (1)</b>	<b>20,19,26,406</b>	<b>0</b>	<b>20,19,26,406</b>	<b>68.79</b>	<b>20,19,26,406</b>	<b>0</b>	<b>20,19,26,406</b>	<b>68.79</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
	a) NRI-Individuals	0	0	0	0	0	0	0	0	0
	b) Other Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp.	0	0	0	0	0	0	0	0	0
	d) Banks/Fl	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>20,19,26,406</b>	<b>0</b>	<b>20,19,26,406</b>	<b>68.79</b>	<b>20,19,26,406</b>	<b>0</b>	<b>20,19,26,406</b>	<b>68.79</b>	<b>0</b>
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>1</b>	<b>Institutions</b>									
	a) Mutual Funds	886	11867	12753	0.00	886	11867	12753	0.00	0
	b) Banks/Fl	271511	32269	303780	0.11	248841	31619	280460	0.10	-0.01
	c) Central Govt.	0	0	0	0	0	0	0	0	0
	d) State Govt.	0	0	0	0	0	0	0	0	0
	e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) FIs	0	7390000	7390000	2.52	0	7390000	7390000	2.52	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL (B)(1):</b>	<b>272397</b>	<b>7434136</b>	<b>7706533</b>	<b>2.63</b>	<b>249727</b>	<b>7433486</b>	<b>7683213</b>	<b>2.62</b>	<b>-0.01</b>
<b>2</b>	<b>Non Institutions</b>									
	a) Bodies corporates	32071703	46061	32117764	10.94	29822658	45961	29868619	10.17	-0.77
	i) Indian	0	0	0	0	0	0	0	0	0
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals	0	0	0	0	0	0	0	0	0
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	29237338	1075659	30312997	10.33	29955293	1064092	31019385	10.57	+0.24
	ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	19758049	34450	19792499	6.74	21300207	34450	21334657	7.27	+0.53
	c) Others (NRI's)	1625389	38904	1664293	0.57	1649333	38879	1688212	0.58	+0.01
	<b>SUB TOTAL (B)(2):</b>	<b>82692479</b>	<b>1195074</b>	<b>83887553</b>	<b>28.59</b>	<b>82727491</b>	<b>1183382</b>	<b>83910873</b>	<b>28.59</b>	<b>0</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>82964876</b>	<b>8629210</b>	<b>91594086</b>	<b>31.21</b>	<b>82977218</b>	<b>8616868</b>	<b>91594086</b>	<b>31.21</b>	<b>0</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>284860910</b>	<b>8659582</b>	<b>293520492</b>	<b>100</b>	<b>284903624</b>	<b>8616868</b>	<b>293520492</b>	<b>100</b>	<b>0</b>

## (ii) Shareholding of Promoters

ATTACHMENT- IV

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2019			Share Holding at the end of the Year 31.03.2020			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total	No of shares	% of total shares of the company	% of shares pledged encumbered to total	
1	Jaypee Development Corporation Limited	201926406	68.79	51.60	201926406	68.79	75.00	0
	<b>Total</b>	<b>201926406</b>	<b>68.79</b>	<b>51.60</b>	<b>201926406</b>	<b>68.79</b>	<b>75.00</b>	<b>0</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

ATTACHMENT- V

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2019			Date	Increase/ (Decrease) in shareholding	Reason	Cumulative holding during the year year 01.04.2019 to 31.03.2020	
		No of shares	% of total shares of the company	% of shares pledged encumbered to total				No of shares	% of Total Shares of the Company
1	Jaypee Development Corporation Limited	201926406	68.79	51.60	-	-		201926406	68.79
	<b>Total</b>	<b>201926406</b>	<b>68.79</b>	<b>51.60</b>	<b>-</b>	<b>-</b>		<b>201926406</b>	<b>68.79</b>

ATTACHMENT- VI

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2019		Increase/ (Decrease) In shareholding	Reason	Share holding as on 31.03.2020	
		No of shares	% of total shares			No of shares	% of Total Shares
1	HDFC LIMITED	25742546	8.77	-	-	25742546	8.77
2.	FIDELITY CAPITAL INVESTMENT INC	7390000	2.52	-	-	7390000	2.52
3	SCLFLORICULTURE PVT. LTD.	545069	0.19	-	-	545069	0.19
4.	RAHUL PRAKASH SARDA	492735	0.17	-	-	492735	0.17
5.	MAJUMDAR HEMA KIRAN	200000	0.07	200000	PURCHASE	400000	0.14
6.	B R NAHAR AND SONS HUF	24966	0.01	351128	PURCHASE	376094	0.13
7.	K K SARACHANDRA BOSE	330518	0.11	-	-	330518	0.11
8.	FRONTLINE SECURITIES LTD.	0	0.00	324036	PURCHASE	324036	0.11
9.	TUSHAR CHOUDHARY	310000	0.11	-	-	310000	0.11
10.	VIJAY KUMAR KANTHED	310000	0.11	-	-	310000	0.11

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year 01.04.2019		Date	Increase/ Decrease in shareholding	Reason	Shareholding as on 31.03.2020	
		No of shares	% of total shares of the company				No of shares	% of Total Shares of the Company
1	Shri K N Bhandari, Chairman Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
2	Shri Pankaj Gaur, Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
3	Shri Naveen Kumar Singh, Director -CEO	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
4	Shri Ravindra Kumar Singh, Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
5	Shri Sain Ditta Mal Nagpal Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
6	Shri Radha Krishna Pandey, Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
7	Shri Vijai Kumar Jain Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
8	Shri R B Singh Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
9	Shri Manju Sharma Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
10	Shri A.K. Agrawal CFO	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
11	Shri G. Tirupati Rao Company Secretary & GM (L)	2500	0.00	–	0.00	Nil Movement during the year	2500	0.00

V INDEBTEDNESS

(Indebtedness of the Company (including interest outstanding/accrued but not due for payment for financial year 2019-20)

(In ₹)

S. No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the Financial Year (01.04.2020)				
	i) Principal Amount :				
	a) Rupee Term Loan	8,87,51,22,750.00	31,49,78,506.40	-	9,19,01,01,256.40
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	40,64,27,007.95	-	-	40,64,27,007.95
	ii) Interest due but not paid	44,29,54,437.11	5,06,74,941.00	-	49,36,29,378.11
	iii) Interest accrued but not due	8,52,329.00	-	-	8,52,329.00
	<b>Total (i to iii)</b>	<b>9,72,53,56,524.06</b>	<b>36,56,53,447.40</b>	<b>-</b>	<b>10,09,10,09,971.46</b>

S. No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
<b>B</b>	<b>Changes in Indebtedness during Financial Year 2019-20</b>				
	<b>Addition</b>				
	i) Principal Amount :				
	a) Rupee Term Loan	-	6,46,84,521.10	-	6,46,84,521.10
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	3,57,86,434.45	-	-	3,57,86,434.45
	ii) Interest due but not paid	88,08,29,192.71	-	-	88,08,29,192.71
	iii) Interest accrued but not due	-	-	-	-
	<b>Total - B</b>	<b>91,66,15,627.16</b>	<b>6,46,84,521.10</b>	<b>-</b>	<b>98,13,00,148.26</b>
<b>B1</b>	<b>Reduction</b>				
	i) Principal Amount :				
	a) Rupee Term Loan	8,26,46,000.00	-	-	8,26,46,000.00
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	-	-	-	-
	ii) Interest due but not paid	-	5,06,74,941.00	-	5,06,74,941.00
	iii) Interest accrued but not due	6,510.00	-	-	6,510.00
	<b>Total - B1</b>	<b>8,26,52,510.00</b>	<b>5,06,74,941.00</b>	<b>-</b>	<b>13,33,27,451.00</b>
<b>C</b>	<b>Indebtedness at the end of the Financial Year (31.03.2020)</b>				
	i) Principal Amount :				
	a) Rupee Term Loan	8,79,24,76,750.00	37,96,63,027.50	-	9,17,21,39,777.50
	b) ECB/FCC Bs	-	-	-	-
	c) Working Capital	44,22,13,442.40	-	-	44,22,13,442.40
	ii) Interest due but not paid	1,32,37,83,629.82	-	-	1,32,37,83,629.82
	iii) Interest accrued but not due	8,45,819.00	-	-	8,45,819.00
	<b>Total - (i to iii)</b>	<b>10,55,93,19,641.22</b>	<b>37,96,63,027.50</b>	<b>-</b>	<b>10,93,89,82,668.72</b>

\* It represents loan from Jaypee Development Corporation Limited and does not include unamortised cost of ₹ 1,62,90,996.60 and ₹ 97,34,952.50 as on 01.04.2019 and 31.03.2020 respectively.

#### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

ATTACHMENT- IX

i) Remuneration to Managing Director, Whole-time Director and/or Manager: (In ₹)  
Shri Naveen Kumar Singh, Director & CEO, does not have any Remuneration and perquisites etc., 0

ii) Remuneration to other Directors:  
Independent Directors

ATTACHMENT- X  
(In ₹)

Sl. No.	Name of the Director	Fee for attending Board/ Committee meetings	Commission	Others, please specify	Total
1	Shri K.N. Bhandari	120000			120000
2	Shri S.D.M. Nagpal	160000	-	-	160000
3	Shri R.K. Pandey	200000	-	-	200000
4	Shri R.K. Singh	80000	-	-	80000
	<b>Total (1)</b>	<b>560000</b>			<b>560000</b>

#### Other Non-Executive Directors

Sl. No.	Name of the Director	Fee for attending board/ committee meetings	Commission	Others, please specify	Total
1	Shri Pankaj Gaur	20000	-	-	20000
2	Shri V.K. Jain	80000	-	-	80000
3	Shri R.B. Singh	200000	-	-	200000
4	Smt. Manju Sharma	60000	-	-	60000
	<b>Total (2)</b>	<b>360000</b>			<b>360000</b>
	<b>Total (1)+(2)</b>	<b>920000</b>			<b>920000</b>

iii) Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	29,83,149.00	20,16,101.50	49,99,250.50
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,33,176.30		2,33,176.30
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	Others, specify	-	-	-
5	Others, please specify-P.F- Employer's Contribution etc.	1,02,960.00	65,835.00	1,68,795 .00
	<b>Total</b>	<b>33,19,285.30</b>	<b>20,81,936.50</b>	<b>54,01,221.80</b>

Note: Shri Naveen Kumar Singh , Director & CEO, does not have any Salary, Remuneration and perquisites etc.

ANNEXURE 'D'

I STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) and rule 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(A) Employed throughout the year and in receipt of remuneration aggregating Rs.60,00,000/- or more per annum:- Nil

(B) Employed for part of the year and in receipt of remuneration aggregating Rs.5,00,000/- or more per month:-

Name of Employees, Designation/Nature of Duties, Gross Remuneration (Rs.), Qualification, Age (In Years), Total Experience (In Years), Date of Commencement of Employment, Previous Employment, Percentage of Equity Shares Held In the Company :

Nil

II DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :

Particulars	Ratio to Median Remuneration
N.A.	N.A.

Note : There is no remuneration to any director.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Particulars	% increase in the Remuneration
Shri A.K. Agrawal, CFO	0.47%
Shri G. Tirupati Rao, Company Secretary	2.98%

(iii) The percentage increase in the median remuneration of employees in the financial year.

The percent increase in median remuneration of employees in the Financial Year was 7.54%.

(iv) The number of permanent employees on the rolls of Company including on secondment: 375

(v) The explanation on the relationship between average increase in remuneration and Company performance :

The median remuneration of the employees during the financial year was ₹ 4.30 lakhs and the percent increase in the median remuneration was 7.54%.

The increase in remuneration is linked to several factors including achievement of annual corporate goals, overall business, financial and operational performance. The relationship between increase in remuneration needs to be compared over a long term horizon and cannot be strictly compared with annual performance.

Key indices of Company's performance are :

Particulars	2019-20	2018-19	Growth (%)
Net Sales from Operations (₹ In lakhs)	14292	32124	-56%
Profit Before Tax (₹ In lakhs)	(17660)	(18056)	2%
Profit After Tax (₹ In lakhs)	(16832)	(18013)	7%

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

(₹ In lakhs)

Particulars	Chief Executive Officer	Company Secretary	CFO
Remuneration of Key Managerial Personnel (KMP) during financial year 2019-20 (aggregated)	–	20.82	33.19
Revenue from operations	–	14292	14292
Remuneration (as % of revenue)	–	0.15%	0.23%
Profit before tax (PBT)	–	(17660)	(17660)
Remuneration (as % of PBT)	–	NA	NA

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	Unit	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	Variation
Closing price of shares at BSE	₹	1.60	6.70	(43%)
EPS (Consolidated)	₹	(5.74)	(6.14)	(253%)
Market Capitalization	₹ In Cr.	46.96	196.66	(43%)
Price Earnings Ratio	Ratio	NA	NA	NA

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

(₹ in lakhs unless otherwise stated)

Particulars	Remuneration in Financial Year 2019-20	% increase in Remuneration in Financial year 2019-20
Average monthly salary of all employees (other than Key Managerial Personnel)	4.71	-2.88%
Salary of Company Secretary	20.82	2.98%
Salary of CFO	33.19	0.47%

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :

Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark and many other factors, comparison of one against other is not feasible. The comparison of remuneration against performance is detailed in point no. (vi) above.

The total remuneration of Key Managerial Personnel increased by 1.42% in 2019-20 compared to 2018-19.

Loss before Tax decreased by 2% in 2019-20 compared to 2018-20.

(x) The key parameters for any variable component of remuneration availed by the Directors : Nil

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : NA

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of our Company.



## ANNEXURE 'E'

## PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

## A. CONSERVATION OF ENERGY

(i) Energy Conservation measures taken during the twelve months period ended 31<sup>st</sup> March, 2020

- a) Preheater cyclone are being sealed from time to time, in order to reduce false air ingress in pyro-processing with improved productivity and fuel saving.
- b) Reduction HSD (High Speed Diesel) consumption during Kiln start-up is achieved with the Best Operational Practices of Group.
- c) X-Ray analyzer installed and commissioned, resulted in accurate quality control of Raw mix homogenization and efficient clinkerization.
- d) Hot air circuit leakages are plugged, coal mill inlet temperature increased, hence HAG operation stopped for Vertical Coal mill operation.
- e) Cement grinding process optimization along with Vertical Roller Pre-grinder, VRPM circuit optimization scheme ordered on AMCL, Nagpur for enhanced productivity with reduced specific energy consumption.

## (ii) Steps taken by the Company for utilizing alternate sources of energy:

Proposal for VVFD installation on Process fans are being evaluated, as per ROI the the ordering may be initiated.

## B. TECHNOLOGY ABSORPTION

## (i) Efforts made towards Technology Absorption:

- a) Clinker Cooler optimization under the guidance of IKN, Germany.

## (ii) Benefits derived like product improvement and cost reduction:

- a) Saving on Thermal & Electrical energy consumption.
- b) The plant is emission levels are improved due to optimal operation & maintenance of Pollution control filters and EP's.
- c) Improved Plat performance by operational optimization.

## (iii) Information regarding technology imported during last 3 years : Nil

## (iv) Expenditure incurred on Research and Development: Nil

## C. FOREIGN EXCHANGE INFLOW AND OUTGO : ₹ Nil

## REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") is given below:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to the way in which a company is directed, administered and controlled and concerns the relationships among various internal and external stakeholders, Corporate Governance also provides the structure through which the objectives of a Company are set and the means of attaining those objectives and monitoring performance are determined.

Your Company's Governance practices reflect the culture of trusteeship deeply ingrained in its value system and it is committed to the adoption of best governance practices and their adherence in true spirit at all times.

Your Company continuously strives to achieve excellence in corporate governance through its values-integrity, Commitment, Passion, Seamlessness and Speed.

### 2. BOARD OF DIRECTORS

The Board of Directors is headed by the Chairman Shri K.N. Bhandari (upto 13.11.2019) and Shri R. K. Singh, (w.e.f. 12.02.2020) Non-executive Directors. The Board of the Company consists of eminent persons with considerable professional expertise and experience in various fields i.e. technical, commercial, legal, finance, business administration and other related fields, who not only bring wide range of experience and expertise, but also impart desired level of independence to the Board.

Diversity, in all its aspects, serves an important purpose for the Board effectiveness. It can widen perspectives while making decisions, avoid similarity of attitude and help companies better understand and connect with its stakeholders. Such diversity may be with regard to academic qualifications, technical expertise, regional and industry knowledge, experience and age. The Company's Board represents diversity in terms of all these parameters including but limited to those described above, in order to enable it to discharge its duties and responsibilities effectively.

As per SEBI (LODR) Regulations 2015, where the Chairman of the Board is Non-Executive Director at least one-third of the Board should comprise of Independent directors. Our Company's Board as on 31<sup>st</sup> March, 2020 consisted of 8 Directors out of which 3 are Independent Directors.

In accordance with Clause ( C ) (h) and (ii) of Schedule V read with Regulation 34(3) of SIBE (LODR), the Board of Directors have identified the following Core Skills/Expertise/Competence, required for Board Members in the context of Company's business and sectors to function effectively.

- Business Management
- Financial and Banking Management
- Strategy Management
- Project Management
- Risk Management
- Industrial Relationship Management
- Legal and Compliance Knowledge
- Tax Planning and Management
- General Administration
- Cement Processing Technology
- Knowledge on Environmental Laws and Mining Laws

The above mentioned Skills/Expertise/ Competencies are available with the present Board of Directors of the Company.

