



ANDHRA CEMENTS LIMITED

Subsidiary of SAGAR CEMENTS LIMITED

Ref. ACL.SE:2024

June 4, 2024

The Manager Listing Department National Stock Exchange of India Ltd Exchange Plaza, C-1, G-Block Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 NSE Symbol: ACL	The Manager Listing Department BSE Limited 25th Floor, New Trading Ring, P J Towers, Dalal Street, Fort Mumbai – 400 001 BSE Scrip Code - 532141
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Dear Sir/Madam

Sub: Submission of 85th Annual Report the financial year 2023-24 - Reg

We are pleased to submit the 85th Annual Report for the financial year 2023-24 as required under regulation 34 of SEBI (LODR) Regulations, 2015.

This is for your kind information and records.

Yours faithfully,
For ANDHRA CEMENTS LTD

G. TIRUPATI RAO
COMPANY SECRETARY

Encl: a/a

Regd. Office & Works : Durga Cement Works, Durgapuram, Srinagar Post, Dachehalli Mandal, Palnadu District, A.P - 522414,
Phone: +91 8649-257441 / 42 | Fax: +91 8649-257428

Vizag Unit : Visakha Cement Works, Parlupalem Village, Durganagar Post, Visakhapatnam - 530029, A.P.

Corporate Office : Plot No.111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India.
Phone : +91-40-23351571, 23351572 Fax : +91-40-23356573

Website: www.andhracements.com | E-mail: investorcell@andhracements.com | CIN: L26942AP1936PLC002379 | GSTIN: 37AABCA9263D2ZQ



ANDHRA CEMENTS LIMITED

**85th ANNUAL REPORT
2023-24**

BOARD OF DIRECTORS

Shri K.V. Vishnu Raju
Chairman & Independent Director

Dr. S. Anand Reddy
Managing Director

Shri S. Sreekanth Reddy
Non-Executive Director

Smt. S. Rachana
Non-Executive Director

Smt. O. Rekha
Independent Director

Shri Ravichandran Rajagopal
Independent Director

Shri V.H. Ramakrishnan
Independent Director

Chief Financial Officer
Shri K. Prasad

Company Secretary
Shri G. Tirupati Rao

Statutory Auditors
M/s Deloitte Haskins & Sells
Chartered Accountants, Hyderabad

Cost Auditors
M/s Narasimha Murthy & Co.,
Cost Accountants, Hyderabad

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

Registered Office
Sri Durga Cement Works
Sri Durgapuram, Dacheipalli - 522 414
Palnadu District, Andhra Pradesh
CIN: L26942AP1936PLC002379
Ph: +91-8649-257428 / 8649-257458
Website: www.andhracements.com
E-mail: investorcell@andhracements.com

Corporate Office
Plot No.111, Road No. 10, Jubilee Hills,
Hyderabad - 500 033, Telangana

Bankers/Lenders
State Bank of India
IFB, Somajiguda, Hyderabad, Telangana

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ANDHRA CEMENTS LIMITED

(A Subsidiary of Sagar Cements Limited)

CIN: L26942AP1936PLC002379

Registered Office: Sri Durga Cement Works, Sri Durgapuram,
Dachepalli – 522414, Palnadu Dist, (AP)

Telephone: +91-8649-257428, 91-8649-257458

Email id: investorcell@andhracemments.com, Website: www.andhracemments.com

NOTICE

NOTICE is hereby given that the **Eighty Fifth (85th) Annual General Meeting** of the members of **ANDHRA CEMENTS LIMITED** will be held on Wednesday the 26th Day of June, 2024 at 11.30 AM, Indian Standard Time ("IST") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

- 1. To receive, consider, approve and adopt the Audited Financial Statements of the company for the financial year ended 31st March, 2024, together with the reports of Director's and Auditor's thereon and in this regard to pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** the Audited Financial Statements of the company for the financial year ended 31st March, 2024 together with the reports of the Director's and Auditor's thereon be and are hereby received, considered, approved and adopted."

- 2. To appoint Dr. S. Anand Reddy (DIN: 00123870), as a Director, who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** Dr. S. Anand Reddy (DIN: 00123870), who retires by rotation as a Director in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a Director liable to retire by rotation."

Special Business:

- 3. To ratify the remuneration of Cost Auditor for the financial year ending March 31, 2025:**

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions 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 as approved by the Board of Directors and set out in the Statement annexed to the Notice, to be paid to M/s. Narasimha Murthy & Co, Cost Accountants (Firm Regn.No.000042), appointed by the Board as Cost Auditors to conduct the audit of the cost records of the Company, for the Financial Year 2024-25, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby authorized 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 LIMITED**

G. TIRUPATI RAO
Company Secretary
(Membership No. FCS- 2818)

Place: Hyderabad
Date: 14th May, 2024

Registered office:
Sri Durga Cement Works, Sri Durgapuram,
Dachepalli - 522414, Palnadu Dist. (AP)

Notes:

1. This Annual General Meeting is convened through Video Conferencing ("VC")/ Other Audio-Visual Means("OAVM") pursuant to General Circular number 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 20/2020 dated 05.05.2020, 28/2020 dated 17.08.2020, 02/2021 dated 13.01.2021, 19/2021 dated 08.12.2021, 21/2021 dated 14.12.2021, and 02/2022 dated 05.05.2022 and 10/2022 dated 28.12.2022 and 09/2023 dated 25.09.2023 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular no(s). SEBI/HO/CFD/CMD2/CIR/P/2022/62 dt. 13.05.2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dt. 5.1.2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dt. 07.10.2023 which allows the companies to hold the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue.
2. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with the MCA Circulars and SEBI Circulars, the 85th Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM") (hereinafter referred to as "AGM"). In accordance with the Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
3. The Company has appointed M/s KFin Technologies Limited ("KFIN"), as the authorized agency to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the AGM.
4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a 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. Further as per the MCA and SEBI Circulars,

the facility for appointment of proxies by the Members will not be available for the AGM.

5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at **cs@bssandassociates.com** with a copy marked to **evoting@kfintech.com** and company's email id at **investorcell@andhracements.com**.
6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No. 3 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 14th May, 2024 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 85th AGM of the Company.
7. The relevant details required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment / re-appointment at this AGM are given in the Annexure-2.
8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is CIL Securities Limited having office at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad, Telangana - 500001.
9. **Attendance at the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://evoting.kfintech.com> by clicking "eAGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No.20 below. Kindly refer to Note No.19 below for detailed instructions for participating in the AGM through Video Conferencing.
10. The Members can join the AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
11. As per the MCA Circular, facility of joining the AGM through VC/OAVM shall be available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
12. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the Act).

13. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through KFin Technologies Limited. Kindly refer Note No.20 below for detailed instruction for remote-voting.
14. **Voting during the AGM:** Members who are present at the AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the AGM. Kindly refer Note No.21 below for instruction for e-voting during the AGM.
15. The Company has fixed 19th June, 2024 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the AGM.
16. The Register of Members and Transfer Book of the Company will be closed from 20th June, 2024 to 26th June, 2024 (both days inclusive).
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Integrated Report for the financial year ended 31st March, 2024 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice calling the AGM and the Integrated Report has been uploaded on the website of the Company at <https://andhracements.com> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at <https://www.bseindia.com> and National Stock Exchange of India Limited at <https://www.nseindia.com>. The same is also available on the website of KFin Technologies Limited at their website address <https://evoting.kfintech.com>.
18. **Procedure for registering the email addresses and obtaining the Integrated Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).**
 - i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
 - b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, CIL Securities Limited by sending an e-mail request at the email ID rtacilsecurities.com along with scanned copy of the duly signed request letter by first holder providing the email address, mobile number, self-attested PAN copy and copy of share

certificate for registering their email address and receiving the Integrated Report, AGM Notice and the e-voting instructions.

- ii. Those members who have not registered their email and in consequence the Integrated Report, Notice of AGM and e-voting notice could not be served, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, CIL Securities Limited by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Integrated Report, Notice of AGM and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.
- iii. Those members who have registered their e-mail address, mobile no., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting CIL Securities Limited, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.

19. **Instructions to the Members for attending the AGM through Video Conference.**

- i. **For attending the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may login into its website link <https://emeetings.kfintech.com/loginv2.aspx> by using the remote e-voting credentials. After logging in, click on "Video Conference" option and the Name of the Company can be selected.
- ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-voting in Note No.20 below.
- iii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.
- iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
- v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- vi. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.
- vii. **Submission of Questions / Queries prior to AGM:**
 - a) Members desiring any additional information with regard to Accounts/ Integrated Report or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., **gtrao@andhracements.com** or **investorcell@andhracements.com** and marking a copy to **evoting@kfintech.com** mentioning their name, DP ID and Client ID/Folio number at least 2 days before the date of the AGM so as to enable the Management to keep the information ready. Please note that, members' questions will be answered only if they continue to hold the shares as of cut-off date.
 - b) Alternatively, shareholders holding shares as on cut-off date can also post their questions by logging on to the link **<https://emeetings.kfintech.com/loginv2.aspx>**, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.
- viii. **Speaker Registration before AGM:** In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit **<https://emeetings.kfintech.com/loginv2.aspx>** and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No.19 (vii) above.
- ix. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to **gtrao@andhracements.com** or **investorcell@andhracements.com**.

20. Instructions for members for remote e-Voting:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Limited ('remote e-voting'). Members attending the AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically

during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- i. The remote e-voting facility will be available during the following period:
 - a. Day, date and time of commencement of remote e-voting on 22nd June, 2024 (9.00 A.M. IST) and ends on 25th June, 2024 (5.00 P.M. IST).
 - b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed.
- ii. Details of Website: <https://evoting.kfintech.com>
- iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being 19th June, 2024. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
- iv. The Company is sending through email, the AGM Notice and the Integrated Report to the shareholders whose name is recorded as on 31st May, 2024 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 31st May, 2024 being the date reckoned for sending through email, the AGM Notice & Integrated Report and who holds shares as on the cut-off date i.e. 19th June, 2024 may obtain the User Id and password in the manner as mentioned below:
 - a) If the mobile number of the Member is registered against Folio No./ DP ID and Client ID, the Member may send SMS:MYEPWD <space> 'e-voting Event Number + Folio number or DP ID and Client ID to +91-9212993399.
Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE>XXXX1234567890
 - b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID and Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a password.