Details regarding the attendance of Directors at the Board Meetings, Annual General Meeting, number of other Directorships and Committee positions held by them in other Companies as well as our company, as on 31<sup>st</sup> March, 2020, are given below:

Name of Directors	Category	Board Meeting Attendance	Last AGM Attendance	No. of other Directorships	No. of other Committee positions held	
					Member	Chairman
Shri Pankaj Gaur	NED	01	No	07	0	01
Shri Naveen Kumar Singh	ED	02	Yes	03	0	0
Shri K.N. Bhandari (*)	NED & ID	03	No	07	05	05
Shri Sain Ditta Mal Nagpal	NED & ID	04	No	06	03	01
Shri Radha Krishna Pandey	NED & ID	04	No	08	02	01
Shri Ravindra Kumar Singh	NED & ID	02	No	02	01	01
Shri V.K. Jain	NED	04	Yes	01	0	0
Shri R.B.Singh	NED	04	No	05	05	0
Shri Manju Sharma	NED	03	No	03	0	0

**NED: Non-Executive Director, ED: Executive Director, ID: Independent Director**

(\*) ceased to be a Director w.e.f. 13.11.2019

**Notes:**

- i) For the purpose of number of Directorship of Individual Directors, other Directorships of only Indian Public Limited Companies have been considered pursuant to Section 165 of the Companies Act, 2013. None of the Directors exceeds the prescribed limit of 20 Companies out of which maximum 10 are Public Companies. A person shall not be a Director in more than 8 listed Companies (w.e.f. 01.04.2020)
- ii) Independent Directors are in compliance of the requirement under Regulation 25 of SEBI (LODR) Regulations, 2015.
- iii) Committee positions of only two Committees, namely, Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered pursuant to Reg, 26 of SEBI (LODR) Regulations, 2015. A Director shall not be a member in more than 10 committees or act as chairperson of more than 5 Committees across all listed entities in which he is a director.
- iv) None of the Directors of the Company is related inter-se, in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors is holding any Shares and convertible instrument of the Company.

**Number of Board Meetings held and dates thereof**

During the financial year, 2019-20, four meetings of the Board of Directors were held. The meetings were held on 29<sup>th</sup> May, 2019, 30<sup>th</sup> July, 2019, 12<sup>th</sup> November, 2019, and 12<sup>th</sup> February, 2020. The maximum time gap between two meetings was not more than four calendar months.

The details of attendance of the Directors at the Board Meetings are as under:

Sl.No.	Date	Board Strength	Meeting attended
	<b>By the Board Members</b>		
i)	29 <sup>th</sup> May, 2019	09	07
ii)	30 <sup>th</sup> July, 2019	09	08
iii)	12 <sup>th</sup> November, 2019	09	06
iv)	12 <sup>th</sup> February, 2020	08	06

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made there under, and Listing Agreement, the Independent Directors of the Company have held a meeting during the year, in absence of the non-independent Directors and members of management. All the independent Directors were present at this meeting and participated in the discussions.

## Information placed before the Board

Information placed before the Board of Directors broadly covered the items specified in SEBI (LODR) Regulations, 2015 and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decisions in an informed and efficient manner. The Directors on the Board have complete access to all the information of the Company, as and when becomes necessary.

### 3. CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company, at the following link: <http://www.andhracements.com/Code%20of%20Conduct%20of%20Directos%20etc.pdf>

The members of the Board and Senior Management Personnel have, on 31<sup>st</sup> March, 2020 affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CEO is annexed and forms part of this Report.

### 4. AUDIT COMMITTEE

A key element in the Corporate Governance process of any organization is its Audit Committee. Effective Audit Committees can greatly assist the Boards in discharge of their duties in respect of integrity of the Company's financial reporting. Indeed, it is essential that Boards, Management, Auditors, Internal Auditors and Audit Committees all work with a common purpose to ensure that the Company obtains the benefits of the Audit Committee in terms of better financial reporting and greater effectiveness of internal controls.

The Audit Committee along with such matter as may be referred by Board, is responsible for the following:

#### With reference to the financial statements

- (i) Examination of the financial statements and the auditors' report thereon,
- (ii) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (iii) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :-
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgement by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any Related Party Transactions; and
  - (g) Qualifications in the draft audit report.
- (iv) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval; and
- (v) Review the financial statements, in particular, the investments made by the unlisted subsidiary company.

#### With reference to Auditors

- (i) The recommendation for appointment, remuneration and terms of appointment of all Auditors of the Company including filling of casual vacancy;
- (ii) Reviewing and monitoring the Auditor's independence and performance and effectiveness of the Audit process;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- (v) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (vi) Discussion with internal auditors of any significant findings and follow up there on;
- (vii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board; and
- (viii) Discussion with 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.

**With reference to related party transactions**

- Approval or any subsequent modification of transactions of the Company with Related Parties.
- According Omnibus approval relating to Related Party Transactions.

The term "Related Party Transactions" shall have the same meaning as provided in Reg, 23 of SEBI (LODR) Regulations, 2015 and also the provisions of Companies Act, 2013 read with relevant rules thereto. Policy on related party transactions placed at company's website at the following link: <http://www.andhracemts.com/Policy%20on%20Related%20Party%20Transactions.pdf>

**Other references**

- (i) Scrutiny of inter-Corporate Loans and Investments;
- (ii) Valuation of undertakings or assets of the company, wherever it is necessary;
- (iii) Evaluation of Internal Financial Controls and Risk Management Systems;
- (iv) Monitoring the end use of funds raised through public offers and related matters;
- (v) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vi) To look into the reasons for substantial defaults in the payment to the debenture holders and creditors;
- (vii) To review the functioning of the Whistle Blower mechanism. The Company has a whistle Blower Policy, available at the Company's website and is available at the following link: <http://www.andhracemts.com/Policy%20on%20Material%20Subsidiaries.pdf>
- (viii) To review the material subsidiaries. Policy on material subsidiaries available at Company's website at the following link: <http://www.andhracemts.com/Policy%20on%20Material%20Subsidiaries.pdf>
- (ix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- (x) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Following information is required to be mandatory reviewed by the Audit Committee:**

- (i) Management discussion and analysis if financial condition and results of operations;
- (ii) Statement of significant Related Party Transactions (as defined by the Committee), submitted by management;
- (iii) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- (iv) Internal audit reports relating to internal control weaknesses; and
- (v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board comprising of three Independent Directors.

The constitution of the Audit Committee and its terms of reference also meet the requirements under Section 177 of the Companies Act, 2013 and Reg, 18 of SEBI (LODR) Regulations.

Four meetings of the Committee were held during the year i.e. on 29<sup>th</sup> May, 2019, 30<sup>th</sup> July, 2019, 12<sup>th</sup> November 2019 and 12<sup>th</sup> February, 2020.

The constitution of the Audit Committee and attendance at the meetings are as under:

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri K.N. Bhandari, Chairman (upto 13.11.2019)	4	3
Shri R.K. Pandey, Chairman (w.e.f. 12.02.2020)	4	4
Shri R.B. Singh, Member	4	4
Shri S D M Nagpal Member	1	1

## 5. NOMINATION AND REMUNERATION COMMITTEE

The Charter of the Committee is in accordance with requirements of newly enacted Companies Act, 2013 and Reg. 19 of SEBI (LODR) Regulations, 2015. Primary responsibility of the Committee is to identify and nominate suitable candidates for Board membership and as members of Senior Management of the Company. The Committee also formulated policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company.

Nomination and Remuneration Committee (NRC) of the Board assists in fulfilling the responsibilities relating to the size and composition of the Board.

The Nomination and Remuneration Committee, constitution of which is a mandatory requirement under Section 178 of the Companies Act, 2013 and also as per SEBI (LODR) Regulations, 2015, is already constituted by the Board and it performs roles and functions as per provisions of Companies Act, 2013 and the Rules framed thereunder.

This Committee is responsible for:

- (i) Recommending desirable changes in the Board composition, size and diversity, committees structures and processes, and other aspects of the Board's functioning
- (ii) Formulating criteria for determining qualifications, positive attributes and independence of an Independent Director
- (iii) Conducting search and recommending new Board members in light of resignation of some current member/s or in case of a planned expansion of the Board
- (iv) Identifying persons who are qualified to become Directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board for their appointment
- (v) Recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other senior employees, and while formulating such policy, to ensure that :
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the desired persons;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- (vi) Formulating criteria for evaluation of Independent Directors and the Board and carrying out evaluation of each Director's performance
- (vii) Ensuring that there is an appropriate induction programme in place for new Directors and members of senior management and reviewing its effectiveness

- (viii) Developing a succession plan for the Board and regularly reviewing the plan
- (ix) Reviewing succession plans for the senior management
- (x) Carrying out any other function as is mandated by the Board from time to time and/or is enforced by any statutory notification, amendment or modification, as may be applicable.

Complete details about the nomination terms of reference for Nomination and Remuneration Committee and the Nomination and Remuneration Policy are available at the Company’s website at the following link : <http://www.andhracemts.com/Remuneraiton%20Policy.pdf>

Nomination and Remuneration Committee comprised of Shri R.K. Singh, Chairman, Shri S.D.M. Nagpal, and Shri R.B.Singh as members of the Committee. Accordingly, the Nomination and Remuneration Committee comprises of Three Non-Executive Directors, majority of them being Independent Directors.

During the Financial Year 2019-20 one meeting of the Nomination and Remuneration Committee was held on 29<sup>th</sup> May, 2019.

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri R K Singh, Chairman	1	1
Shri S D M Nagpal, Member	1	1
Shri R.B.Singh Member	1	1

**Criteria for evaluation of Directors’ performance**

In keeping with the provisions of the Companies Act, 2013 along with the provisions of the Listing Agreement, Nomination and Remuneration Policy considers various aspects including engagement, strategic planning, consensus building and understanding of national/international events while evaluating the performance of the Independent Directors and so far as evaluation of the performance of Non-Independent and Non-Executive Directors are concerned, engagement, strategic planning, team spirit and consensus building, effective leadership, domain knowledge and understanding of national/ international events were considered as parameters of performance. The Nomination and Remuneration Committee considered management qualities, team work abilities, result/achievement, domain knowledge, understanding and awareness, leadership qualities, motivation/ commitment/diligence, integrity/ethic/values as also receptivity performance as performance indicators for Executive Directors.

Nomination and Remuneration Committee while evaluating the potential candidates, considers a variety of personal attributes, including experience, intellect, foresight, judgement and transparency. Broadly, the following criteria have been set for selection of Independent Directors based on:

- (i) Independence from Management.
- (ii) No substantial shareholding.
- (iii) Other significant relationship which may cause a conflict of interest.
- (iv) Capability of taking fair decisions without being influenced.
- (v)
- (i) Independent Diresns d[possawaauif0requehe tesensi(awanatiomanumenyth )0.6thenc, dlancet, dns of the yrmance
- (i)

The Nomination and Remuneration Policy for the members of the Board of Directors of the Company takes into consideration their role and responsibilities. The salient features of the policy are highlighted below:

- (i) The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors.
- (ii) Non-Executive Directors of the Company are paid sitting fees for attending meetings of the Board and meetings of Committees of the Board, as per the Companies Act, 2013 and as prescribed in the Articles of Association of the Company.
- (iii) The Company reimburses expenditure incurred by the Directors in the performance of their duties as per the rules and policies of the Company.

#### Details of Remuneration paid to all the Directors

##### a) Executive Director (Managing & Whole-time Director)

The details of aggregate value of salary and perquisites/others paid to the Executive Director for the year ended 31<sup>st</sup> March, 2020 are as under:

Name	Designation	Salary (₹)	Perquisites/others	Total (₹)
Shri Naveen Kumar Singh	Director & CEO	0	0	0

##### b) Non-Executive Directors

The Company has not paid any remuneration to Non-Executive Directors except the sitting fee of ₹ 20,000/- per meeting for attending the meetings of the Board of Directors and its Committees thereof held during the Financial Year 2019-20.

The details of the sitting fee paid to the Non-Executive Directors of the Company during the Financial Year 2019-20 are as under:

Name of the Director	Designation	Total sitting fee paid (₹)
Shri K.N. Bhandari (upto 13.11.2019)	Chairman	1,20,000
Shri Pankaj Gaur	Director	20,000
Shri S.D.M. Nagpal	Director	1,60,000
Shri R.K. Pandey	Director	2,00,000
Shri R.K. Singh	Director	80,000
Shri V.K. Jain	Director	80,000
Shri R.B. Singh	Director	2,00,000
Smt. Manju Sharma	Director	60,000

#### Notes:

- i) Sitting Fee represents payment to the Directors for attending meetings of the Board and Committees thereof.
- iii) As per the amendment to the Income Tax Act, 1961, Income Tax at Source was deducted.

There were no other pecuniary relationship or transactions with the Directors vis-à-vis the Company during the year.

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted to assist the Board in safeguarding the interests of and redressing the grievances of the security holders of the Company.

The Committee's terms of reference/Charter was amended during the year, in order to comply with the provisions of the Companies Act 2013, Rules made thereunder and the SEBI (LODR) Regulations, 2015.

The Stakeholders' Relationship Committee, comprises of Shri S.D.M. Nagpal, Chairman, Shri R.K. Singh and R.B. Singh as members. The Committee has been constituted, inter-alia, to consider transfer and transmission of shares, rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates etc. and to look into the redressal of shareholders' complaints. During the year one meeting of the Committee was held on 12<sup>th</sup> February 2020 the record of attendance of the members during the Financial Year 2019-20 is given below:



Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri S.D.M. Nagpal, Chairman	1	1
Shri R.K. Singh, Member	1	1
Shri R.B.Singh Member	1	1

**7. COMPLIANCE OFFICER**

The Board had designated Shri G. Tirupati Rao, General Manager - Legal & Company Secretary as Compliance Officer.

**Address** : 'Ashoka Hi-tech Chambers', H.No.8-2-120/76/1/B 14&15,  
3<sup>rd</sup> Floor, Road No.2, Banjara Hills, Hyderabad-500034

**E-mail** : gtrao@andhracements.com

**Phone** : 040-23258888

**Fax** : 040-23258858

The Company has not received any Investors' references during the Financial Year 2019-20. There were no pending investors' references as on 31<sup>st</sup> March, 2020.

**8. RISK MANAGEMENT**

The Company has Risk Management Policy in place and manages risks as an integral part of its decision making process.

**BOARD EVALUATION**

**A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEE AND INDIVIDUAL DIRECTORS**

1. Nomination and Remuneration Committee of the Board carried out the evaluation of the Board of Directors and their performance on the basis of the provisions contained in the Nomination and Remuneration Policy of the Company as well as the criteria formulated for evaluating the performance of Independent Directors, Non-Independent & Non-Executive Directors and Executive Directors.
2. As per the provisions of the Companies Act, 2013 and provisions of the Listing Agreement, Independent Directors had a meeting without any one from the Non-Independent Directors and Management reviewed :
  - a) the performance of the Non-Independent Directors and the Board as a whole;
  - b) the performance of the Chairperson of the Company taking into account views of the Executive Directors and Non-Executive Directors; and
  - c) the quality, quantity and timeliness of flow of information between the Company's Management and the Board.
3. The Board subsequently evaluated the performance of Board as a whole, performance of the Committees and also the performance of Independent Non-Executive Directors on the following parameters:
  - (i) The size and composition (Executive, Non-Executive, Independent members and their background in terms of knowledge, diversity of skills and experience) of the Board is appropriate;
  - (ii) The Board conducts itself in such a manner that it is seen to be sensitive to the interest of all stakeholders and it has adequate mechanism to communicate with them;
  - (iii) The Board is active in addressing matters of strategic concerns in its review of the Board Agenda with the executive management;
  - (iv) The Board makes well informed high quality decisions on the basis of full information and clear insight into Company's business;
  - (v) The Board meets frequently enough and for sufficient duration to enhance its effectiveness;
  - (vi) The Board's meeting time is appropriately allocated between management presentation and Board discussion;
  - (vii) The Board has clearly defined the mandates of its various Committees and effectively oversees their functioning;
  - (viii) The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities;

- (ix) The Board regularly follows up on its decision to ensure that action is taken on all its decisions; and
- (x) The Board gives effective advice and assistance for achieving the Company's mission and vision.

#### Evaluation of performance of Committees

- The Board also evaluated the performances of the Committees and found their performance and their functioning within the mandate of the Board besides meeting the expectations of the Board.

#### Evaluation of performance of Independent Directors

- The performance of Independent Directors was reviewed on the basis of various parameters / criteria like identifying their effective participation in the Board Meetings, their knowledge about the Company's vision and performance, quality and value of their contribution at the Board Meetings, effective contribution towards the development of strategy and risk management.

### 9. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

Most of the Independent Directors are on the Board of the Company for quite some time and are well versed with their role, rights and responsibilities in the Company, the nature of industry in which the Company operates, business model of the Company and systems in place.

The Independent Directors are familiarised from time to time with various facets of the Company's business through site visits, presentations and intra-actions with various senior executives of the Company. They are also familiarised with their role, rights and responsibilities in the Company through their appointment letter and in the Board Meeting from time to time placed at our website, at the following link: <http://www.andhracements.com/Terms%20of%20Appointment%20of%20Independent%20Directors.pdf>

### 10. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

It is reported that no complaint was received by the Company during the period under report.

In terms of the requirements of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Director & CEO and CFO have submitted necessary Certificate to the Board of Directors stating the particulars specified under the said Regulation.

This Certificate has been reviewed and taken on record by the Board of Directors at its meeting held on 29<sup>th</sup> June, 2020.

### 12. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are mentioned below:

Year	2016-17	2017-18	2018-19
Date	30 <sup>th</sup> Sept, 2017	27 <sup>th</sup> Sept, 2018	30 <sup>th</sup> Sept, 2019
Time	12.30 P.M.	12.30 P.M.	12.30 P.M.
Venue of the Meeting	Regd Off: Durga Cement Works Sri Durgapuram, Guntur Dist (A.P.)	Regd Off: Durga Cement Works Sri Durgapuram, Guntur Dist (A.P.)	Regd Off: Durga Cement Works Sri Durgapuram, Guntur Dist (A.P.)

### 13. DETAILS OF SPECIAL RESOLUTION(S) PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS

#### 1) Financial Year 2016-17

Special Resolution passed for re-appointment of Independent Directors of the Company.

#### 2) Financial Year 2017-18

Special Resolution passed for the Alteration of Articles of Association of the Company.

**3) Financial Year 2018-19**

Special Resolutions passed for the Ratification for the Change in Designation of Shri Naveen Kumar Singh as Director & CEO and also for the continuation of Independent Directors viz Shri K.N. Bhandari, Shri S.D.M. Nagpal, Shri R.K. Pandey, Shri R.K. Singh as Independent Directors beyond the age of 75 years.