- c) Member may call KFin's Toll free number 1800-3094-001. Member may also send an e-mail request to evoting@kfintech.com.
- v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Limited upon expiry of aforesaid period.
- vi. Details of persons to be contacted for issues relating to e-voting:
Shri. S.V. Raju, Deputy Vice President, KFin Technologies Limited, Unit: Andhra Cements Limited, Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 1800-3094-001.
- vii. Details of Scrutinizer: Shri S. Srikanth, Practicing Company Secretary (M.No. 22119) of M/s. B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
- viii. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

The procedure and instructions for the remote e-voting facility for Individual shareholders holding securities in demat mode are provided as follows.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility: Visit URL: https://eservices.nsd.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' Section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.</p> <p>2. User not registered for IDeAS e-Services To register click on link : https://eservices.nsd.com Select "Register Online for IDeAS" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1</p>

	<p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <p>Open URL: https://www.evoting.nsdl.com</p> <p>Click on the icon "Login" which is available under 'Shareholder/Member' Section.</p> <p>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>Post successful authentication, you will requested to select the name of the company and the e-voting Service Provider name, i.e. KFintech.</p> <p>On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1. Existing user who have opted for Easi / Easiest</p> <p>Visit URL: https://web.cdslindia.com/myeasitoken/home/login Or URL: https://www.cdslindia.com Click on New System Myeasi</p> <p>Login with your registered user id and password.</p> <p>The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal.</p> <p>Click on e-Voting service provider name to cast your vote.</p> <p>2. User not registered for Easi/Easiest</p> <p>Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</p> <p>Proceed with completing the required fields.</p> <p>Follow the steps given in point 1</p> <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin</p> <p>Provide your demat Account Number and PAN Number.</p> <p>System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-voting is in progress.</p>

Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility.</p> <p>Once logged-in, you will be able to see e-voting option.</p> <p>Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>Click on options available against company name or e-voting service provider - KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.</p>
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Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdsliindia.com or contact at 022-23058738 or 022-23058542-43

ix. The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:

- a. Open your web browser during the remote e-voting period and navigate to '<https://evoting.kfintech.com>'.
- b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID and Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.
- c. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The

system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- d. You need to login again with the new credentials.
- e. On successful login, the system will prompt you to select the e-voting Event Number for **Andhra Cements Limited**.
- f. If you are holding shares in Demat form and had logged on to <https://evoting.kfintech.com> and casted your vote earlier for any other Company, then your existing login id and password are to be used.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e., 19th June, 2024 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- i. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
- m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: **cs@bssandassociates.com** with a copy to **evoting@kfintech.com** and **investorcell@andhracements.com**. They shall upload the same in the e-voting module in their login. The scanned image of the above-

mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download Section of <https://evoting.kfintech.com> or contact Shri. S.V. Raju, Deputy Vice President of KFin Technologies Limited at 1800- 3094-001 (toll free).

- n. The Scrutinizer's decision on the validity of the vote shall be final.
- o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM, however such Member shall not be allowed to vote again during the AGM.
- p. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e- voting during the AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than two working days of conclusion of the AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
- q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. <https://andhra.cements.com> and on the website of KFin Technologies Limited i.e. <https://evoting.kfintech.com>. The results shall simultaneously be communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
- r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

21. **Instructions for members for Voting during the AGM session**

- i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the AGM.
- ii. e-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.
- iii. Members / shareholders, attending the AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the AGM.

- iv. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they shall not be allowed to cast their vote again during the AGM.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

22. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by June 30, 2023. Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhaar by June 30, 2023 or any other date as may be specified by the CBDT.

The folios in which PAN is / are not valid as on the notified cut-off date of October 1, 2023 or any other date as may be specified by the CBDT, shall also be frozen by the RTA and shareholders will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend after April 1, 2024.

23. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).

24. **Updation of Members' details:** Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or CIL Securities Ltd, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

The Securities and Exchange Board of India ("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 with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to CIL Securities Limited.

Members who are holding the shares in physical form are requested to execute the ISR Form-1 & ISR Form-2 to update the changes, if any, in their registered

address, signature, contact details, Bank Mandate etc., and to update their PAN number, Phone number, Email address, demat account details etc., and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No.8

Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 8.

The requisite ISR Forms and nomination forms can be downloaded from the website of the Company at <https://andhracements.com> & also from the website of its Registrar and Share Transfer Agents i.e., CIL Securities Limited www.cilsecurities.com.

Members holding shares in electronic form are therefore, requested to furnish their details to their respective Depository Participant ("DP") with whom they are maintaining their demat accounts for updating their PAN, KYC details, Nomination and Bank mandate details etc.

25. The members / investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id at rta@cilsecurities.com or the Company's official e-mail id at investorcell@andhracements.com.
26. The information/documents referred to in the Notice and the Explanatory statement with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before through email to investorcell@andhracements.com for seeking information, If any, and the same will be replied by the Company suitably.
27. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.
28. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification No. SEBI/LADNRO/GN/2022/66 dated January

24, 2022 and its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission and Transposition etc). In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice for dematerializing the same. Members may also contact the Company or its Registrars and Transfer Agents, CIL Securities Limited for assistance in this regard.

29. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. Letter of Confirmation in lieu of consolidated share certificate will be issued to such Members after making the requisite changes for dematerializing said shares.
30. Members may note that the Annual Report for the year 2023-24 is also available on the Company's website <https://andhracements.com> for their download.
31. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 85th AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM.
32. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.
33. 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.
34. During the 85th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC / OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC / OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.

35. The transcript of this meeting, shall be made available on the website of the company.
36. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://andhracements.com> and on the website of KFin Technologies Limited at <https://evoting.kfintech.com> immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai.
37. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice.

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

G. TIRUPATI RAO
Company Secretary
(Membership No. FCS- 2818)

Place: Hyderabad
Date: 14th May, 2024

Registered office:
Sri Durga Cement Works, Sri Durgapuram,
Dachepalli - 522414, Palnadu Dist. (AP)

Annexure to the Notice of the 85thAnnual General Meeting

**STATEMENT PURSUANT TO THE SECTION 102(1)
OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.3 of the accompanying Notice dated 14th May, 2024.

Item no. 3

The Board of Directors has, on the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company appointed M/s. Narasimha Murthy & co, Cost Accountants as the Cost Auditors of the Company for the Financial Year 2024-25. The Board has fixed remuneration of Rs. 5,00,000/- (Rupees Five Lakhs only) exclusive of applicable taxes and out-of-pocket expenses.

In terms of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year 2024-25 by passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors or Key Managerial Personnel (KMP) of the company or their relatives are in any way, concerned or interested, financially or otherwise, in this Resolution.

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

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

G. TIRUPATI RAO
Company Secretary
(Membership No. FCS- 2818)

Place: Hyderabad
Date: 14th May, 2024

Registered office:
Sri Durga Cement Works, Sri Durgapuram,
Dachepalli - 522414, Palnadu Dist. (AP)

Annexure 2

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2)

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Name of the Director	Dr.S.Anand Reddy
DIN	00123870
Date of birth	10.06.1964
Age	59 years
Qualification	M.B.B.S.
Experience in specific functional areas	Corporate Executive
Date of first appointment on the Board	07.03.2023
Nature of Appointment	Retires by rotation and being eligible offers himself for re-appointment.
Terms and Conditions of Appointment / Reappointment	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013 as detailed in Resolution No. 2.
Directorships in other Companies (other than listed companies)	1. Sagar Power Ltd. 2. Sagar Priya Housing & Industrial Enterprises Ltd. 3. Super Hydro Electric Pvt.Ltd. 4. Sagar Cements (M) Pvt. Ltd.
Directorships in other Listed Companies	Sagar Cements Ltd.
Names of Listed Companies from which he has resigned in the past three years	Nil
Membership/Chairmanship of Committees of other Boards	Member in stakeholders Relationship Committee, Investment Committee and CSR Committee of Sagar Cements Ltd.
Membership of Audit / Stakeholders Relationship Committees of Listed Companies	Chairman of the Audit Committee in Sagar Power Ltd.
No. of shares held including shareholding as a beneficial owner in Andhra Cements Ltd.	Nil
Number of Board Meetings attended during FY 2023-24	6
Details of Remuneration last drawn	Nil
Details of Remuneration sought to be paid	No remuneration is proposed

Inter-se relationship with other Directors and KMP of the Company	Related to Shri S.Sreekanth Reddy, Non-Executive Director and Mrs.S.Rachana, Non-Executive Director
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By Order of the Board
For **ANDHRA CEMENTS LIMITED**

G. TIRUPATI RAO
Company Secretary
(Membership No. FCS- 2818)

Place: Hyderabad
Date: 14th May, 2024

Registered office:
Sri Durga Cement Works, Sri Durgapuram,
Dachepalli - 522414, Palnadu Dist. (AP)

ANDHRA CEMENTS LIMITED

DIRECTORS' REPORT

To,
The Members

The Directors of your Company are pleased to present the Eighty Fifth (85th) Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024.

FINANCIAL HIGHLIGHTS

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

(Rs. in lakhs, unless otherwise stated)

Particulars	2023-24	2022-23
Revenue from Operations	26,811	-
Other Income	851	48
Profit before Interest, Depreciation and Tax	527	(2,547)
Finance Cost	7,054	1,567
Depreciation	5,641	4,679
(Loss)/Profit before exceptional Items and Tax	(12,168)	(8,793)
Exceptional Item	(1,479)	(97,163)
(Loss)/Profit before Tax	(10,689)	88,370
Tax	-	-
(Loss)/Profit after Tax	(10,689)	88,370
Deferred Tax	(4,128)	(6,592)
Net (Loss) / Profit	(6,561)	94,962
Other Comprehensive Income	(1)	-
Total Comprehensive Income	(6,562)	94,962
Basic & Diluted Earnings per share of Rs. 10/- each	(7.12)	34.82

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relates and the date of the report.

AUTHORISED SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 500 crores comprising of 40,00,00,000 equity shares of Rs. 10/- each amounting to Rs. 400 crores and 1,00,00,000 preference shares of Rs. 100/- each amounting to Rs. 100 crores.