**14. DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT**

No Resolutions were passed during last year through Postal Ballot.

**15. RECONCILIATION OF SHARE CAPITAL AUDIT**

A qualified Practising Company Secretary carried out quarterly Audit for reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical shares with the total issued and listed capital. The audit confirmed that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**16. MEANS OF COMMUNICATION**

**i) Financial Results:**

The quarterly, half-yearly and annual results were published in daily Newspapers which included Financial Express and Regional language Newspapers (Telugu) in Nava Telangana and Praja Shakti. The same were sent to the Stock Exchanges and were also displayed on the website of the Company, [www.andhracements.com](http://www.andhracements.com).

**ii) Website:**

The Company's website [www.andhracements.com](http://www.andhracements.com) contains a separate dedicated section 'Investor Information' where shareholders information is available. Annual Report of the Company and its subsidiaries thereof, Notices of Postal Ballot, Board Meeting etc. are regularly updated on the website.

**iii) NSE Electronic Application Processing System (NEAPS):**

NEAPS is a web based application designed by NSE where Corporates are required to upload the prescribed information on the websites for viewing by the investors. The Company is electronically filing the Corporate Governance and Shareholding Pattern periodically as prescribed by NSE on NEAPS.

**iv) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, Corporate Governance report, media releases, among others are also filed electronically by the Company on the Listing Centre.

**v) SEBI Complaints Redress System (SCORES):**

SEBI has designed a centralised web-based system, [www.scores.gov.in](http://www.scores.gov.in) wherein the Investors can lodge their complaints and can view the status of their complaints being replied to by the respective Company. In compliance thereof, the Company is regularly uploading the 'Action taken Report' on the said website in respect of the Investors' references received, if any.

**17. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion and Analysis Report forms part of the Annual Report.

**18. GENERAL SHAREHOLDERS' INFORMATION**

**81<sup>st</sup> Annual General Meeting**

Day:	Tuesday
Date:	29 <sup>th</sup> September, 2020
Time:	03.30 PM
Venue:	Regd Off: Durga Cement Works, Sri Durgapuram, Dachepalli – 522414, Guntur Distt, (AP)
Dates of Book Closure:	21.09.2020 to 29.09.2020 (Both days Include)

**19. FINANCIAL CALENDAR**

Details of announcement of Financial Results for different periods during the financial year 2019-20 are as under:

Results	Announced on
For 1 <sup>st</sup> Quarter ended 30 <sup>th</sup> June, 2019	30 <sup>th</sup> July, 2019
For 2 <sup>nd</sup> Quarter ended 30 <sup>th</sup> September, 2019	12 <sup>th</sup> November, 2019
For 3 <sup>rd</sup> Quarter ended 31 <sup>st</sup> December, 2019	12 <sup>th</sup> February, 2020

The financial results were reviewed by the Audit Committee and thereafter approved by the Board. Annual Audited Financial Results for the Financial Year ended 31<sup>st</sup> March, 2020 were announced on 29<sup>th</sup> June, 2020.

**20. DIVIDEND**

For the current Financial Year 2019-20, the Board has not recommended any dividend.

**21. LISTING ON STOCK EXCHANGES****Equity Shares**

The Equity shares of the Company are listed on the National Stock Exchange of India Ltd. and BSE Limited.

**Stock Code**

The stock code of the Equity shares listed on the Stock Exchanges, are as under:

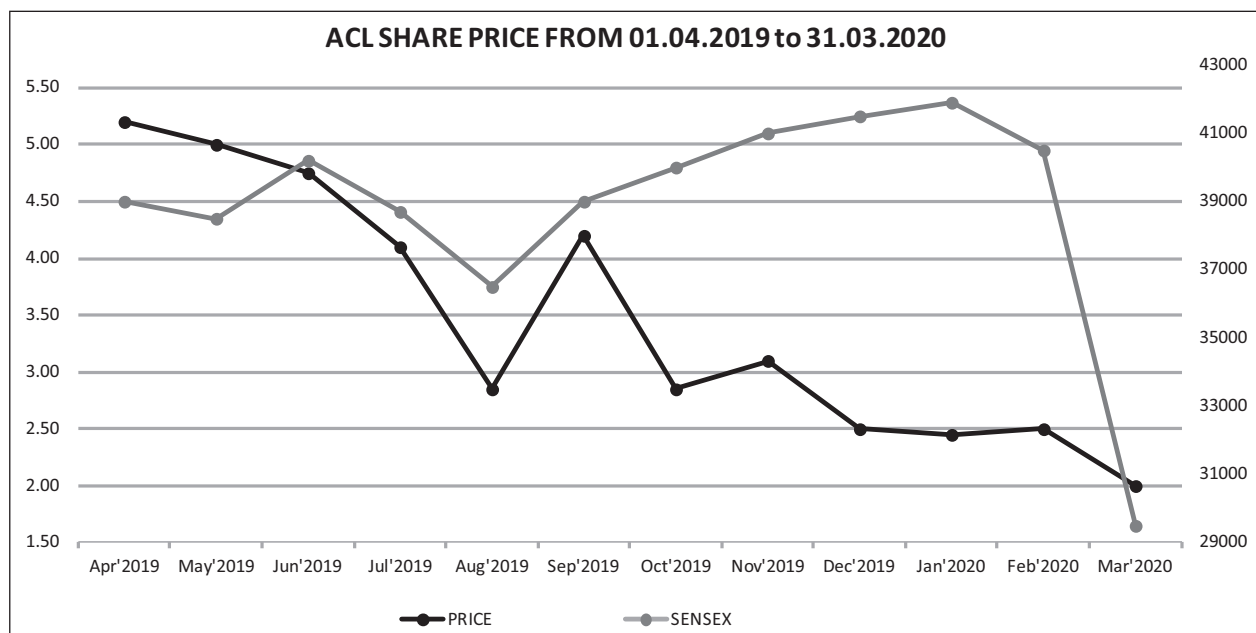
Name of Stock Exchange	Code
BSE Ltd.	532141
National Stock Exchange of India Limited (NSE)	ANDHRACEMT
ISIN No.	INE666E01012

**22. MARKET PRICE DATA**

Month-wise high and low Sensex and of the share price of the Company during the Financial Year 2019-20 were as under:

Month & Year	Bombay Stock Exchange (BSE)	
	Month's High Price (₹)	Month's Low Price (₹)
April, 2019	5.20	4.40
May, 2019	5.00	3.80
June, 2019	4.75	3.80
July, 2019	4.10	2.55
August, 2019	2.80	1.75
September, 2019	4.20	2.50
October, 2019	2.85	2.10
November, 2019	3.10	2.25
December, 2019	2.40	1.95
January, 2020	2.45	1.90
February, 2020	2.50	1.80
March, 2020	2.00	1.50

Performance in comparison to broad based indices such as BSE Sensex:



**23. REGISTRAR AND TRANSFER AGENT**

The details of the Registrar & Transfer Agent appointed by the Company are as under:

CIL Securities Limited,  
 214, Raghava Ratna Towers, Chirag Ali Lane, Abids  
 Hyderabad-500001,  
 (Telephone Nos. : 040-23202465, Fax.: 040-23203028)  
 e-mail: rta@cilsecurities.com  
 e-mail address of the Company for Redressal of Investors' complaints:  
 investorcell@andhracemts.com

**24. SHARE TRANSFER SYSTEM**

The Board of Directors have delegated the power of re-materialisation of shares, transfers and transmission, splitting/ consolidation of share certificates and issue of duplicate share certificates etc. to Shareholders'/Investors' Grievance Committee. The meetings of the Committee are periodically held to consider the requests of the Shareholders.

**25. DISTRIBUTION OF SHAREHOLDING**

- i) The distribution of shareholding according to the number of shares as on 31<sup>st</sup> March, 2020, was as follows:
  - a) Distribution of shareholding:

No. of Shares held	No. of Shares	% of share capital	No. of shareholders	% of total No. of shareholders
Up to 500	4232165	1.44	49690	82.52
501 to 1000	3834894	1.31	4262	7.08
1001 to 2000	4053088	1.38	2453	4.07
2001 to 3000	2555113	0.87	960	1.60
3001 to 4000	1928534	0.66	526	0.87
4001 to 5000	3001029	1.02	618	1.03
5001 to 10000	6540437	2.23	838	1.39
10001 and above	267375232	91.09	867	1.44
<b>TOTAL</b>	<b>293520492</b>	<b>100.00</b>	<b>60214</b>	<b>100.00</b>

b) Category-wise Shareholding as on 31<sup>st</sup> March, 2020.

Category	No. of Shares	% to Total
Promoters	201926406	68.79
Financial Institutions	275775	0.09
FIs	7390000	2.52
Mutual Funds	12753	0.0
Banks	4685	0.00
Body Corporate	29868619	10.18
NRIs	1688212	0.58
Resident Individuals	52354042	17.84
<b>Total</b>	<b>293520492</b>	<b>100.00</b>

**26. DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Equity Shares of the Company are in compulsory dematerialized segment and are available in the Depository System of both NSDL and CDSL. Number of shares held in dematerialized and physical mode as on 31<sup>st</sup> March, 2020:

Particulars	No. of shares issued	percentage of total capital
Held in dematerialized form in CDSL	22666077	7.72
Held in dematerialized form in NSDL	262237547	89.34
Physical	8616868	2.94
<b>Total</b>	<b>293520492</b>	<b>100.00</b>

The Company's Equity Shares are liquid and actively traded on NSE and BSE.

**27. PROJECT/PLANT LOCATIONS**

The Company is primarily engaged in the business of manufacturing of Cement

Durga Cement Works (DCW) Durgapuram, Dachepalli (Mandal) Guntur Dist, (AP). PIN – 522414	Visakha Cement Works (VCW) Parlupalem (Village) Durganagar (Post) Visakhapatnam, (AP) PIN – 530029
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**28. ADDRESS FOR CORRESPONDENCE****Company's address:**

**Registered Office** : Durga Cement Works,  
Sri Durgapuram, Dachepalli-522414,  
Guntur Distt, (A.P)

**Secretarial Office** : 'Ashoka Hi-tech Chambers', H.No.8-2-120/76/1/B  
14 & 15 ,3<sup>rd</sup> Floor, Road No-2, Banjara hills,  
Hyderabad - 500034  
E-mail: investorcell@andhracements.com

**Registrar & Transfer** : CIL Securities Limited,

**Agent's Address** 214, Raghava Ratna Towers  
Chirag Ali Lane, Abids, Hyderabad- 500001  
Tel.:91-40-23202465  
Fax: 91-40-23203028  
E-mail: rta@cilsecurities.com

**29. NON-MANDATORY REQUIREMENTS**

- i) The Company uploads its Quarterly, Half-Yearly and Annual Results on its website – [www.andhracements.com](http://www.andhracements.com) which is accessible to all. The results are also reported to Stock Exchanges and published in National Newspapers in English and in regional language newspapers having wide circulation.
- ii) The Company believes in maintaining its Accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. During the year under review, there is a audit qualification in its financial statements relating to going concern.
- iii) The Company has separate persons as Chairman and Managing Director/CEO.
- iv) The Internal Auditor reports directly to Audit Committee.

**30. DISCLOSURES**

- i) There were no materially significant Related Party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the Notes to the Financial Statements. Policy on dealing with related party transactions available at Company's website at the following link: <http://www.andhracements.com/Policy%20on%20Related%20Party%20Transactions.pdf>
- ii) There were no cases of non-compliance by the Company and no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii) No treatment different from the IND AS, prescribed by the Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, has been followed in the preparation of Financial Statements
- vi) All mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 has been complied with by the Company.
- vii) The Company has a Whistle Blower Policy, available at the Company's website at the following link: <http://www.andhracements.com/Vigil%20Mechanism%20Policy.pdf>
- viii) The Material Subsidiary Policy is disclosed at the Company's website at the following link: <http://www.andhracements.com/Policy%20on%20Material%20Subsidiaries.pdf>
- ix) The Related Party Transactions Policy is disclosed at the Company's website at the following link: <http://www.andhracements.com/Policy%20on%20Related%20Party%20Transactions.pdf>
- x) The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.
- xi) M/s Savita Jyoti & Associates, Practicing Company Secretary, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing a Directors of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory Authority.
- xii) There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
- xiii) Total Fee paid to the Statutory Auditors for all services paid by the Company is ₹ 13 lakhs.
- xiv) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No Complaints filed during the financial year.
- xv) The Company has Complied with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of LODR.
- xvi) The Company's Financial Statements are with modified audit opinion for the Financial Year 2019-20.
- xvii) The Company has no Subsidiary.
- xviii) The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
- xix) The various disclosures made in the Board's Report may be considered as disclosures made under this report.
- xx) The Company has the all mandatory Committees of the Board and their Composition mentioned elsewhere in this report.
- xxi) Declaration signed by the Chief Executive Officer of the Company as per Schedule V(D) of LODR, on compliance with the Code of Conduct annexed.
- xxii) Compliance Certificate as per the Regulation 17(8) read with Part B of Schedule II of LODR, Provided by the Chief Executive Officer and Chief Financial Officer is annexed.

**CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

(Pursuant to paragraph E of Schedule V of SEBI (LODR) Regulations, 2015)

**To the Members of  
Andhra Cements Limited**

We have examined the compliance of conditions of Corporate Governance by M/s ANDHRA CEMENTS LIMITED for the financial year ended March 31, 2020 as stipulated under the following Regulations / Schedule of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") (LODR)

- a. Regulation 17 to 27 dealing with composition of the Board and Committees, vigil mechanism, related party transactions and certain other matters;
- b. Regulation 46(2)(b) to 46(2)(i) dealing with the information to be disseminated on the Company's web-site;
- c. Part A Schedule II dealing with the minimum information to be placed before the Board of Directors.;
- d. Part B Schedule II dealing with the Compliance Certificates furnished by the CEO and CFO;
- e. Part C Schedule II dealing with the role of Audit Committee and review of information by the Committee;
- f. Part D Schedule II dealing with the role of Nomination and Remuneration Committee and Stakeholder's Committee;
- g. Para C of Schedule V dealing with disclosure in the Corporate Governance Report;
- h. Para D of Schedule V dealing with the declaration signed by the CEO affirming compliance with the Code of Conduct by the Board of Directors and Senior Management Personnel; and
- i. Para E of Schedule V dealing with compliance certificate on conditions of corporate governance.

The Company is required to comply with the said conditions of Corporate Governance on account of:

The Listing Agreements entered into by the Company with National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) for listing of its shares.

The Company's Management is responsible for compliance with the conditions of Corporate Governance. We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the Company.

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us Company, its Officers and agents, the Company has, during the year ended 31<sup>st</sup> March, 2020, complied with the applicable conditions of Corporate Governance.

We further state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company during the said financial year.

**For Savita Jyoti Associates**  
Company Secretaries

**CS. Savita Jyoti**  
Practicing Company Secretary  
(CP No. 1796)

Place: Secunderabad

Date: May 06, 2020





**CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015**

To the Board of Directors  
Andhra Cements Limited

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated the auditors and the Audit Committee that:
1. There are no significant changes in internal control over financial reporting during the year;
  2. There are no significant changes in Accounting Policies during the year;
  3. There are no instances of significant fraud of which we have become aware.

**A.K. AGRAWAL**  
Chief Financial Officer

**NAVEEN KUAMR SIGH**  
Director & CEO

Place : New Delhi  
Date : 29<sup>th</sup> June, 2020

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of the Report of Directors for the Year ended 31<sup>st</sup> March, 2020)

## 1. Indian Economy - Overview

During 2019-20 the Indian Economy passed through a tough phase with declining growth rates. India witnessed a dismal 5.1% GDP Growth during first 3 quarters of FY 2019-20 against 6.3% in the same period of FY 2018-19. There were positive sign of improvement observed in 4<sup>th</sup> quarter of 2019-20. But the same was short lived as lockdown of the Country due to Covid-19 virus halted the growth momentum.

The Government undertook unique measures of rationalizing income tax rates to boost fresh investments by the corporate bodies in the Country. This measure is yet to yield its results. RBI on its part also undertook much needed measures of rationalizing its policy rates and increased the liquidity in the banking system. However, this did not meaningful contraction of interest rates for majority of borrowers.

On the external front, the INR which remained mostly stable during most part of the year on the back of strong FDI flows and declining crude oil prices, weakened towards close of the year due to impact of Covid-19 virus.

Overall the Indian Economy is expected to witness a growth rate of around 5% for the year 2019-20, which shall be the lowest witnessed since the Global financial crisis in 2008-09. This is largely because of poor showing by manufacturing, construction and mining sectors.

The lockdown imposed by the Country as a result of Covid-19 virus has had an unpredicted impact on the entire economy of the Country. The month of April 2020, virtually a complete standstill. There is uncertainty as to how long the impact of lockdown is expected to continue and when one can witness normalcy returning to the country.

Overall outlook for the economy in the near future is not encouraging. However, in past also, Indian economy showed strong recovery in the face of global financial crisis. With our robust and large consumer base, expected fiscal stimulus from the Government and timely interventions from RBI. India will soon be on rapid recovery path. We, therefore, believe that in the medium to long term the Indian economy will emerge stronger from this crisis.

## 2. Cement Industry

While challenging macro-economic conditions coupled with lower infra spending by Governments impacted Cement demand, individual housing building segment continued to show good traction.

The nationwide lockdown due to Covid-19 pandemic however, affected Cement demand towards last days of the close of the financial year 2019-20. Based on Cement production data for the 11 months upto February, 2020 and expected production for March, 2020 Cement production during 2019-20 is expected to remain at around same level as that of 2018-19.

The Covid-19 pandemic has dented the Cement demand because of nationwide lockdown and resultant dip in the overall economic activities. The uncertainty around the continuation of the impact of the pandemic makes it difficult to make any proposition about the outlook for the near future. While the short term outlook is uncertain, the long term outlook of the Cement Industry continues to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum and persistent infra spending.

## 3. Outlook

India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Some of the recent major government initiatives such as development of infra projects are expected to provide a major boost to the sector.

In the next 10 years, India could become the main exporter of clinker and gray cement to the Middle East, Africa, and other developing nations of the world. Cement plants near the ports, for instance the plants in Gujarat and Visakhapatnam, will have an added advantage for exports and will logistically be well armed to face stiff competition from cement plants in the interior of the country.

A large number of foreign players are also expected to enter the cement sector, owing to the profit margins and steady demand. In future, domestic cement companies could go for global listings either through the FCCB route or the GDR route.

With help from the government in terms of friendlier laws, lower taxation, and increased infrastructure spending, the sector will grow and take India's economy forward along with it.

## 4. Opportunities and Threats

GDP growth for the year 2020-21 was originally projected at 7%.. However, there are several uncertainties which can have an impact in the projected GDP. The outlook of oil prices continue to be hazy both on upside and downside. It is expected that the demand for cement would grow at around 8% for the financial year 2020-

21. Our plants are fully equipped and supported with grinding units at strategic locations. Our company will be able to take full advantage of the economic momentum in the coming years.

The Company's products have always been perceived to possess superior quality standards in the market and the company has been enjoying a high level customer satisfaction index. Hence, products will be sold at placed on higher profitability and revenue. The Company is planning to introduce products catering to specific customers to meet their customized applications and requirements.

The Sanctions imposed on countries from where India is imposing maximum crude would adversely affect the fuel price, which would have negative impact on our manufacturing and transportation cost. The Mines and Minerals (Development & Regulation) Amendment Act, 2015, (MMDR) has made the Limestone as a notified mineral. Pursuant to the amendment act, grant of mining lease for all notified minerals shall be through public auction process by the respective State Governments. Since, several State Governments do not have the required geological data of availability of the reserves and they are not able to proceed with the auction. This is delaying the process of getting fresh mining leases allotted.

## 5. Risks and Concerns

The Indian Cement Industry is materially dependent for growth on the development of Infrastructure. Infrastructure development in the Country being predominantly in the hands of Government, any decline in Government spends adversely impacts the well being of cement. In addition, Government buying cannot always be divorced from an oligopolistic situation where prices tend to be dictated by the buyer. Access to insufficient quantities of sand adds a further discordant note to the overall scenario as the genesis of concrete or mortar which is the basic raw material for any building activity is contingent upon cement being mixed with sand. Certain India States seem perpetually stretched in making availability sufficient quantities of natural sand for the sector. A solution could probably lie in entering the area of artificial sand. That would benefit the cement industry.

The Industry seems continually hamstrung in reining in energy and logistics costs. Present price trends of such key energy inputs, as fossil fuel in the form of coal and pet coke are unfavourable. While this has afforded industry the required stimulus to step up conservation through research, the process is, by its very nature, time consuming. Increases in the cost of the other fossil fuel, high speed diesel and hurt logistics cost since cement has to be transported in bulk.

## 6. Financial and Operational Performance

### Financial Performance

During the year under review the Company recorded a net loss of Rs. 18011 lakhs. Financial performance of the Company, in brief, is as under:

(Rs. in lakhs)

	Current Year 2019-20	Previous Year 2018-19
Net Sales	14292	32124
Other Income	71	180
PBIDT	(702)	1509
Finance Cost	12174	10844
Depreciation	4783	4747
Profit/(Loss) before exceptional Items	(17660)	(14082)
Exceptional Item	-	(3974)
Profit/(Loss) before Tax	(17660)	(18056)
Deferred Tax	(828)	43
Net Profit / (Loss)	(16832)	(18013)
Other Comprehensive Income	(10)	2
Total Comprehensive Income	(16841)	(18011)

### Operational Performance

Your Company is primarily engaged in manufacture and sale of Cement including Ordinary Portland Cement, Portland Pozzolana Cement, and Portland Slag Cement. In the domestic market the company operates through a net work of dealers and agents for sale of its products. Its major markets include Andhra Pradesh, Telangana, Tamilnadu, Orissa, Karnataka and other nearby states.

### Company's business going forward

With the Government aspiring to boost investment in infrastructure, including on the construction of New Capital City of Andhra Pradesh and the infra projects of Telangana State, the business perceives an accretion in the demand pull for cement during the current year. There would, of course, be a more complex competition landscape to reckon with given the manufacturing capacity additions in the Business's serviced areas.

## 7. Internal Control Systems and their adequacy

The Company has adequate system of Internal Financial Controls in place. It had adopted policies and procedures regarding financial and operating functions for ensuring the orderly and efficient conduct of its business including adherence to Company's assets, prevention & detection of frauds and errors and timely preparation of reliable

financial information. The Internal Control Systems are commensurate with the size of operations of the Company and are manned by qualified and experienced personnel.

In addition to internal controls, the internal audit function has also been set up by a firm of Chartered Accountants, who conducts audit on the basis of the Accounting Standards and Annual Audit Plan. The process includes review and evaluation of effectiveness of the existing processes, controls and compliances. It also ensures adherence to Internal control policies and systems and mitigation of the operational risks perceived for each area under audit. The Internal Audit Report(s) are reviewed by the Audit Committee.

**8. Human Resources/Industrial Relations**

The Company recognizes its human resources as the most valued asset. The Company has appointed specialized professionals in the fields of engineering, finance, administration and technical and non-technical staff to take care of its operations and allied activities.

Necessary training was imparted to the staff for operations and maintenance of Machinery by specialist from related fields including the equipment suppliers from time to time.

During the period the Industrial Relations continued to be cordial.

**9. Details of Significant Changes in Key financial ratios**

Sl. No.	Particulars	31.03.2020	31.03.2019	Formula adopted
1	Debtors Turnover Ratio (Days)	50.23	26.44	365 Days/(Net Revenue/ Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	39.04	24.38	365 Days/ Net Reveue/Average Inventories)
3	Interest Coverage Ratio	(0.45)	(0.67)	(Profit before Tax +Interest)/(Interest + Interest Capitalised)
4	Current Ratio	0.08	0.14	Current Assets/(Total Current Liabilities-Security Deposits payable on demand-Current maturities of Long Term Debt)
5	Debt-equity Ratio	(*)	(*)	Total Debt Total Equity
6	Operating Profit Margin Ratio	(0.17)	(0.08)	EBITDA/Net Revenue
7	Net Profit Margin Ratio	(1.18)	(0.56)	Net Profit/Net Revenue
8	Return on Network	(#)	(#)	Total Comprehensive Income/Average Network

(\*) Since equity is negative, ratio cannot be calculated.

(#) Since Network is negative, ratio cannot be calculated

- a. EBITDA denotes Profit before Interest+Tax+Depreciation.
- b. Increase in Debtor Turnover Ratio is on account of reduction in Sales.
- c. Reduction in Interest Coverage Ratio is due to reduction in Sales and Profit.
- d. Current Ratio is reduced as current liability has increased due to reduction in Sales and Profit.

**10. Future Outlook**

There are several uncertainties which can have an impact in the projected GDP. The outlook of oil prices continue to be hazy both on upside and downside. It is expected that the demand for cement would grow at around 8% for the financial year 2020-21. Our plants are fully equipped and supported with grinding units at strategic locations. Our company will be able to take full advantage of the economic momentum in the coming years.

**Cautionary Statement**

Certain statements made in this Report detailing to the Company’s objectives, projections, outlook, estimates and expectations may be ‘forward looking statements’ within the applicable laws and regulations. As these statements are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy. The actual results may differ materially from such estimates, projections, etc. Significant factors that could make a difference to the Company’s operations include domestic and international economic conditions affecting demand, supply and price conditions in the industry, changes in government regulations, tax regimes and other statutes, over which the Company does not have any direct control.

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
ANDHRA CEMENTS LIMITED

### Report on the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of Andhra Cements Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid 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 section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and losses (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We refer to Note 35 to the financial statements in respect of preparation of the financial statements of the Company on going concern basis for the reasons stated therein. During the financial year ended March 31, 2020, the Company has incurred losses of ₹ 16,841 lakhs, resulting into accumulated losses of ₹ 86,998 lakhs and erosion of net worth as at March 31, 2020. The Company has obligation towards fund based borrowings aggregating to ₹ 1,09,494 lakhs as on March 31, 2020 including working capital loans and interest accrued thereon. The Company's current liabilities have exceeded current assets as on March 31, 2020. These matters require the Company to generate additional cash flow to fund the operations as well as payments to lenders, creditors, statutory dues and other obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, we are unable to comment on the consequential

impact, if any on the accompanying financial statements.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

#### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note 40 to the financial statements regarding pending confirmation in respect of certain trade receivables, security deposits given/taken, advances to suppliers, trade payables and advances from customers. The Management believes that on confirmation, there will not be any material impact on the accompanying financial statements.
- (b) Note 33(iv) to the financial statements, in respect of confiscation of imported capital goods having import value of ₹ 3,979 lakhs due to non-fulfillment of certain export obligations.
- (c) Note 35(ii) of the financial Statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of involvement of pandemic in future period is uncertain and could impact the operations in future years.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be key audit matters to be communicated in our report:

S. No.	Key Audit Matter	Auditors Response
(1)	<p><b>Revenue Recognition</b></p> <p>For the year ended March 31, 2020 the Company has recognized revenue from operations of ₹14280.37 lakhs.</p> <p>(i) The Company expects the revenue recognition to occur at point in time when control over the goods are transferred to the customer, generally on delivery of the goods. Accordingly, this requires the management to establish the fact that control over goods is transferred at the time of dispatch in accordance with Ind AS 115. The variety of terms that define when title, risk and rewards are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.</p> <p>(ii) This area was of most significance in our audit due to the magnitude of amount of the revenue involved and high number of transactions. The company recognises discounts, incentives and rebates at the time of sale. The assessment of discounts, incentives and rebate schemes recognised on sales made during the year is material and considered to be complex and dependent on various performance obligations and market conditions. There is a risk of revenue being affected as a result of variations in assessment of discounts, incentives and rebates recognised on sales.</p> <p>(iii) Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Considered Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested we checked that the revenue has been recognized as per the shipping terms.</li> <li>• Examined on a sample basis, all the supporting documentation required for computing the company's obligation towards discounts, incentives and rebates recorded and disbursed during the year including credit notes issued after the year end date to determine whether these were recorded appropriately.</li> <li>• The management's assessment of discounts, incentives and rebates recorded for the current year have been compared with past practices of payments and reversal of such discounts and incentives and rebates to assess the adequacy of provisions made during the current year.</li> <li>• Performed monthly analytical review of revenue by streams to identify any unusual trends.</li> <li>• Obtained trade receivable balance confirmations as at the year end to evaluate recognition of revenue.</li> <li>• Assessed the relevant disclosures made within the standalone Ind AS financial statements</li> </ul>
(2)	<p><b>Litigations – Contingencies</b></p> <p>The Company has ongoing litigations with various authorities which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> <p>Claims against the Company not acknowledged as debts are disclosed in the Financial Statements by the Company after a careful evaluation of the facts and legal aspects of the matters involved.</p> <p>The outcome of such litigation is uncertain and the position taken by management involves significant judgment and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings.</p> <p>Refer Note 33 to the Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• <b>Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal team, to confirm the operating effectiveness of these controls.</b></li> <li>• <b>Involving our direct and indirect tax specialists to assess relevant historical and recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures.</b></li> <li>• <b>Additionally, considering the effect of new information in respect of contingencies as at 1<sup>st</sup> April, 2019 to evaluate whether any change was required in the management's position on these contingencies as at 31<sup>st</sup> March, 2020.</b></li> </ul>

**Information other than the Financial Statements and Auditor's Report thereon:**

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis/ Business Responsibility Report/ Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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. '

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

**Responsibilities of the Management and those charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors are 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 the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the 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 financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

**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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 of financial statements.
  - b) Except for the effect of the matters described in the "Basis for Qualified Opinion" section of our report, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) Except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) The qualification relating to the maintenance of accounts and other matters connected therewith

are as stated in the "Basis for Qualified Opinion" paragraph;

- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the information and explanations given to us, the Company has not paid any remuneration to its directors in accordance with the provisions of Section 197 of the Act.

- j) 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, as amended 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 No. 33, Contingent liabilities and commitments of the Financial Statements).
  - ii. Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the company has made provision under the applicable law or accounting standards. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. According to the information and explanation given to us, an amount of ₹101.91 lakhs and ₹1.92 lakhs pertaining to unpaid/unclaimed matured Deposits and Redeemable Cumulative First Preference Shares respectively are yet to be transferred, to the Investor Education and Protection Fund by the Company as on March 31, 2020.

**For Dass Gupta & Associates**  
Chartered Accountants  
Firm Reg. No: 000112N

**(CA Vipin Aggarwal)**  
Partner  
(Membership No. 522003)  
UDIN No: 20522003AAAABA3362

Place: Delhi  
Date: 29.06.2020

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph - 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:-

- (i) (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The management during the year has physically verified major fixed assets and no material discrepancy were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Inventory has been physically verified by the management during the year, according to information and explanation given to us, no material discrepancies were noticed on physical verification of inventory as compared to book records.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has not granted any loan, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not required.

- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments during the year, Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder to the extent notified during the year. Further, in respect of deposits accepted by the Company during an earlier year, the Company Law Board (Southern Regional Bench) has by its order dated July 07, 2001 directed the company to repay the said deposits in accordance with the scheme sanctioned by the BIFR. However, the BIFR in its Modified Rehabilitation Scheme dated July 21, 2008 directed the fixed deposits holders to accept the outstanding principal amount, in four annual installments, on interest free basis. Further, no other Order against the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. In respect of these deposits, the Company is yet to comply with the requirement of maintaining liquid assets and filing of Return of Deposit.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2014 made by Central Government for the maintenance of cost records u/s 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of these records.
- (vii) a) According to the information and explanations given to us, the Company is not regular in depositing of undisputed statutory dues of Goods and Services Tax (GST) with the appropriate authorities. However, in case of Provident Fund, Employee's State Insurance, Customs Duty, Income Tax, Cess and other statutory dues as applicable, the company is generally regular in depositing with the appropriate authorities. There were no outstanding of such undisputed statutory dues for a period of more than six months from the date it become payable except the following:

S. No.	Name of the Statute	Nature of Dues	Amount	Period to which it relates	Due Date
			(₹ in lakhs)		
1.	Goods and Services Tax Act, 2017	GST Principal	4,030.08	Jan-19 to Aug-19	20 days after the end of month
2.	Goods and Services Tax Act, 2017	Interest on GST	1,070.14	Oct-17 to Aug-19	20 days after the end of month

\*Interest payment on GST is continuously default which is being due on or after November 21, 2017 and still pending to be paid as on the reporting date.

\$ Against above dues a sum of ₹ 2630 lakhs have already been paid and lying in Electronic Cash Ledger pending appropriation and filing of GST Returns.

- (b) According to the information and explanations given to us and as per the books and the records of the Company examined by us, there were no outstanding dues in respect of Income Tax, Sales Tax, Service Tax, Goods and Services tax, Custom duty, Excise Duty and Value Added Tax which have not been deposited on account of any dispute except the following:

S. No.	Name of the Statute	Nature of Dues	Amount (net of pre-deposit)	Amount deposit under protest	Period to which amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Central Excise Duty	10.61	0	2004-05	High Court
		Central Excise Duty	655.96	1.00	2006-12	CESTAT
		Central Excise Duty	140.50	0	2007-09	CESTAT
		Central Excise Duty	1.82	0	2010-11	CESTAT
		Central Excise Duty	984.70	0	1995-2013	Supreme Court
		Central Excise Duty	799.53	35.11	2013-19	CESTAT
		Central Excise Duty	231.00	0	2007-10	CESTAT
2	Finance Act, 1994	Service Tax	55.65	5.63	2014-16	CESTAT
		Service Tax	32.85	1.84	2013-17 (June)	CESTAT
		Service Tax	298.63	100.00	2007-10	CESTAT
		Service Tax	32.29	2.37	2008-09	CESTAT
		Service Tax	16.33	1.20	2009-10	CESTAT
3	APGST Act/ CST Act	Sales Tax	26.96	0	1995-96	High Court
		Sales Tax	8.11	1.25	2001-02	Tribunal
		Sales Tax (CST)	16.65	0	1991-92	High Court
		Sales Tax (CST)	6.53	0	1992-93	High Court
		Sales Tax (VAT)	24.66	14.44	2014-16	Tribunal
		Sales Tax (CST)	19.71	2.82	2014-15	Appellate Deputy Commissioner (CT)

- (viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from the Government or has not issued any Debenture. The Company was in default in repayment of loan taken from a lender (EARC) and subsequently, the default has been made good by conversion of outstanding principal and interest into working capital term loan and funded interest term loan, and reschedule of loan by the lender through its letter dated June 04, 2018. The Company has defaulted in repayment of loans or borrowings to Financial Institutions and Banks as on the reporting date as given below:

(₹ in Lakhs)

Name of lender	Amount Outstanding as on March 31, 2020 (Principal)	Amount Outstanding as on March 31, 2020 (Interest)	Period of Default (In Days)
Edelweiss Asset Reconstruction Company Ltd (EARC)	13,280.52	-	1- 367
	-	6,696.63	1- 702
HDFC Limited	2,581.04	-	1- 549
	-	4,188.50	1- 411
Andhra Bank*	495.00	-	1- 457
	-	1,516.74	1- 426
Karur Vysya Bank*	196.00	-	1- 276
	-	541.98	1- 337

\*Andhra Bank and Karur Vasya Bank declared the term loans as Non-Performing Assets (NPA) and recalled the entire amount including interest there on before the financial year ended March 31, 2020.

- (ix) According to the information and explanations give to us and based on our examination of the records of the Company, Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid or provided any managerial remuneration during the year. Accordingly, the provisions of Para 3 (xi) of the Order are not applicable to the Company
- (xii) In our opinion and according to the information and explanations given to us, Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is 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) Based on the examination of the books of account and related records and according to the information and explanations given to us, company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Dass Gupta & Associates**  
Chartered Accountants  
Firm Reg. No: 000112N

**(CA Vipin Aggarwal)**  
Partner  
(Membership No. 522003)  
UDIN No: 20522003AAAABA3362

Place: Delhi  
Date: 29.06.2020

## Annexure - B to the Auditors' Report

### Report on the Internal 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 Andhra Cement Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the 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 31 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.