PAID-UP SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2024 is Rs. 92,17,21,400/- divided into 9,21,72,140 equity shares of Rs. 10/- each.

During the period under review, your Company has not issued any shares with differential rights, sweat equity shares and equity shares under employee's stock option scheme except the above allotments. Your Company has also not bought back its own shares during the period under review.

DIVIDEND

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

TRANSFER TO RESERVES

No transfer to any reserve is proposed in view of the losses during the year.

PLANT OPERATIONS

After successful implementation of Resolution Plan, the Company re-commenced its Plant Operations/Grinding Operations from 12th April, 2023 at its Sri Durga Cement Works and the plant was operated successfully during the year and the company's other Plant Visaka Cement Works (VCW) unable to operate during the year, as the plant falls under city limits making it difficult to run the operations and logistic issues.

PROPOSED MODERNISATION & EXPANSION PROJECT

Your Board of Directors at its meeting held on January 24, 2024 had approved a proposal for expansion for manufacturing capacity of clinker from 1.85 MTPA to 2.3 MTPA and the grinding capacity from 2.25 MTPA to 3.00 MTPA along with installation of a new 6 stage preheater system with necessary modifications/preplacement of the existing equipment to align with the proposed enhanced facilities and to optimize the fuel cost at its Dachepalli unit.

The estimated cost of the project to implement the above said facilities will be around Rs.47,069 lakhs and the same will be met through equity/internal accruals and borrowings from banks/institutions.

Further, your Board of Directors at its meeting held on March 28, 2024 had also approved a proposal for raising funds for an amount not exceeding ₹ 180 crores to part finance the above expansion and for upgradation as detailed above and also to achieve the Minimum Public shareholding of 25%, which has to be in compliance with Rule 19A (5) of Securities Contracts (Regulation) Rules, 1957, through Issue of Equity Shares of the Company on a Rights basis to the existing shareholders of the company in accordance with the provisions of the Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Proposed Rights Issue is under process.

FINANCIAL STATEMENTS

As per the provisions of the Companies Act, 2013 and Regulation 34 of the SEBI LODR Regulations, 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, forms 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1. Mr. Ravichandran Rajagopal was inducted as Independent Director (under Independent category) and Dr. S. Anand Reddy is appointed as Managing Director by the Board of Directors in their meeting held on 14th April, 2023. Required resolutions for the appointment of Directors have been approved by the members at the 84th Annual General Meeting held on 5th June, 2023. Shri V.H.Ramakrishnan was appointed as an Independent Director by the members in the 84th Annual General Meeting held on 5th June, 2023. Dr. S.Anand Reddy, executive director is retiring by rotation at this AGM and eligible for re-appointment.
2. During the year under report, the Board Met 6 times, the details whereof are given in Report on Corporate Governance. The meetings of Board of Directors were held on 14.04.2023, 06.05.2023, 27.07.2023, 19.10.2023, 24.01.2024 and 28.03.2024.
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) of the SEBI LODR Regulations.
4. Pursuant to the provisions of the Companies Act, 2013 and the SEBI LODR Regulations, 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. A gist of the policy is available in the Corporate Governance Report.
6. 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 the SEBI (LODR) Regulations, the Company has programmes for familiarization for the Independent Directors. The Board of Directors is of the opinion that all the Independent Directors possess requisite qualifications, integrity, experience and expertise in industry knowledge and corporate governance and they hold highest standards of integrity.

BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013 and Regulation 25(4) of the SEBI (LODR) Regulations, 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 the SEBI (LODR) Regulations, 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.

RELATED PARTY TRANSACTIONS

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 entered into a 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.andhracements.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.

MAINTENANCE OF COST RECORDS

Cost records are required to be maintained by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, such accounts and records made and maintained.

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 thereunder, based on the recommendations of the Audit Committee, the Board had recommended and the shareholders approved the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company for a term of 5 years from the conclusion of 84th AGM till the conclusion of the 89th AGM to be held in the year 2028.

2. Cost Auditors

The Board of Directors of the Company have on the recommendation of Audit Committee, appointed M/s. Narasimha Murthy & Co, Cost Accountants (Firm Regn No. 000042) Cost Auditors of the Company for the Financial Year 2024-25

for auditing the Cost Records relating to the product 'Cement'. In this regard, they have submitted a certificate certifying their independence and their arm's 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 31st March, 2024, issued by M/s. BSS & 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.

AUDITORS REPORT

The Auditors' Report does not contain any qualifications, reservations or adverse remarks and it is an unmodified one.

WEB ADDRESS, WHERE ANNUAL RETURN HAS BEEN PLACED

Annual Return in Form MGT-7 for the year ended 31st March, 2024 is available on the company's website and link for the same is <https://www.andhracements.com/investors.html>.

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.

SECURITIES OF THE COMPANY SUSPENDED FROM TRADING DURING THE FINANCIAL YEAR, IF ANY

During the year under review, Securities of the Company not suspended from trading but no trading from 3rd March, 2023 due to announcement of record date for the capital reduction as per the Hon'ble NCLT Order dt. 16.02.2023 and re-commenced w.e.f. 10th May, 2023.