#### **Emphasis of Matter:**

Attention is drawn to:

Internal control system for financial reporting with respect to confirmations of certain trade receivables, security deposits given/ taken, advances to suppliers, trade payables and advances from customers are pending (Read with note no. 40 of the financial statements), may potentially have impact in the financial statements.

Our opinion is not modified in respect of this matter.

**For Dass Gupta & Associates**  
Chartered Accountants  
Firm Reg. No: 000112N

**(CA Vipin Aggarwal)**  
Partner  
(Membership No. 522003)  
UDIN No: 20522003AAAABA3362

Place: Delhi  
Date: 29.06.2020

**BALANCE SHEET AS AT MARCH 31, 2020**

		(₹ in lakhs)	
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
a. Property, Plant and Equipment	4	92,574.23	97,341.48
b. Capital work-in-progress	5	134.43	134.43
c. Financial Assets			
i) Investments	6	0.95	0.95
ii) Other Financial Assets	7	1,264.43	1,630.45
d. Other Non-Current Assets	8	418.37	415.66
		<b>94,392.41</b>	<b>99,522.97</b>
<b>2 CURRENT ASSETS</b>			
a. Inventories	9	1,537.02	1,519.99
b. Financial Assets			
i) Trade Receivables	10	2,001.09	1,932.55
ii) Cash and cash equivalents	11	1.07	2.85
iii) Bank balances other than(ii) above	12	372.11	344.97
iv) Other Financial Assets	13	1,067.17	1,065.29
c. Current Tax Assets (NET)	14	48.22	111.50
d. Other Current Assets	15	805.74	901.24
		<b>5,832.42</b>	<b>5,878.39</b>
<b>Total Assets</b>		<b>100,224.83</b>	<b>105,401.36</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
Equity share capital	16	29,352.44	29,352.44
Other Equity	17	(77,435.14)	(60,832.94)
<b>Total Equity</b>		<b>(48,082.70)</b>	<b>(31,480.50)</b>
<b>2 LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
a) Financial Liabilities			
i) Borrowings	18	56,771.95	64,817.14
b) Provisions	19	312.25	373.12
c) Deferred Tax Liabilities (NET)	20	-	831.21
		<b>57,084.20</b>	<b>66,021.47</b>
<b>CURRENT LIABILITIES</b>			
a) Financial Liabilities			
i) Borrowings	21	19,025.13	13,865.27
ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	22	148.84	32.55
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	15,836.70	11,817.71
iii) Other financial liabilities	23	47,287.80	36,270.93
b) Other Current Liabilities	24	8,786.45	8,732.64
c) Provisions	25	138.41	141.29
		<b>91,223.33</b>	<b>70,860.39</b>
<b>Total Liabilities</b>		<b>148,307.53</b>	<b>136,881.86</b>
<b>Total Equity and Liabilities</b>		<b>100,224.83</b>	<b>105,401.36</b>

The accompanying notes are an integral part of the financial statements. (1-53)

As per our report of even date

**For DASS GUPTA AND ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 000112N

**VIPIN AGGARWAL**  
Partner  
Membership No. 522003

Place : New Delhi  
Date : June 29, 2020

**FOR AND ON BEHALF OF THE BOARD**

**Ravindra Kumar Singh**  
Chairman  
DIN : 01859229

**G. Tirupati Rao**  
Company Secretary

**Naveen Kumar Singh**  
Director & CEO  
DIN : 00215393

**A K Agrawal**  
Chief Financial officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

				(₹ in lakhs)	
Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019		
<b>I Revenue from Operations</b>	26	14,291.82	32,124.03		
<b>II Other Income</b>	27	71.18	180.08		
<b>III Total Income (I + II)</b>		<b>14,363.00</b>	<b>32,304.11</b>		
<b>IV Expenses:</b>					
a. Cost of Materials Consumed	28	1,526.11	3,573.54		
b. Changes in Inventories of Finished Goods and Work-in-Progress.	29	(106.40)	448.71		
c. Employee Benefits Expense	30	2,243.31	2,611.25		
d. Finance Costs	31	12,174.41	10,844.49		
e. Depreciation and Amortization Expenses	4	4,782.93	4,746.51		
f. Other Expenses	32	11,402.27	24,162.34		
<b>Total Expenses (IV)</b>		<b>32,022.63</b>	<b>46,386.84</b>		
<b>V Profit/(loss) before Exceptional items and tax (III - IV)</b>		<b>(17,659.63)</b>	<b>(14,082.73)</b>		
<b>VI Exceptional Items</b>		-	3,974.01		
<b>VII Profit/(Loss) before tax (V - VI)</b>		<b>(17,659.63)</b>	<b>(18,056.74)</b>		
<b>VIII Tax expense:</b>	48				
(1) Current Tax		-	-		
(2) Deferred Tax		(827.90)	(43.25)		
<b>Total (VIII)</b>		<b>(827.90)</b>	<b>(43.25)</b>		
<b>IX Profit/(loss) for the year (VII - VIII)</b>		<b>(16,831.73)</b>	<b>(18,013.49)</b>		
<b>X Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss	44				
- Remeasurement of employees defined benefits		(12.90)	3.11		
- Income tax relating to above		3.31	(1.04)		
(ii) Items that will be reclassified to profit or loss		-	-		
<b>Total (X)</b>		<b>(9.59)</b>	<b>2.07</b>		
<b>XI Total Comprehensive Income (IX+ X)</b>		<b>(16,841.32)</b>	<b>(18,011.42)</b>		
<b>Earning per Equity Share: (Nominal value of shares ₹ 10 each)</b>					
(1) Basic (₹)	52	(5.74)	(6.14)		
(2) Diluted (₹)	52	(5.74)	(6.14)		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For DASS GUPTA AND ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 000112N

**VIPIN AGGARWAL**  
Partner  
Membership No. 522003

Place : New Delhi  
Date : June 29, 2020

**FOR AND ON BEHALF OF THE BOARD**

**Ravindra Kumar Singh**  
Chairman  
DIN : 01859229

**Naveen Kumar Singh**  
Director & CEO  
DIN : 00215393

**G. Tirupati Rao**  
Company Secretary

**A K Agrawal**  
Chief Financial officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	(₹ in lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
<b>Loss Before Tax</b>	<b>(17,659.63)</b>	(18,056.74)
Adjustment for:		
Depreciation and amortisation expenses	<b>4,782.93</b>	4,746.51
Profit/(Loss) on sale/disposal of Property, Plant and Equipment	-	-
Provision for Employee Benefits (OCI)	<b>(9.59)</b>	3.11
Provision for doubtful debts, advances and deposits	-	-
Interest income	<b>(64.41)</b>	(74.69)
Finance cost	<b>12,174.41</b>	10,844.49
Exceptional Items		3,974.01
<b>Operating Profit before working capital changes</b>	<b>(776.29)</b>	1,436.69
Decrease / (Increase) in inventories	<b>(17.03)</b>	1,251.87
Decrease / (Increase) in trade receivables	<b>(68.54)</b>	788.74
Decrease / (Increase) in financial current and non-current assets	<b>364.15</b>	2,433.07
Decrease / (Increase) in non-financial current and non-current assets	<b>92.79</b>	2,259.46
(Decrease) / Increase in non-financial liabilities and provisions	<b>(3,074.85)</b>	(2,937.67)
(Decrease) / Increase in trade payables and other financial liabilities	<b>15,152.14</b>	(3,082.20)
<b>Cash generated from operations</b>	<b>11,672.37</b>	2,149.96
Direct Taxes( Paid)/Refund	<b>61.30</b>	52.20
<b>Net Cash generated /(used) in from operations</b>	<b>11,733.67</b>	2,202.16
<b>B. Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment (including CWIP and net of Capital Creditor and advances)	<b>(17.97)</b>	(3.09)
Proceeds from sale of Property, Plant and Equipment	<b>2.29</b>	115.54
Purchase of Investments	-	-
Net investment in Bank (Fixed Deposits and Restricted Bank Balance)	<b>(27.14)</b>	(84.65)
Interest received	<b>64.41</b>	74.02
<b>Net cash generated /(used) in investing activities</b>	<b>21.59</b>	101.82



(₹ in lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>C. Cash flow from financing activities</b>		
Equity Component of Financial Instrument	239.12	1,200.00
Proceeds from Long Term Borrowings (net of repayments)	(4,981.61)	(272.50)
Proceeds from Short Term Borrowings (net of repayments)	5,159.86	53.26
Interest and Finance charges	(12,174.41)	(5,486.37)
<b>Net cash generated / (used) from financing activities</b>	<b>(11,757.04)</b>	<b>(4,505.61)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1.78)	(2,201.63)
Cash and cash equivalents at the beginning of the year	2.85	2,204.48
<b>Cash and cash equivalents at the end of the year</b>	<b>1.07</b>	<b>2.85</b>

Note: The above statement of Cash Flow has been prepared under ' indirect method ' as set out in Ind AS -7 as specified under Section 133 of the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For DASS GUPTA AND ASSOCIATES**

Chartered Accountants

Firm Registration No. 000112N

**VIPIN AGGARWAL**

Partner

Membership No. 522003

Place : New Delhi

Date : June 29, 2020

**FOR AND ON BEHALF OF THE BOARD**

**Ravindra Kumar Singh**

Chairman

DIN : 01859229

**G. Tirupati Rao**

Company Secretary

**Naveen Kumar Singh**

Director & CEO

DIN : 00215393

**A K Agrawal**

Chief Financial officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lakhs unless otherwise Stated)

## A. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid up

Particulars	No. of Shares	Amount
Balance as at April 01, 2018	293,520,492	29,352.44
Changes in share capital during the year	-	-
Balance as at March 31, 2019	293,520,492	29,352.44
Changes in share capital during the year	-	-
<b>Balance as at Mar 31, 2020 (Refer note-16)</b>	<b>293,520,492</b>	<b>29,352.44</b>

## B. Other equity

Particulars	Equity Component of Financial Instrument	Reserves and Surplus					Other Comprehensive Income	Total
		Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	Quary Land Amortization Reserve	Retained Earnings		
Balance as at April 01, 2018	257.48	9,054.05	10.00	1.94	0.29	(51,964.95)	(180.33)	(42,821.52)
Loss for the year	-	-	-	-	-	(18,013.49)	-	(18,013.49)
-Re-measurements of defined benefit plans(Net)	-	-	-	-	-	-	2.07	2.07
Adjustment on account of reschedule of the borrowing								
<b>Balance as at March 31, 2019</b>	<b>257.48</b>	<b>9,054.05</b>	<b>10.00</b>	<b>1.94</b>	<b>0.29</b>	<b>(69,978.44)</b>	<b>(178.26)</b>	<b>(60,832.94)</b>
Equity Component of Financial Instrument	239.12							239.12
Loss for the year	-	-	-	-	-	(16,831.73)	-	(16,831.73)
-Re-measurements of defined benefit plans(Net)	-	-	-	-	-	-	(9.59)	(9.59)
<b>Balance as at Mar 31, 2020 (Refer note-17)</b>	<b>496.60</b>	<b>9,054.05</b>	<b>10.00</b>	<b>1.94</b>	<b>0.29</b>	<b>(86,810.17)</b>	<b>(187.85)</b>	<b>(77,435.14)</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For DASS GUPTA AND ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 000112N

FOR AND ON BEHALF OF THE BOARD

**VIPIN AGGARWAL**  
Partner  
Membership No. 522003

**Ravindra Kumar Singh**  
Chairman  
DIN : 01859229

**Naveen Kumar Singh**  
Director & CEO  
DIN : 00215393

Place : New Delhi  
Date : June 29, 2020

**G. Tirupati Rao**  
Company Secretary

**A K Agrawal**  
Chief Financial officer

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1. Company Overview

Andhra Cements Limited (the Company) is a Public Limited Company domiciled in India and is incorporated in India under the provisions of Companies Act, 1956. Its shares are listed on two stock exchanges in India i.e. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The company is engaged in the manufacturing and selling of Cement and Cement related products. The Company caters mainly to the domestic market.

### 2. Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 3. Significant Accounting policies

#### 3.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, the relevant provisions of Companies Act, 2013 and guidelines issued by the Security and Exchange Board of India (SEBI), as applicable.

#### 3.2 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and presentation requirements of Schedule III to the Act under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value.

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.

#### 3.3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgments** In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

**Discount rate used to determine the carrying amount of the Company's defined benefit obligation:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 reporting date.

**Contingences and commitments:** In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the company do not expect them to have a materially adverse impact on the financial position or profitability.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) **Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

(b) **Useful lives of property, plant and equipment:** As described in Note 3.8, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no

changes to the useful lives and residual values of the property, plant and equipment.

- (c) **Allowances for doubtful debts:** The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgment and estimates.

### 3.4 Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent 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 (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

### 3.5 Revenue recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period

given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 using the cumulative catch-up method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the Statement of Profit and Loss is not restated. Impact on adoption of Ind AS 115 is not material.

#### Cost to obtain a contract

The Company pays sales commission to its selling agents for contracts that they obtain for the Company and same is expense out on the basis of sales took place. (Included in commission on Sales under "OtherExpenses").

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

**Interest income** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Dividends** Dividend income from investments is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Profit/Loss on sale of units of Mutual funds/Bonds/Shares are accounted on transfer of ownership.

### 3.6 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### 3.7 Foreign Currencies

**Functional and presentation Currencies:** The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**Transactions and translations:** Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and

Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**3.8 Property, plant and equipment**

Property, plant and equipment (PPE) are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method (“SLM”) in the manner prescribed in schedule II to the Act. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company

reflect the periods over which these assets are expected to be used. Such classes of assets and their estimated useful lives are as under;

S. NO	Nature of Asset/ Component of an Assets	Useful life of assets/ components of assets
1	Building	5-60
2	Plant and Machineries	
	-Power plant	30-40
	-Other than Power Plant	5-30
3	Furniture and Fixtures	3-10
4	Office Equipment	10
5	Vehicles	5-10
6	Railway Siding	25

Carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised 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 disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

**3.9 Capital work-in-progress and intangible assets under development**

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

**3.10 Intangible assets**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Company amortises intangible assets with a finite useful life using the straight-line method over the useful lives determined by the terms of the agreement /contract. The estimated useful life is reviewed annually by the management.

### 3.11. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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 recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 3.12 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and 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.

**Current tax:** Current tax is measured at the amount of tax expected to be payable on the taxable income for

the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**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, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### 3.13 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

**Operating Lease:** Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding in inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

**Finance Lease:** Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

### 3.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.15 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### 3.16 Inventories

Inventories are valued as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

- **Work-in-progress (WIP), finished goods, stock-in-trade and trial run inventories:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

- **Waste / Scrap:**

Waste / Scrap inventory is valued at NRV.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 3.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

#### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

**Amortised Cost:**

A financial asset shall be classified and measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid

or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognized



in Statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in financial statements 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.

#### 3.18 Exceptional items

Items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit & Loss.

#### 3.19 Borrowing costs

General and specific borrowing costs (including exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### 3.20 Employee Benefits

Employee benefits consist of contribution to employees' state insurance, provident fund, gratuity fund and compensated absences.

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related services are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### Post-employment benefit plans

**Defined Contribution plans:** Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plans:** The Company operates defined benefit plan in the form of gratuity and compensated absence. The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The interest expense is calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of profit and loss as past service cost.

The classification of the company's net obligation into current and non-current is as per the actuarial valuation report.

#### 3.21 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

## 4. Statement of Property, plant and equipment

## 5. Capital work in progress

(₹ in lakhs)

Particulars	Land - Freehold	Buildings	Plant and Machinery	Motor vehicles	Furniture	Railway Siding	Total Tangible Assets	Capital work in progress (Note-5)
<b>Gross Carrying Value:</b>								
As at April 01, 2018	648.71	10,003.53	123,015.71	241.88	437.86	183.05	134,530.74	2,984.12
Additions	-	567.67	933.13	2.95	1.23	-	1,504.98	-
Disposals/Adjustments	-	-	283.58	26.90	-	-	310.48	1,347.80
Capitalisation During the year	-	-	-	-	-	-	-	1,501.89
As at March 31, 2019	648.71	10,571.20	123,665.26	217.93	439.09	183.05	135,725.24	134.43
Additions	-	-	-	17.97	-	-	17.97	-
Disposals/Adjustments	-	-	2.98	-	-	-	2.98	-
Capitalisation During the year	-	-	-	-	-	-	-	-
As at March 31, 2020	648.71	10,571.20	123,662.28	235.90	439.09	183.05	135,740.23	134.43
<b>Depreciation :</b>								
As at April 01, 2018	-	2,746.87	30,320.69	178.71	412.03	173.90	33,832.20	-
Charge for the year	-	254.03	4,472.80	17.55	2.13	-	4,746.51	-
Disposals	-	-	176.55	18.40	-	-	194.95	-
Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2019	-	3,000.90	34,616.94	177.86	414.16	173.90	38,383.76	-
Charge for the year	-	284.92	4,478.88	17.08	2.05	-	4,782.93	-
Disposals	-	-	0.69	-	-	-	0.69	-
Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2020	-	3,285.82	39,095.13	194.94	416.21	173.90	43,166.00	-
<b>Net Block :</b>								
As at March 31, 2019	648.71	7,570.30	89,048.32	40.07	24.93	9.15	97,341.48	134.43
As at March 31, 2020	648.71	7,285.38	84,567.15	40.96	22.88	9.15	92,574.23	134.43

Notes:-

4.1- Refer Note no. 18.1 for property, plant and equipment pledged as security by the company.

4.2- During the Previous Financial year, the Directorate of Revenue Intelligence has confiscated the capital goods having import value of 3,979 lakhs - Refer Note 33(iv).