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.

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 MD and CFO to the Board of Directors and after due enquiry, confirm that in respect of the Audited Annual Accounts for the year ended 31st March, 2024 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 31st March, 2024 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.andhracements.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 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.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

No frauds were reported by the Auditors under Sub-Section 12 of Section 143 of the Companies Act, 2013 read with the Rules made there under.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There were no change in the nature of business and activities during the year.

THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company doesn't have any subsidiaries or joint ventures or associate Companies during the year.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

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.

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- C**” 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- C**” 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 4th September, 2015), is annexed herewith as “**Annexure-D**”.

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. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC). ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. During the year under review, no complaints were received by the Company.

UTILIZATION OF FUNDS RAISED THROUGH ISSUE OF EQUITY SHARES

During the financial year 2023-24, no funds were raised through Rights Issue, Preferential issue etc.

FUTURE OUTLOOK

GDP growth is expected to increase in the year 2024-25. 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 increase and will grow to a higher level for the financial year 2024-25. Our plant is fully equipped and supported with grinding unit at strategic location. Our company will be able to make suitable measures to take advantage of the present economic momentum in the coming years.

THREATS

The Sanctions importunes 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.

INSURANCE

All the properties of the Company have been adequately insured.

POLLUTION CONTROL

Your company is committed to keep the pollution at its plant within the acceptable norms and as part of this commitment, it has, inter-alia, an adequate number of bag filters in the plant.

SUB COMMITTEES OF THE BOARD

The Board has an Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Risk Management Committee and Rights Issue Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance, which forms part of the Annual Report.

CREDIT RATING

Details of Credit Ratings obtained by the Company have been given in the corporate governance report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no such instance arose to transfer any amount to the Investor Education and Protection Fund.

SECRETARIAL STANDARDS

Your company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are found to be adequate and operating effectively.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application has been admitted or any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

COMPLIANCE CERTIFICATE

A Certificate as stipulated under Schedule V (E) of the SEBI Listing Regulations from a Practicing Company Secretary regarding compliance with the conditions of Corporate Governance is attached to this Report along with our report on Corporate Governance.

CAUTIONARY STATEMENT

Statement in this report and its annexures describing the company's projections, expectations and hopes are forward looking. Though these are based on reasonable assumptions, their actual results may differ.

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

Place: Hyderabad
Date: May 14, 2024

K.V. VISHNU RAJU
Chairman
(DIN: 00480361)

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 arm's length transactions under third proviso thereto.

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

For and on behalf of the Board

Place: Hyderabad
Date: May 14, 2024

K.V. VISHNU RAJU
Chairman
(DIN: 00480361)

Form No. MR-3**SECRETARIAL AUDIT REPORT****FOR THE PERIOD ENDED MARCH 31, 2024**

[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)
Sri Durga Cement Works, Sri Durgapuram,
Guntur, Andhra Pradesh - 522414, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Andhra Cements Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our 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 our opinion, the Company, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also 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 financial year ended on March 31, 2024 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company during the audit period;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company 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 - Not applicable to the Company during the audit period;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - Not applicable to the Company during the audit period.
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Employers Liability Act, 1938;
- (ix) Equal Remuneration Act, 1976;
- (x) Factories Act, 1948;
- (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- (xii) Maternity Benefits Act, 1961;
- (xiii) Minimum Wages Act, 1948;
- (xiv) Negotiable Instruments Act, 1881;
- (xv) Payment of Bonus Act, 1965;
- (xvi) Payment of Gratuity Act, 1972;
- (xvii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xviii) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
 - i. Cement Cess Rules, 1993;
 - ii. Cement (Quality Control) Order, 2003;
 - iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
 - iv. The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
 - v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 - vi. Water (Prevention & Control of Pollution) Cess Act, 1977;
 - vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
 - viii. The Noise Pollution (Regulation And Control) Rules, 2000;
 - ix. Mines Act, 1952 and Rules issued thereunder;
 - x. Mines and Mineral (Regulation and Development) Act, 1957.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable general laws.

We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same is not within the scope of our audit.

We further report that the Board of Directors of the Company has been duly 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.

We further report that adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors / Members of the Board / Committees, and a system exists for seeking and obtaining further information and clarifications as may be required by them on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For B S S & Associates
Company Secretaries

S.Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337324

Peer review no: 726/2020

Place: Hyderabad

Date: 14.05.2024

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

Annexure-A

To,
The Members,
Andhra Cements Limited,
(CIN: L26942AP1936PLC002379)
Sri Durga Cement Works, Sri Durgapuram,
Guntur, Andhra Pradesh - 522414, India.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **B S S & Associates**
Company Secretaries

S.Srikanth

Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337324

Peer review no: 726/2020

Place: Hyderabad

Date: 14.05.2024

**Secretarial Compliance Report of Andhra Cements Limited
for the year ended March 31, 2024**

To,
The Members,
Andhra Cements Limited,
(CIN: L26942AP1936PLC002379)
Sri Durga Cement Works, Sri Durgapuram,
Guntur, Andhra Pradesh - 522414, India.

We, B S S & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Andhra Cements Limited("the listed entity"),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not applicable during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the Review Period;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/Remarks by PCS
1.	<p><u>Secretarial Standards:</u></p> <ul style="list-style-type: none"> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI). 	Yes	Nil
2.	<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI 	Yes	Nil
3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	Nil
4.	<p><u>Disqualification of Director:</u></p> <ul style="list-style-type: none"> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 	Yes	Nil
5.	<p><u>To examine details related to Subsidiaries of listed entities:</u></p> <ul style="list-style-type: none"> Identification of material subsidiary companies Requirements with respect to disclosure of material as well as other subsidiaries 	NA NA	Nil Nil
6.	<p><u>Preservation of Documents:</u></p> <ul style="list-style-type: none"> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015 	Yes	Nil
7.	<p><u>Performance Evaluation:</u></p> <ul style="list-style-type: none"> The listed entity has conducted performance evaluation of the Board, Independent Directors and 		

	the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	Nil
8.	<u>Related Party Transactions:</u> <ul style="list-style-type: none"> The listed entity has obtained prior approval of Audit Committee for all Related party transactions. In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee. 	Yes	Nil
9.	<u>Disclosure of events or information:</u> <ul style="list-style-type: none"> The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. 	Yes	Nil
10.	<u>Prohibition of Insider Trading:</u> <ul style="list-style-type: none"> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 	Yes	Nil
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> <ul style="list-style-type: none"> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder 	Yes	Nil
12.	<u>Additional Non-compliances, if any:</u> <ul style="list-style-type: none"> No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc. 	Yes	Nil

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
1.	Compliances with the following conditions while appointing/re-appointing an auditor If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter; or	Yes	

	<p>If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	<p>NA</p> <p>Yes</p>	<p>Change in Statutory Auditors as per the Resolution P l a n approved by the NCLT through its order dt 16.02.2023.</p>
<p>2.</p>	<p>Other conditions relating to resignation of statutory auditor</p> <p>Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / noncooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material</p>	<p>NA</p> <p>NA</p>	<p>NA</p> <p>NA</p>

	subsidiary has not provided information as required by the auditor.	NA	NA
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	NA

And based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of The Practicing Company Secretary	Management Response	Remarks
Nil										

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of The Practicing Company Secretary	Management Response	Remarks
Nil										

For B S S & Associates
Company Secretaries

S.Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337324

Peer review no: 726/2020

Place: Hyderabad
Date: 14.05.2024

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.1,02,00,000/- or more per annum: - Nil

(B) Employed for part of the year and in receipt of remuneration aggregating Rs.8,50,000/- 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 except for sitting fees.

(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 G. Tirupati Rao, Company Secretary	7.50%

(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 1.10%.

(iv) The number of permanent employees on the rolls of Company including on secondment: 179

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

(Rs. in lakhs unless otherwise stated)

Particulars	Remuneration in Financial Year 2023-24	% increase in Remuneration in Financial year 2022-23
Average monthly salary of all employees (other than Key Managerial Personnel)	5.49	1.10%
Salary of Company Secretary	23.89	7.50%
Salary of CFO	Nil	Nil

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

(vii) 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.

For and on behalf of the Board

K.V. VISHNU RAJU
Chairman
(DIN: 00480361)

Place: Hyderabad
Date: May 14, 2024

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) **The steps taken or impact on conservation of energy:**

No steps were taken during the year.

(ii) **The steps taken by the Company for utilizing alternate sources of money:**

No steps were taken during the year.

(iii) **The capital investment on energy conservation equipments:**

No capital investment during the year.

B. Technology Absorption:

(i) the efforts made towards technology absorption - Nil

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Nil

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil

C. Foreign Exchange Earnings and Out go: Rs. 23.65 crores out go

For and on behalf of the Board

K.V. VISHNU RAJU

Chairman

(DIN: 00480361)

Place: Hyderabad

Date: May 14, 2024

ANDHRA CEMENTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and development:

India's cement demand remained passive for most of FY 2024, particularly on account of low demand from the housing segment. However, there were signs of demand recovery in the last quarter, reflected in double-digit growth riding on higher infrastructure spending and development in the state. As the economy revives, the country's cement industry is expected to perform better. The Cement Division is incurring losses due to its inability to operate continuously at optimum levels on account of demand variations and high cost of production which is mainly due to high power consumption and coal when compared to industry norms of similar capacity. Now the management has taken various steps to optimize the production levels and taken necessary measures to reduce the cost of production.

Opportunity and threats:

Our cement plant being strategically located with high quality limestone mines very near to the plant can cater to the neighboring States of Tamil Nadu and Karnataka, where the realizations are better. The management is putting its best efforts to revive the industry to normal levels.

Outlook:

The initiatives by the Central Government such as housing for all, smart cities, Swatch Bharat campaign, infrastructure spending, concrete road initiatives and an increase in allocation of funds to States are likely to see a positive impact on the Cement Industry.

Infrastructure development is the need of the nation; this along with rising housing provision will accelerate construction activity. Recovery of the global scenario could also provide impetus to economic growth and cement. The State has seen new players and also the existing players expanding capacities due to huge availability of limestone, which is the primary material for cement.