6. Non current investments

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>(i) Equity Instruments</b>		
<b>Fair value through profit and loss</b>		
<b>Unquoted :</b>		
2500 fully paid up equity shares of ₹ 10 each of Andhra Pradesh Heavy machinery and Engineering limited	0.25	0.25
<b>(ii) Investment in Government securities</b>		
<b>Amortised cost</b>		
<b>Unquoted :</b>		
National Saving Certificates (Lodged as security with Govt. Depts.)	0.95	0.95
	<b>1.20</b>	<b>1.20</b>
<b>Less: Allowances for impairment in value of Investment</b>	<b>0.25</b>	<b>0.25</b>
<b>Total</b>	<b>0.95</b>	<b>0.95</b>
<b>Note:-</b>		
6.1- Aggregate amount of unquoted investment before impairment	1.20	1.20
6.2- Aggregate amount of impairment in value of investments.	0.25	0.25
<b>6.3- The movement in allowance for impairment in value of Investment</b>		
Balance as at beginning of the year	0.25	0.25
Allowance for impairment loss during the year	-	-
Balance as at end of the year	<b>0.25</b>	<b>0.25</b>

7. Other Financial Assets

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good unless otherwise stated</b>		
<b>a) Bank Balances</b>		
Term Deposits having remaining maturity of more than 12 months*	8.07	16.45
Interest on Term Deposit	0.06	1.30
	<b>8.13</b>	<b>17.75</b>
<b>b) Other Receivables</b>		
Other Receivables	13.67	8.45
	<b>13.67</b>	<b>8.45</b>
<b>c) Security Deposits</b>		
Considered good	1,242.63	1,604.25
Considered doubtful	0.50	0.50
	<b>1,243.13</b>	<b>1,604.75</b>
<b>Less: Allowance for Doubtful Deposits</b>	<b>0.50</b>	<b>0.50</b>
	<b>1,242.63</b>	<b>1,604.25</b>
<b>Total</b>	<b>1,264.43</b>	<b>1,630.45</b>
<b>Movement in allowance for Doubtful Deposits</b>		
Balance as at beginning of the year	0.50	0.50
Allowance for impairment loss during the year	-	-
Balance as at end of the year	<b>0.50</b>	<b>0.50</b>

## 8 Other Non-Current Assets

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Capital Advances	161.71	161.71
Prepaid Expenses	3.62	6.32
Deposits under protest with government authorities and others	253.04	247.63
<b>Total</b>	<b>418.37</b>	<b>415.66</b>

## 9 Inventories

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
(As taken, valued and certified by the Management)		
Raw Material	207.05	249.84
Work-In-Progress	303.82	200.03
Finished Goods	8.65	5.52
Stores and Spares	1,054.16	1,101.26
	<b>1,573.68</b>	<b>1,556.65</b>
Less: Provision for Obsolete Stores	36.66	36.66
<b>Total</b>	<b>1,537.02</b>	<b>1,519.99</b>
<b>Movement in Provision for Obsolete Stores and spares :</b>		
Balance as at beginning of the year	36.66	36.66
Provision for loss during the year	-	-
Balance as at end of the year	<b>36.66</b>	<b>36.66</b>

Inventories are pledged as securities against borrowings of the company (Refer note-18)

## 10 Trade receivables

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
- Considered good-Secured	898.17	451.81
- Considered good-Unsecured#	1,102.92	1,480.74
- Which have significant increase in credit risk	-	-
- Credit Impaired	730.59	730.59
	<b>2,731.68</b>	<b>2,663.14</b>
Less: Allowance for expected credit loss*	730.59	730.59
<b>Total</b>	<b>2,001.09</b>	<b>1,932.55</b>
<b>Movement in allowance for expected credit loss :</b>		
Balance as at beginning of the year	730.59	730.59
Allowance for expected credit loss during the year	-	-
Trade receivables written off during the year	-	-
Balance as at end of the year	<b>730.59</b>	<b>730.59</b>

\*Allowance for doubtful trade receivables is made on the basis of expected credit loss allowance, taking into account the estimated credit loss experience with adjustment for forward looking information.

# It includes receivable from Related Parties of ₹ 204.16 lakhs (₹ 342.87 lakhs)

Trade receivables are pledged as securities against borrowings of the company (Refer note-18)

11 Cash and cash equivalents

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
(a) Balance with banks (Refer Note No. 12.1)		
-On current accounts	-	-
(b) Cash in hand	1.07	2.85
<b>Total</b>	<b>1.07</b>	<b>2.85</b>

12 Bank Balances other than Cash and Cash Equivalents

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
(a) Balance with banks (Refer Note 12.1)		
- On current accounts	369.87	230.58
(b) On account of margin money		
- Term Deposits with original maturity of more than 3 months and remaining maturity less than 12 month*	2.24	114.39
(c) Other bank balances		
- Term Deposits with original maturity of more than 3 months and remaining maturity less than 12 month	-	-
	<b>372.11</b>	<b>344.97</b>

Note

12.1- Goods and Service Tax Department has imposed restrictions on repatriation of amount from Bank in the month of February 2020 for recovery of GST dues.

\*Held as securities or earmarked for issue of Bank Gurantees/ Letters of credit /Margin money.

13 Other Financial Assets

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good, unless otherwise stated)		
Receivable from related parties (Refer note-50)	1,016.93	1,005.82
Interest on Term Deposit with Banks	0.44	1.37
Other Receivable	49.80	58.10
<b>Total</b>	<b>1,067.17</b>	<b>1,065.29</b>

14 Current Tax Assets (net)

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Refundable	48.22	111.50
<b>Total</b>	<b>48.22</b>	<b>111.50</b>

## 15 Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good, unless otherwise stated)		
<b>Advances to suppliers</b>		
Considered good	763.47	743.41
Considered doubtful	56.86	56.86
	<b>820.33</b>	<b>800.27</b>
<b>Less: Allowance for doubtful advances</b>	<b>56.86</b>	<b>56.86</b>
	<b>763.47</b>	<b>743.41</b>
Prepaid expenses	7.92	120.95
Balances with Statutory / Government Authorities	34.35	36.88
<b>Total</b>	<b>805.74</b>	<b>901.24</b>
<b>Movement in allowance for doubtful advances :</b>		
Balance as at beginning of the year	56.86	56.86
Allowance for doubtful advance during the year	-	-
Balance as at end of the year	<b>56.86</b>	<b>56.86</b>

## 16 Equity share capital

(₹ in lakhs unless otherwise Stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorized</b>		
40,00,00,000 (March 31, 2019:40,00,00,000) Equity Shares of ₹ 10 each	40,000.00	40,000.00
1,00,00,000 (March 31, 2019:1,00,00,000) Cumulative Redeemable Preference Shares of ₹ 100 each	10,000.00	10,000.00
	<b>50,000.00</b>	<b>50,000.00</b>
<b>Issued, Subscribed and Paid-Up</b>		
29,35,20,492 (March 31, 2019:29,35,20,492) Equity Shares of ₹ 10 each	29,352.05	29,352.05
Add: Forfeited Shares (Refer Note 16.5)	0.39	0.39
	<b>29,352.44</b>	<b>29,352.44</b>

## 16.1 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 10 per Share and each holder of equity shares is entitled to one vote per share. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holdings. Dividend - Each Share is entitled to dividend, if declared. The dividend if any, proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting, except in case of interim dividend.

## 16.2 Share held by the holding Company

Name of the Share holder	As at March 31, 2020 (No. of shares)	As at March 31, 2019 (No. of shares)
Jaypee Development Corporation Limited	201,926,406	201,926,406

## 16.3 Shareholders holding more than 5% shares of the Company:

Name of the Share holder	As at	As at
	March 31, 2020	March 31, 2019
	(No. of shares)	(No. of shares)
Jaypee Development Corporation Limited	201,926,406	201,926,406
	68.79%	68.79%
Housing Development Finance Corporation Limited	25,742,546	25,742,546
	8.77%	8.77%

## 16.4 Reconciliation of equity shares outstanding at the beginning and end of the reporting period.

Details	As at	As at
	March 31, 2020	March 31, 2019
	(No. of shares)	(No. of shares)
Balance at the beginning of the year	293,520,492	293,520,492
Add: Shares issued during the year	-	-
Balance at the end of the year	293,520,492	293,520,492

16.5 Forfeited shares (amount originally paid up) is ₹ 38,860/-

## 17 Other Equity

Particulars	(₹ in lakhs)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>i. Equity Component of Financial instrument</b>	<b>496.60</b>	<b>257.48</b>
<b>ii. Reserves and Surplus*</b>		
Securities Premium	9,054.05	9,054.05
Capital Reserve	10.00	10.00
Capital Redemption Reserve	1.94	1.94
Quary Land Amortization Reserve	0.29	0.29
Retained Earnings	(86,810.17)	(69,978.44)
<b>iii. Other Comprehensive Income</b>	<b>(187.85)</b>	<b>(178.26)</b>
<b>Total</b>	<b>(77,435.14)</b>	<b>(60,832.94)</b>

\* Refer Statement of change in equity for the movement in each of the reserves and surplus

The Description of the nature and purpose of each reserve within Other Equity is as follows:

**Securities Premium** : The amount of difference between the issue price and the face value of the shares is recognized in Securities premium reserve. It is utilised in accordance with the provisions of the Act.

**Capital Reserve**: The Capital Reserve was recognized as a result of investment subsidy received for Visaka Cements Works, Vizag during the accounting year ended on Mach 31, 1981. This reserve is not freely available for distribution to the shareholders.

**Capital Redemption Reserve**: The company had created Capital Redemption Reserve out of the profits for redemption of Preference Shares. This reserve may be utilized for the specified purpose in accordance with the provisions of the Act.

**Quary Land Amortization Reserve**: Quary Land Amortization Reserve was created for subsidy granted by the Government for construction of residential quarters for workers at Jayantipuram mines.

**Retained Earnings:** Retained Earnings comprise of the profits/(losses) of the company earned till date net of distributions and other adjustments.

**Other Comprehensive Income :** Other Comprehensive Income comprise re-measurement of defined benefit plans (net).

## 18 Borrowings

Particulars	₹ in lakhs unless otherwise stated)	
	As at March 31, 2020	As at March 31, 2019
<b>SECURED:</b>		
<b>Term Loans</b>		
From Banks	-	4,606.00
From Financial Institutions	53,843.46	57,460.21
<b>UNSECURED:</b>		
Term Loan		
From Related Party	2,928.49	2,750.93
<b>Total</b>	<b>56,771.95</b>	<b>64,817.14</b>

### 18.1 Terms and Conditions of the borrowings as on March 31, 2020:

Lender	Loan Amount	Balance		Rate of Interest	Terms of Repayment	Security
		As on March 31, 2020	As on March 31, 2019			
<b>Secured:</b>						
"Karur Vasya Bank (Term Loan) (Refer Note 18.1.4)"	4,900.00	4,802.00	4,826.50	11.50%	Refer note 18.1.4	Term Loans are secured by first charge by way of mortgage, on immovable properties and hypothecation of all movable properties, machinery, machinery spares, tools, furniture fixture and accessories present and future, and second charge on current assets including inventories, stores and spares, book debts, operating cash flow receivables etc., further secured by first charge on intangible assets and other reserve relating to the project and pledge of 75% Shares of promoter holding (Maximum to the extent of 55% of total paid up capital of the Company). Moreover, personal guarantee of Mr. Manoj Gaur (Ex-Chairman) for secured term loans.
"Andhra Bank (Term Loan) (Refer Note 18.1.4)"	9,900.00	9,801.00	9,801.00	11.50%	Refer note 18.1.4	
HDFC Limited (Term Loan)	37,750.00	36,748.04	37,550.00	9.15%	Refer note 18.4	
"EARC (Term Loan) (Note -18.1.1)"	36,573.73	36,573.73	36,573.73	9.15%	Refer note 18.4	
<b>Unsecured:</b>						
Jaypee Development Corporation Limited (Refer Note -18.1.2 and 18.1.3)	3,893.98	3,796.63	3,149.79	10.00%	Repayable in 12 Equated Quarterly Instalments of ₹ 379.61 lakhs commencing from September 30, 2020	UNSECURED
<b>TOTAL BORROWINGS</b>	93,017.71	91,721.40	91,901.02			
Less: Current Maturities [Refer Note no. 23 (a) ]		(20,346.45)	(17,282.88)			



Lender	Loan Amount	Balance		Rate of Interest	Terms of Repayment	Security
		As on March 31,2020	As on March 31,2019			
Less: Loan Repayable on Demand ( Refer Note- 18.1.4)		(14,603.00)	(9,801.00)			
Long Term Borrowings		56,771.95	64,817.14			

\* Reset on change of Lender's CPLR.

18.1.1 EARC (Edelweiss Asset Reconstruction Company Ltd.) has restructured the loans and interest accrued thereon outstanding as on March 31, 2018 vide letter dated June 04, 2018. In restructuring scheme, the lender has revised repayment schedule along with interest rate and conversion of overdue interest and loan into Funded Interest Term Loan and Working Capital Term loan-2 respectively.

18.1.2 Outstanding amount of Rs. 3,893.98 lakhs as on June 30, 2019, in respect of earlier financial assistance have converted into new financial assistance w.e.f. July 01, 2019.

18.1.3 Unamortised Transaction cost Rs. 97.35 lakhs ( Rs. 162.91) Lakhs is not included in borrowings.

18.1.4 During the Financial year ended March 31, 2020, Andhra Bank and Karur Vasya Bank declared the term loans as Non-Performing Assets(NPA) and recalled the entire amount including interest there on. Hence, outstanding term loans from Andhra bank and Karur Vasya Bank have been classified as " Loan Repayable on Demand " under "Current Borrowings".

## 18.2 Cash Sweep

At the end of each year, EARC and HDFC shall have the right to appropriate 100% of surplus cash flows which contribute to DSCR being above 1.1 x, towards prepayment of the loans and upon such prepayment, the loans shall stand reduced proportionately in the inverse order of maturity. Such prepayment shall not attract any prepayment premium.

## 18.3 Details of default in payment of principal and interest thereon as on March 31, 2020

Lender	Amount		Due Date	Period of Default (In Days)
	Principal	Interest		
EARC*	-	0.50	Apr 30, 2018	702
	-	0.52	May 31, 2018	671
	-	0.01	Jun 30, 2018	641
	-	284.23	Jul 31, 2018	610
	-	286.92	Aug 31, 2018	579
	-	280.29	Sep 30, 2018	549
	-	292.28	Oct 31, 2018	518
	-	285.55	Nov 30, 2018	488
	-	297.72	Dec 31, 2018	457
	-	300.52	Jan 31, 2019	426
	-	273.98	Feb 28, 2019	398
	12,289.32	305.90	Mar 31, 2019	367
		319.00	Apr 30, 2019	337
		332.43	May 31, 2019	306
	247.80	324.51	Jun 30, 2019	276
		338.58	Jul 31, 2019	245
	341.53	Aug 31, 2019	214	
247.80	333.39	Sep 30, 2019	184	
	347.82	Oct 31, 2019	153	

Lender	Amount		Due Date	Period of Default (In Days)
	Principal	Interest		
		339.52	Nov 30, 2019	123
	247.80	353.78	Dec 31, 2019	92
		357.27	Jan 31, 2020	61
		337.10	Feb 29, 2020	32
	247.80	363.28	Mar 31, 2020	1
HDFC Limited	83.96		Sep 30, 2018	549
	177.75		Dec 31, 2018	457
	-	15.04	Feb 15, 2019	411
	-	270.20	Feb 28, 2019	398
	-	15.04	Mar 15, 2019	383
	177.75	287.11	Mar 31, 2019	367
	119.58		Apr 07, 2019	360
		16.48	Apr 15, 2019	352
		260.15	Apr 30, 2019	337
		14.04	May 15, 2019	322
		276.27	May 31, 2019	306
		15.54	Jun 15, 2019	291
	355.50	304.09	Jun 30, 2019	276
	150.00		Jul 07, 2019	269
		14.93	Jul 15, 2019	261
		269.90	Jul 31, 2019	245
		15.42	Aug 15, 2019	230
		269.90	Aug 31, 2019	214
		15.42	Sep 15, 2019	199
	505.50	315.36	Sep 30, 2019	184
		14.93	Oct 15, 2019	169
		270.15	Oct 31, 2019	153
		15.42	Nov 15, 2019	138
		261.19	Nov 30, 2019	123
		14.93	Dec 15, 2019	108
	505.50	330.15	Dec 31, 2019	92
		14.93	Jan 15, 2020	77
		270.15	Jan 31, 2020	61
		13.96	Feb 15, 2020	46
		252.72	Feb 29, 2020	32
		14.93	Mar 15, 2020	17
	505.50	340.15	Mar 31, 2020	1
Andhra Bank	49.50		Dec 31, 2018	457
	-	79.20	Jan 31, 2019	426
		89.30	Feb 28, 2019	398
	49.50	99.12	Mar 31, 2019	367
		96.66	Apr 30, 2019	337
		100.99	May 31, 2019	306
	99.00	98.85	Jun 30, 2019	276
		103.45	Jul 31, 2019	245
		104.64	Aug 31, 2019	214
	99.00	102.22	Sep 30, 2019	184

Lender	Amount		Due Date	Period of Default (In Days)
	Principal	Interest		
		106.12	Oct 31, 2019	153
		103.56	Nov 30, 2019	123
	99.00	108.20	Dec 31, 2019	92
		109.30	Jan 31, 2020	61
		103.41	Feb 29, 2020	32
	99.00	111.72	Mar 31, 2020	1
Karur Vysya Bank	-	10.62	Apr 30, 2019	337
		47.48	May 31, 2019	306
	49.00	45.94	Jun 30, 2019	276
		46.90	Jul 31, 2019	245
		46.90	Aug 31, 2019	214
	49.00	45.39	Sep 30, 2019	184
		46.90	Oct 31, 2019	153
		45.39	Nov 30, 2019	123
	49.00	46.90	Dec 31, 2019	92
		46.90	Jan 31, 2020	61
		43.88	Feb 29, 2020	32
	49.00	68.77	Mar 31, 2020	1

\* Including Working capital Term Loan and Funded Interest Term Loan

#### 18.4 Repayment terms of the Outstanding Borrowings

Repayment schedule of EARC is taken as per Restructuring Scheme dated June 04, 2018 whereas repayment schedule for other lenders as per existing repayment schedule.

Bank/FI	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Outstanding Borrowings (₹ in Lakhs)
-HDFC Limited	30 <sup>th</sup> Jun.	30 <sup>th</sup> Sep.	31 <sup>st</sup> Dec.	31 <sup>st</sup> Mar.	35,278.46
Financial Year	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Total
2018-19	0.50%	0.50%	0.50%	0.50%	2.00%
2019-20	1.00%	1.00%	1.00%	1.00%	4.00%
2020-21	1.25%	1.25%	1.25%	1.25%	5.00%
2021-22	1.50%	1.50%	1.50%	1.50%	6.00%
2022-23	1.75%	1.75%	1.75%	1.75%	7.00%
2023-24	2.25%	2.25%	2.25%	2.25%	9.00%
2024-25	2.50%	2.50%	2.50%	2.50%	10.00%
2025-26	2.50%	2.50%	2.50%	2.50%	10.00%
2026-27	2.50%	2.50%	2.50%	2.50%	10.00%
2027-28	2.50%	2.50%	2.50%	2.50%	10.00%
2028-29	2.00%	2.00%	2.00%	2.00%	8.00%
2029-30	2.00%	2.00%	2.00%	2.00%	8.00%
2030-31	1.50%	1.50%	1.50%	1.50%	6.00%
2031-32	1.25%	1.25%	1.25%	1.25%	5.00%
<b>Total</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>100.00%</b>

Instalment Date	Outstanding Borrowings (₹ in lakhs)	Qtr. I	Qtr II	Qtr. III	Qtr. IV
-EARC*	36,573.73	30 <sup>th</sup> Jun.	30 <sup>th</sup> Sep.	31 <sup>th</sup> Dec.	31 <sup>th</sup> Mar.
<b>-EARC Limited</b>	<b>30<sup>th</sup> Jun.</b>	<b>30<sup>th</sup> Sep.</b>	<b>31<sup>th</sup> Dec.</b>	<b>31<sup>th</sup> Mar.</b>	<b>Total</b>
2018-19	-	-	-	33.60%	33.60%
2019-20	0.68%	0.68%	0.68%	0.68%	2.71%
2020-21	0.85%	0.85%	0.85%	0.85%	3.39%
2021-22	1.02%	1.02%	1.02%	1.02%	4.07%
2022-23	1.19%	1.19%	1.19%	1.19%	4.74%
2023-24	1.52%	1.52%	1.52%	1.52%	6.10%
2024-25	1.69%	1.69%	1.69%	1.69%	6.78%
2025-26	1.69%	1.69%	1.69%	1.69%	6.78%
2026-27	1.69%	1.69%	1.69%	1.69%	6.78%
2027-28	1.69%	1.69%	1.69%	1.69%	6.78%
2028-29	1.36%	1.36%	1.36%	1.36%	5.42%
2029-30	1.36%	1.36%	1.36%	1.36%	5.42%
2030-31	1.02%	1.02%	1.02%	1.02%	4.07%
2031-32	0.85%	0.85%	0.85%	0.85%	3.39%
<b>Total</b>	<b>16.60%</b>	<b>16.60%</b>	<b>16.60%</b>	<b>50.20%</b>	<b>100.00%</b>

\*Including Working capital term loan and Funded interest term loan.

Instalment Date	Borrowing	Qtr. I	Qtr II	Qtr. III	Qtr. IV
-HDFC Limited	269.58	7 <sup>th</sup> Apr.	7 <sup>th</sup> Jul.	7 <sup>th</sup> Oct.	7 <sup>th</sup> Jan.
<b>Financial Year</b>	<b>Qtr. I</b>	<b>Qtr II</b>	<b>Qtr. III</b>	<b>Qtr. IV</b>	<b>Total</b>
2017-18	-	-	10.00%	10.00%	20.00%
2018-19	10.00%	10.00%	15.00%	15.00%	50.00%
2019-20	15.00%	15.00%	-	-	30.00%
<b>Total</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>100.00%</b>

Instalment Date	Borrowing	Qtr. I	Qtr II	Qtr. III	Qtr. IV
-HDFC Limited	1,200.00	30 <sup>th</sup> June.	30 <sup>th</sup> Sept.	31 <sup>th</sup> Dec.	31 <sup>th</sup> Mar.
<b>Financial Year</b>	<b>Qtr. I</b>	<b>Qtr II</b>	<b>Qtr. III</b>	<b>Qtr. IV</b>	<b>Total</b>
2019-20	-	12.50%	12.50%	12.50%	37.50%
2020-21	12.50%	12.50%	12.50%	12.50%	50.00%
2021-22	12.50%	-	-	-	12.50%
<b>Total</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>100.00%</b>

## 19 Provisions

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provisions for employee benefits</b>		
- Leave benefits	62.32	66.32
- Gratuity	249.93	306.80
<b>Total</b>	<b>312.25</b>	<b>373.12</b>

20 Deferred Tax Liabilities (Net)

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax liability arising on account of :</b>		
Property, plant and equipment	15,507.84	14,519.83
Fair Valuation of Financial Instrument through FVTPL	32.50	54.39
<b>Deferred tax liability</b>	<b>15,540.34</b>	<b>14,574.22</b>
<b>Deferred tax assets arising on account of :</b>		
Expenditure allowed for tax purpose on payment basis	5,879.42	3,894.73
Carry forward unabsorbed depreciation	9,235.10	9,543.84
Expected credit loss of financial asset / impairment of non-financial asset	425.82	275.37
Mat Credit Entitlement	-	29.07
<b>Deferred tax assets (Refer Note no. 48)</b>	<b>15,540.34</b>	<b>13,743.01</b>
<b>Total</b>	<b>-</b>	<b>831.21</b>

Company has recognized Deferred tax assets arising on account of unabsorbed depreciation and expenditure allowed on payment basis only to the extent of the deferred tax liabilities arising on account of the timing difference considering the fact that it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realized in the normal course of business of the company.

21 Borrowings

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>From Banks</b>		
<b>Secured :</b>		
(a) Loan Repayable on Demad (Refer Note 18 and 54)	14,603.00	9,801.00
(b) Working capital loan*	4,422.13	4,064.27
<b>Total</b>	<b>19,025.13</b>	<b>13,865.27</b>

\*Working Capital Loans from banks, repayable on demand are secured by first pari passu charge by way of hypothecation of the current assets and second Charge on property, plant and equipment of the company. These loans are further secured by personal guarantee of Mr. Manoj Gaur (Ex-Chairman).

22 Trade payables

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note no. 39)	148.84	32.55
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	15,836.70	11,817.71
<b>Total</b>	<b>15,985.54</b>	<b>11,850.26</b>

**23 Other Financial liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long term debt	20,346.45	17,282.88
(b) Interest accrued but not due	8.46	8.52
(c) Interest accrued and due	13,237.84	4,936.29
(d) Unpaid matured deposits and interest accrued thereon (Refer Note No.43 (ii) and 23.2)	101.91	101.91
(e) Unclaimed Redeemable Cumulative Preference Share (Refer Note No.23.1)	1.92	1.92
(f) Other Payable		
(i) Liabilities of Capital Goods	8,289.87	8,316.60
(ii) Deposits received from Contractors and Customers	2,259.41	2,436.68
(iii) Liability for disputed Fuel Surcharge Adjustment	1,012.62	938.81
(iv) Salaries and Wages Payable	492.22	325.13
(v) Other liabilities	1,537.10	1,922.19
<b>Total</b>	<b>47,287.80</b>	<b>36,270.93</b>

**Notes :**

23.1- The redeemable Cumulative First Preference Shares remain unclaimed aggregating to ₹ 1.92 lakhs ( Previous year ₹ 1.92 lakhs). The payment against these shares are being made as and when claimed by the holders.

23.2- There is an amount of ₹ 101.91 (Previous year ₹ 101.91 lakhs) due for payment to the Investor Education and protection Fund under Section 125 of the Companies Act 2013 as on March 31, 2020.

**24 Other Current Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from Customers	1,552.47	1,028.00
Statutory dues payable	4,447.03	5,060.54
Payable to Custom Authority [Refer Note 33 (iv)]	2,786.95	2,644.10
<b>Total</b>	<b>8,786.45</b>	<b>8,732.64</b>

**25 Provisions**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provisions for employee benefits</b>		
- Leave benefits	23.76	24.39
- Gratuity	114.65	116.90
<b>Total</b>	<b>138.41</b>	<b>141.29</b>

**26 Revenue from Operations**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Sale of Products	14,280.37	32,113.48
Other Operation Income	11.45	10.55
<b>Total</b>	<b>14,291.82</b>	<b>32,124.03</b>

**26.1 Dissegregation of Revenue**

**26.1.1 Revenue Based on Geography**

Particulars	For the Year Ended March 31, 2020
-Domestic	14,291.82
-Export	-
<b>Total</b>	<b>14,291.82</b>

**26.1.2 Revenue Based on Business Segments**

The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable segment applicable to the Company.

**26.1.3 Reconciliation of Revenue from operation with contract price**

Particulars	For the Year Ended March 31, 2020
Contract Price	15,338.66
Less: Sales Return	-
Less: Cash discounts and other rebates	1,046.84
<b>Total</b>	<b>14,291.82</b>

**27 Other Income**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Income	64.41	74.69
Miscellaneous Income	3.84	105.39
Credit balance written back	2.93	-
<b>TOTAL</b>	<b>71.18</b>	<b>180.08</b>

**28 Cost of Material Consumed**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Limestone	601.29	1,371.86
Slag	-	8.27
Gypsum	281.95	704.91
Pozzolona and Other Material	642.87	1,483.76
Clinker	-	4.74
<b>TOTAL</b>	<b>1,526.11</b>	<b>3,573.54</b>

**29 Changes in Inventories of Finished Goods and Work-in-Progress**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Finished Goods</b>		
Opening Inventory	5.52	69.97
Closing Inventory	(8.65)	(5.52)
<b>Total (A)</b>	<b>(3.13)</b>	<b>64.45</b>
<b>Work-in-Progress (WIP)</b>		
Opening Inventory	200.55	584.81
Closing inventory	(303.82)	(200.55)
<b>Total (B)</b>	<b>(103.27)</b>	<b>384.26</b>
<b>Change in Inventories of Finished Goods and WIP</b>	<b>(106.40)</b>	<b>448.71</b>

**30 Employee Benefits Expense**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Salaries and Wages (Refer Note 44)	2,144.36	2,494.50
Contribution to Provident and Other Funds	51.07	52.81
Staff Welfare Expenses	47.88	63.94
<b>TOTAL</b>	<b>2,243.31</b>	<b>2,611.25</b>

**31 Finance Cost**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Expense	11,852.69	10,769.19
Unwinding Cost of Term Loan	303.72	43.40
Other Borrowing Cost	18.00	31.90
<b>TOTAL</b>	<b>12,174.41</b>	<b>10,844.49</b>

**32. Other Expenses**

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Power and Fuel	6,548.36	14,050.47
Freight, Loading and other charges on sales	2,954.29	6,458.38
Consumption of Stores and Spares Parts and Components	143.17	892.21
Rent	144.92	164.99
<b>Repairs and Maintenances:</b>		
- Buildings	-	4.20
- Machinery	50.74	128.88
- Others repairs	20.45	13.42
Packing Expenses	584.90	1,326.51
Rates and Taxes	60.77	52.84
Advertisement and Business Promotion	155.99	205.53
Commission on Sales	85.91	220.18
<b>- Payment to Auditors</b>		
- Statutory Auditor Fee	10.00	10.00
- Limited Review Fee	3.00	3.00
- Reimbursement of Expenses	0.41	0.75
Debit balances Written off	0.22	-
Insurance	88.36	70.84
Legal and Professional Expenses	178.83	172.00
Printing and Stationery	2.83	4.32
Telephone and Other Communication Expenses	34.09	43.12
Travelling and Conveyance	94.72	131.15
Miscellaneous Expenses	240.31	209.55
<b>TOTAL</b>	<b>11,402.27</b>	<b>24,162.34</b>



## 33. Contingent Liabilities

## (i) Claims against the Company not acknowledged as debts including contractual obligation:

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Other Claims (Suppliers etc.)*	127.08	109.13
Bank Guarantees(Margin money: ₹ 10.31 lakhs) (Previous Year ₹ 116.19 lakhs)	329.08	438.82

\*Excluding interest, if any, to be determined at the time of settlement.

## (ii) Disputed demands under litigation#

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
APGST/ Value Added Tax {amount paid under protest ₹ 15.69 lakhs (₹ 15.69 lakhs)}	60.99	151.88
Central Sales Tax {amount paid under protest Rs. 2.82 lakhs (₹ 2.82 lakhs)}	45.70	45.70
Central Excise* {amount paid under protest ₹ 36.11 lakhs (₹ 36.11 lakhs)}	2,860.23	2,855.23
Service Tax {amount paid under protest ₹ 111.04 lakhs (₹ 105.63 lakhs)}	546.79	556.68

# Excluding interest and penalty imposable, if any, at the time of disposition of the respective case.

\* Including amount stated in Note- 33(iii) below.

- (iii) **Excise authority**, although accepted payment of principal amount of ₹ 629 Lakhs under installment scheme in terms of BIFR Order (MS-08), has subsequently filed an appeal in AAIFR against the said order in respect of reliefs for interest etc., granted to the Company. AAIFR allowed the appeal which was contested by the Company before Hon'ble Delhi High Court. The Delhi High Court disposed the appeal by giving liberty to revenue to decide case on merits and as per guidelines applicable to sick Companies which later confirmed by AAIFR in its Final order. The Excise Department has issued a Show Cause Notice (SCN) on 19<sup>th</sup> June 2015 demanding ₹ 984.70 Lakhs towards interest on the principal amount against which Company file writ petition no. 27732 of 2015 in Hon'ble High Court, Hyderabad. Simultaneously, Company submitted the reply for the SCN on March 21, 2016. Excise Department confirmed the Demand against SCN on 04.10.2016 subjected to decision in writ petition no. 27732 of 2015. Company preferred Writ petition no 36553 of 2016 dated 28.10.2016 in the Hon'ble High Court, Hyderabad against the orders of Commissioner Excise confirming the Demand but the Hon'ble High Court, Hyderabad in its order dated 24.03.2017 has dismissed both the petition with mentioned that there are no merits in the writ petition. Against the order of the Hon'ble High Court, Hyderabad, the Company has filed SLP(C) with Hon'ble Supreme Court of India on 26-05-2017 which was registered as civil appeal no. 9332/2017 and the Company is confident of waiver of interest in terms of Hon'ble BIFR directions in MS08.
- (iv) **Export obligation**: The Company has export obligation in connection with import of machineries under Export Promotion Capital Goods Scheme (EPCG). In the event of non-fulfillment of the export obligation upto FY 2016-17, the company may be held liable for differential custom duty of Rs.838.16 Lakhs (approximately) and interest thereon. Further, the Company has made request on March 17, 2016 for 8 years extension from December 2014 for Export Commitments as the commercial production from the Plant started from December 2014. The concerned authorities had demanded payment of partial duty during the previous year for considering the request for extension, which was not deposited by the company. Further, during the previous year, the Directorate of Revenue Intelligence has issued an order to the company u/s 110(1) of Customs Act, 1962 confiscating the capital goods having import value of 3,979 lakhs due to non-fulfillment of export obligations. The company has made adequate provision towards differential Custom Duty and interest thereon.
- (v) **Employee benefit**: The Company had entered into Memorandum of Settlement u/s 18(1) of the Industrial Dispute Act, 1947 with the Labour Unions on March 06, 2012 for settlement of salaries and wages arrears. However, some of the workers and staff have filed an application with Central Government Industrial Tribunal cum Labour Court under section 33(c) (2) of Industrial Dispute Act, 1947 in year 2013-14 of Rs.59.34 Lakhs which had been waived off as per the above settlement.

(vi) **Fuel Surcharge Adjustment (FSA)** of Rs. 550.65 lakhs levied by Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) in 2008-09 which is under disputed and challenged by all cement companies in the Hon'ble Supreme Court. The management is confident that decision will be in favor of Company. However, the Company has sufficiently provided the same along with interest as disclosed in Note No. 23(f) (iii).

(vii) **The Ministry of Textiles** vide its Order dated June 30<sup>th</sup>, 1997 and July 1<sup>st</sup>, 1999, has deleted the Cement from the list of commodities to be packed in Jute bags, under the Jute Packaging Materials (Compulsory Use of Packing Materials), Act, 1987. In view of this, the Company does not expect any liability for non-dispatch of cement in jute bags in respect of earlier years.

34. **Capital Commitments** for the year ended on 31.03.2020 is ₹ Nil (Nil)

35. (i) The Company has incurred losses of ₹ 16,841.32 lakhs for the financial year ended March 31, 2020, resulting into accumulated losses of ₹ 86,998.02 lakhs against the paid up share capital of ₹ 29,352.44 lakhs as at March 31, 2020. Moreover, the Company has aggregate borrowing of ₹ 1,09,494 lakhs as on March 31, 2020 including working capital loans and interest accrued thereon.

The management has approached the financial institutions/banks for restructuring of the debts which is under consideration by major lenders. Further, the cement market has started improving and company is hopeful to achieve profitable operations and is of the view that the company will continue as a going concern.

(ii) The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance in the markets. On 11.03.2020, the Covid -19 outbreak was declared a global pandemic by the World Health Organisation (WHO). It has also resulted in significant disruption in global and Indian economic activities. The situation has been under close watch by the Company to take prompt actions for continuity of business operations in an optimised manner. The Company believes that the impact of this outbreak will not be significant on its business and financial positions.

36. **CIF Value of Imports:** for the year ended on 31.03.2020 is ₹ Nil (Nil)

37. Remuneration amounting to ₹ 45.26 lakhs to ex-whole time Directors and ex-Managing Director Payable for the earlier years is pending for approval of Central Government.

38. Some of the records of the company like agreements with suppliers/agents, statements of Bank Accounts including those at some of the branches/depots for the period prior to June 1994, have still not been restored by the erstwhile promoters/management. The matter being pending since considerable long time, no material adjustment, in this respect, is likely to arise.

39. Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company;

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(a) Dues remaining unpaid as at Balance Sheet date		
- Principal amount*	148.84	32.55
- Interest amount*	91.82	41.24
(b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during period) but without adding the interest specified under the Act	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
(e) Interest accrued and remaining unpaid as at Balance sheet date	91.82	41.24

\*Classification is based on declaration received.

40. Certain Trade receivables, Security deposits given/taken, Advances to suppliers, Trade payables and Advances from Customers are subject to confirmations. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
41. The Company is exclusively engaged in the business of cement and cement related products. As per IndAS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there is no reportable segment applicable to the Company.
42. The Company has adopted Ind AS 116 effective 1<sup>st</sup> April, 2019, as the company does not have any finance lease assets so there is no any significant effect of the said change. The Company incurred Rs.144.92 lakhs for the year ended 31<sup>st</sup> March, 2020 towards expenses relating to short-term leases and leases of low-value assets.
43. **BIFR**
- (i) Hon'ble BIFR has discharged the Company from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 vide its Order dated 22<sup>nd</sup> January 2010. In terms of the said Order, the unimplemented provisions of MS-08 (Modified Rehabilitation Scheme sanctioned by BIFR vide its Order dated 21<sup>st</sup> July 2008) would be implemented by the concerned agencies.
- (ii) In terms of the said Scheme, the fixed deposit holders are to accept outstanding principal amount in four annual installments commencing from financial year 2007-08 onwards, on interest-free basis. The unclaimed fixed deposits at year end are shown under the head "Other Financial Liabilities".
44. **Details of Employees Benefits as required by the Ind AS 19 "Employee Benefits" are given below: -**

**a) Defined contribution plans:**

The company has recognized the following amounts in the Statement of Profit and Loss (included in Contribution to provident and other funds):

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Contribution to provident fund	48.62	50.67
Contribution to ESI fund	2.45	2.14

**b) Defined benefit plan:**

**(i) Reconciliation of opening and closing balances of Defined Benefit obligation**

Gratuity (Unfunded)	(₹ in lakhs)			
	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefits obligation at the beginning of the year	423.70	90.71	498.85	101.88
Current Service Cost	17.92	7.76	20.39	6.29
Interest Cost	31.74	6.79	36.23	7.38
Actuarial (gain)/loss	9.79	(1.37)	(1.10)	(2.01)
Benefit paid	(118.57)	(17.81)	(130.52)	(22.68)
Defined Benefit obligation at the year end	364.58	86.08	423.70	90.71

**(ii) Reconciliation of fair value of assets and obligation:**

	(₹ in lakhs)			
	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Present value of obligation at year end	364.58	86.08	423.70	90.71
Amount recognized in Balance Sheet	(364.58)	(86.08)	(423.70)	(90.71)

## (iii) Expenses recognized during the year

(₹ in lakhs)

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Current Service Cost	17.92	7.76	20.39	6.29
Interest Cost	31.74	6.79	36.23	7.38
Actuarial gain/(loss)	9.79	(1.37)	(1.25)	(2.16)
Total Cost recognized in the Profit & Loss A/c	59.45	13.18	55.37	11.51

## (iv) Actuarial assumption

(₹ in lakhs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Discount rate of return on plan assets (per annum) (%)	6.69	7.49
Rate of escalation in salary (per annum) (%)	5.50	5.50
Average balance service (Year)	11.80	10.47

## (v) Sensitivity

(₹ in lakhs unless otherwise stated)

	As at March 31, 2020			As at March 31, 2019		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
<b>Gratuity :</b>						
Discount rate	0.50%	5.98	6.28	0.50%	6.50	6.17
Salary Escalation Rate	0.50%	6.32	6.07	0.50%	6.46	6.32
<b>Earned Leave :</b>						
Discount rate	0.50%	2.10	2.23	0.50%	2.04	1.93
Salary Escalation Rate	0.50%	2.24	2.13	0.50%	2.07	1.98

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

## (vi) The defined benefit obligations shall mature after year end March 31, 2020 as follows:

(₹ in lakhs)

Gratuity:		
Year	As at March 31, 2020	As at March 31, 2019
2020	-	116.61
2021	114.65	11.76
2022	41.23	15.81
2023	82.54	30.83
2024	30.70	77.82
Thereafter	95.46	170.88

(₹ in lakhs)

**Earned Leave:**

Year	As at March 31, 2020	As at March 31, 2019
2020	-	24.39
2021	23.76	15.18
2022	8.32	6.63
2023	14.86	12.64
2024	5.73	5.61
Thereafter	33.41	26.26

The estimate of rate of escalation is salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

**45. Fair Value**

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

**Financial instruments by Category**

The carrying value and fair value of financial instruments by categories as of March 31, 2020 are as follows:

(₹ in lakhs)

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	Total Carrying Value	Total Fair value
<b>Assets:</b>					
Investments	0.95	-	-	0.95	0.95
<b>Other financial Assets</b>	2,331.60	-	-	2,331.60	2,331.60
Trade receivables	2,001.09	-	-	2,001.09	2,001.09
Cash and cash equivalent	1.07	-	-	1.07	1.07
Bank balances other than cash and cash equivalent	372.11	-	-	372.11	372.11
	<b>4,706.82</b>	-	-	<b>4,706.82</b>	<b>4,706.82</b>
<b>Liabilities:</b>					
Long term borrowings* (Including Current Maturities)	77,118.40	-	-	77,118.40	77,118.40
Short term borrowings	19,025.13	-	-	19,025.13	19,025.13
Trade payables	15,985.54	-	-	15,985.54	15,985.54
Other financial liabilities	26,941.35	-	-	26,941.35	26,941.35
	<b>1,39,070.42</b>	-	-	<b>1,39,070.42</b>	<b>1,39,070.42</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2019 are as follows:

(₹ in lakhs)

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	Total Carrying Value	Total Fair value
<b>Assets:</b>					
Investments	0.95	-	-	0.95	0.95
Other financial Assets	2,695.74	-	-	2,695.74	2,695.74
Trade receivables	1,932.55	-	-	1,932.55	1,932.55
Cash and cash equivalent	2.85	-	-	2.85	2.85
Bank balances other than cash and cash equivalent	344.97	-	-	344.97	344.97
	<b>4,977.06</b>	-	-	<b>4,977.06</b>	<b>4,977.06</b>
<b>Liabilities:</b>					
Long term borrowings* (Including Current Maturities)	82,100.02	-	-	82,100.02	82,100.02
Short term borrowings	13,865.27	-	-	13,865.27	13,865.27
Trade payables	11,850.26	-	-	11,850.26	11,850.26
Other financial liabilities	18,988.05	-	-	18,988.05	18,988.05
	<b>1,26,803.60</b>	-	-	<b>1,26,803.60</b>	<b>1,26,803.60</b>

\*Unamortised transaction cost ₹ 97.35 (162.91) lakhs is not included in the borrowings.

#### 46. Financial risk management and policies

##### 46.1 Capital Risk Management

For The purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(₹ in lakhs unless otherwise stated)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Borrowings		
(Including Current maturities of long terms debts)	96,143.53	95,965.29
Trade payables	15,985.54	11,850.26
Other financial liabilities		
(Excluding Current maturities of long terms debts)	26,941.35	18,988.05
Less: Cash and cash equivalent	(1.07)	(2.85)
<b>Net debts (A)</b>	<b>1,39,069.35</b>	<b>126,800.75</b>
<b>Total Equity(B)</b>	<b>(48,082.70)</b>	<b>(31,480.50)</b>
<b>Capital and net debt(C = A+B)</b>	<b>90,986.65</b>	<b>95,320.25</b>
<b>Gearing Ratio (%) (A/C)</b>	<b>133.03%</b>	<b>133.03%</b>

## 46.2 Financial-Risk-Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

### a) Market Risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and changes in interest rates. There have been no changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and bank deposits.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The particulars relating to Company's exposure to the risk of changes in market interest rates as at reporting date is given below:

##### (a) Interest Sensitivity

###### Exposure to interest rate risk related to borrowings with floating rate of Interest

Particulars	As at	
	March 31, 2020	March 31, 2019
Total Borrowings	92,346.90	92,815.50

##### (b) Interest Rate Sensitivity

Particulars	As at	
	2019-20	2018-19
50 bp increase would decrease the profit before tax by	(461.73)	(464.08)
50 bp decrease would Increase the profit before tax by	461.73	464.08

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of store and spare and other materials. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

### b) Credit Risk:

Credit risk is the risk that counter party will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing with creditworthy customers.

In many cases an appropriate advance as security deposits or letter of credit / bank guarantee is taken from the customers to cover the risk. In other cases, credit limit is granted to customer after assessing the credit worthiness based on the information supplied by credit rating agencies, publicly available financial information or its own past trading records and trends.

At March 31, 2020, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

**Ageing analysis of the age of trade receivable amounts that are not due as at the end of reporting year:**

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Within Credit period	18.43	715.31

**Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:**

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Trade Receivables:</b>		
Less than 60 days	286.35	237.07
61 to 90 days	276.45	52.56
91 to 180 days	528.90	194.59
Over 180 days	890.96	733.02
<b>Total*</b>	<b>1982.66</b>	<b>1,217.24</b>

\*Net of allowance for doubtful debts of ₹ 730.59 lakhs as on 31.03.2020 (₹ 730.59 lakhs as on 31.03.2019).

**c) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	(₹ in lakhs)			Total payments
	Less than 1 year	1-5 years	>5 years	
<b>March 31, 2020</b>				
Borrowings (including Current maturities of long terms debts)*	39371.33	22481.45	34388.10	96,240.88
Trade payables	15985.54			15985.54
Other financial liabilities	26941.35			26941.35
<b>March 31, 2019</b>				
Borrowings (including Current maturities of long terms debts)*	31,148.15	27,798.95	37,181.10	96,128.20
Trade payables	11,850.26	-	-	11,850.26
Other financial liabilities	18,988.05	-	-	18,988.05

\*Including unamortised transaction cost of ₹ 97.35 lakhs (162.91 lakhs).

47. The Company is not required to incur any amount on account of Corporate Social Responsibility (CSR) as the average profit before tax during the preceding three financial year is negative.



## 48. Income tax:

## a) Income tax expense:

(₹ in lakhs)		
Component of Income Tax expense:	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax		-
Deferred tax charge/(credit)	(827.90)	(43.25)
<b>Tax expense recognized in the Statement of Profit and Loss before OCI</b>	<b>(827.90)</b>	<b>(43.25)</b>
Deferred tax charge/(credit) in OCI	(3.31)	1.04
<b>Total Income tax expense</b>	<b>(831.21)</b>	<b>(42.21)</b>

## b) Reconciliation of Income tax expense to the accounting profit for the year:

(₹ in lakhs)		
Component of Income Tax expense:	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit / (loss) before tax</b>	<b>(17659.63)</b>	<b>(18,056.74)</b>
Current Tax*		-
Deferred Tax Asset recognized- P&L	(827.90)	(43.25)
Deferred Tax Asset recognized- OCI	(3.31)	1.04
<b>Income Tax Expense recognized in the Statement of Profit &amp; Loss</b>	<b>(831.21)</b>	<b>(42.21)</b>

\* Current tax is nil as the Company has incurred losses and recognised deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation only to the extent of the deferred tax liabilities arising on account of the timing difference on depreciation.

## c) Tax assets and liabilities

(₹ in lakhs)		
	As at March 31, 2020	As at March 31, 2019
Non-current tax assets (net)	-	-
Current tax assets (net)	48.22	111.50

d) Movement of deferred tax assets and liabilities

(₹ in lakhs) TAXASSETS

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49. Value of Raw Material and Spare parts and components consumed during the year:

(₹ in lakhs unless otherwise stated)

	Year ended March 31, 2020		Year ended March 31, 2019	
	Value	%	Value	%
<b>Raw Material Consumed</b>				
Indigenous	1,526.11	100	3,573.54	100
Imported	-	-	-	-
<b>Total</b>	<b>1,526.11</b>	<b>100</b>	<b>3,573.54</b>	<b>100</b>
<b>Spare parts and components Consumed (excluding Coal)</b>				
Indigenous	142.53	99.55	690.89	77.44
Imported	0.64	00.45	201.32	22.56
<b>Total</b>	<b>143.17</b>	<b>100</b>	<b>892.21</b>	<b>100</b>

50. Related Party disclosures as required by Ind AS-24 issued by Ministry of Corporate Affairs (MCA) are as under:

50.1 List of related parties and their relationship:

S. No.	Relationship	Parties
1	Ultimate Holding Company	Jaypee Infra Ventures Pvt. Ltd., being Holding Company of Jaypee Development Corporation Limited
2	Holding Company	Jaypee Development Corporation Limited
3	Key Managerial Personnel (KMP)	Shri Ravindra Kumar Singh, Chairman from 12.02.2020 Shri Naveen Kumar Singh, Chief Executive Officer from 28.03.2018 onwards. Shri A. K Agrawal, Chief Financial Officer Shri G. Tirupati Rao, Company Secretary & GM (L)
4	Non-Executive and Independent Directors	Shri Ravindra Kumar Singh (Chairman from 12.02.2020) Shri K N Bhandari (Ceased to be Director from 13.11.2019) Shri Pankaj Gaur Shri Sain Ditta Mal Nagpal Shri Radha Krishna Pandey Shri V K Jain Shri R B Singh Smt. Manju Sharma
5	Enterprise over which KMP and Companies stated at S. No. (1) and (2) above have significant influence.	Jaiprakash Associates Limited Jaypee Cement Corporation Limited Himalayaputra Aviation Limited JIL Information Technology Limited Bhilai Jaypee Cement Limited Jaypee Power Ventures Limited

## 50.2 Transactions with related parties:

(₹ in lakhs)

Particulars	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
<b>Key Managerial Personnel (KMP)</b>				
Ravindra Kumar Singh (Chairman and Independent director) (Sitting Fee)		0.80 (0.20)		
A. K Agrawal		33.19 (33.04)		
G. Tirupati Rao		20.82 (20.22)		
<b>Remuneration to Non Executive and Independent Directors (Other than KMP)</b>				
Shri Pankaj Gaur	0.20 (0.40)			
Shri K N Bhandari (Ceased to be director from 13.11.2019)	1.20 (2.00)			
Shri Sain Ditta Mal Nagpal	1.60 (1.80)			
Shri Radha Krishna Pandey	2.00 (1.80)			
Shri V K Jain	0.80 (0.40)			
Shri R B Singh	2.00 (2.40)			
Smt. Manju Sharma	0.60 (0.80)			
<b>Repayment of Loan</b>				
Jaypee Development Corporation Limited			- (-)	
<b>Interest expense</b>				
Jaypee Development Corporation Limited			82.82 (331.27)	
<b>Purchase of Fixed Assets</b>				
Jaiprakash Associates Limited				- (-)
<b>Purchase of material</b>				
Jaypee Cement Corporation Limited				-
Jaiprakash Associates Limited				(71.13) 11.54 (74.51)
BhilaiJaypee Cement Limited				- (115.78)
<b>Sale of Material</b>				
Jaiprakash Associates Limited				105.39 (262.49)
<b>Sale of Fixed Assets</b>				
Jaiprakash Associates Limited				2.72 (136.33)

Particulars	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
<b>Services Received</b>				
Jaiprakash Associates Limited				964.85 (1175.67)
JIL Information Technology Limited				0.30 (1.58)
<b>Balances at the end of the period (Net)</b>				
<b>(i) Loans, Interest payable and Advances</b>				
Jaypee Development Corporation Limited			3893.98 (3819.44)	
<b>(ii) Balances Receivable</b>				
BhilaiJaypee Cement Limited				772.27 (772.02)
Jaypee Cement Corporation Limited				244.66 (233.80)
JIL Information Technology Limited				0.20 (0.18)
Jaypee Power Ventures Limited				11.63 (15.05)
<b>(iii) Balances payable</b>				
Jaiprakash Associates Limited				15,208.45 (11,630.32)

**50.3 Disclosure of Key Managerial Personnel compensation in total and for each of the following categories:**

(₹ in lakhs)

Component of Income Tax expense:	Year ended March 31, 2020	Year ended March 31, 2019
Short – Term Benefits (Refer note 1 below)	52.32	51.60
Defined Contribution Plan (Refer note 2 below)	1.69	1.66
Defined Benefit Plan / Other Long – Term Benefits	Refer Note 3 below	
Leave Encashment Paid at the end of tenure	-	-
<b>Total</b>	<b>54.01</b>	<b>53.26</b>

1. It includes value of perquisites.
2. It represents Contribution to Provident fund.
3. As the liability for gratuity and compensated absence are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included in above.
4. No amount pertaining to related parties which have been provided for as doubtful debts or written off.

51. The Company has not given advances in the nature of loans whose particulars are required to be disclosed in terms of Regulation 34(3) and 53(f) of the Listing obligation and Disclosure Requirement.

## 52. Earnings per Share (EPS)

(₹ in lakhs unless otherwise stated)

Component of Income Tax expense:	Year ended March 31, 2020	Year ended March 31, 2019
Net profit/ (loss) for the period	(16,841.32)	(18,011.42)
Weighted average no. of Equity Shares	2,93,520,492	2,93,520,492
Diluted average no. of Equity Shares	2,93,520,492	2,93,520,492
Basic earnings per share (in ₹)	(5.74)	(6.14)
Diluted earnings per share (in ₹)	(5.74)	(6.14)
Face value of each shares (in ₹)	10	10

53. All amounts in the financial statements are presented in Lakhs with two decimal except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures. Previous year's figures have been regrouped / rearranged wherever considered necessary.

See accompanying notes to the financial statements.

**For DASS GUPTA AND ASSOCIATES**

Chartered Accountants  
Firm Registration No. 000112N

**VIPIN AGGARWAL**

Partner  
Membership No. 522003

Place : New Delhi

Date : June 29, 2020

**FOR AND ON BEHALF OF THE BOARD**

**Ravindra Kumar Singh**

Chairman  
DIN : 01859229

**G. Tirupati Rao**  
Company Secretary

**Naveen Kumar Singh**

Director & CEO  
DIN : 00215393

**A K Agrawal**  
Chief Financial officer



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