Risks and concerns

The drying up of Government contracts through irrigation, infrastructure and housing programs was major reason for hitting the industry. However, in the state of Andhra Pradesh and Telangana will impetus the growth of cement consumption during the year.

Concerns of the Indian Cement Industry are high cost of power and coal, high freight costs, inadequate infrastructure, non-availability of wagons and poor quality of coal and heavy taxes/royalty levies.

Segment-Wise Performance Together with Discussion on Financial Performance With Respect To Operational Performance:

Segment-wise (only one segment) performance together with discussion on financial performance with respect to operational performance has been dealt with in the

Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

Internal control systems and their adequacy:

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use of disposition.

The internal control systems of the company comprise of statutory audit, cost audit and internal audit. The work of all the audits have been assigned to reputed, external, independent and qualified people.

The Audit Committee comprising of independent directors will review all quarterly, half yearly and annual financial statements.

Key financial ratios

Pursuant to Reg. 34(3) and Schedule V (B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the year 2023-24 are given below:

Sl. No.	Particulars	31.03.2024	31.03.2023	Formula adopted
1	Debtors Turnover Ratio (Days)	13.79	(#)	365 Days/ (Net Revenue/ Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	8.25	(#)	365 Days/ Net Revenue/ Average Inventories)
3	Interest Coverage Ratio	(0.52)	57.41	(Profit before Tax + Interest)/(Interest + Interest Capitalised)
4	Current Ratio	1.42	2.39	Current Assets/ (Total Current Liabilities - Security Deposits payable on demand - Current maturities of Long Term Debt)
5	Debt-equity Ratio	2.27	1.48	Total Debt/ Total Equity
6	Operating Profit Margin Ratio	(0.02)	(#)	EBITDA/Net Revenue
7	Net Profit Margin Ratio	(0.24)	(#)	Net Profit/Net Revenue
8	Return on Network	(0.22)	(**)	Total Comprehensive Income/Average Network

(#) Since Net Sales Revenue is zero, these ratios cannot be calculated.

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

- a. EBITDA denotes Profit before Interest+ Tax+ Depreciation.
- b. Increase in Interest Coverage Ratio is due to reduction in Interest cost and increase profit by way of Exceptional Item as a result of implementation of resolution plan.
- c. Current Ratio is increased due to extinguishment of liabilities and infusion of funds on account of implementation of resolution plan.

Disclosures with respect to demat suspense account/ unclaimed suspense account

The Company has opened a Demat suspense Account for unclaimed shares (51 shares), which were not credited to the respective shareholders' demat account at the time of crediting the new equity shares into their demat accounts, post capital reduction. The Company will release these shares, wherever the claims received from the respective shareholders.

Human resources and industrial relations:

The industrial relations at all the plant and offices continue to be cordial during the year under review. The total number of employees at the end of the financial year 2023-24 on the rolls of the Company is 179 at Cement Plant and Administrative Office.

Cautionary Statement:

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government policies and regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speaks only as of their dates.

Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management

As provided under the Schedule V(D) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Board and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March, 2024.

For and on behalf of the Board

K.V. VISHNU RAJU

Chairman

(DIN: 00480361)

Place: Hyderabad

Date: May 14, 2024

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER ON FINANCIAL STATEMENTS OF THE COMPANY:

We, Dr S. Anand Reddy, Managing Director of M/s. Andhra Cements Limited do hereby certify that:-

- a) We have reviewed the financial statements and the Cash Flow Statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
 - i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) 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 period, which are fraudulent, illegal and violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 and operation of 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 to the Auditors and Audit Committee that:
 - i) There have been no significant changes in internal control over financial reporting during the year;
 - ii) There have been no significant changes in accounting policies during the year; and
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board

Dr. S. Anand Reddy
Managing Director
(DIN: 00123870)

Place: Hyderabad
Date: May 14, 2024

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

To

The Members,
Andhra Cements Limited,
(CIN: L26942AP1936PLC002379)
Sri Durga Cement Works, Sri Durgapuram,
Guntur, Andhra Pradesh - 522414, India.

1. We have examined the compliance of the conditions of Corporate Governance by Andhra Cements Limited (the "Company") for the financial year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our responsibility

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

Opinion

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2024.

Other matters and restriction on use

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing

Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **B S S & Associates**
Company Secretaries

S.Srikanth

Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337324

Peer review no: 726/2020

Place: Hyderabad

Date: 14.05.2024

SECRETARIAL AUDITORS CERTIFICATE

Certificate of Non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Andhra Cements Limited,

(CIN: L26942AP1936PLC002379)

Sri Durga Cement Works, Sri Durgapuram,

Guntur, Andhra Pradesh - 522414, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Andhra Cements Limited having CIN: L26942AP1936PLC002379 and having registered office at Sri Durga Cement Works, Sri Durgapuram, Guntur, Andhra Pradesh - 522414, India (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2024 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Anand Reddy Sammidi	00123870	07/03/2023
02	Kalidindi Venkata Vishnu Raju	00480361	23/03/2023
03	Sreekanth Reddy Sammidi	00123889	07/03/2023
04	Rachana Sammidi	01590516	07/03/2023
05	Rekha Onteddu	07938776	23/03/2023
06	Rajagopal Ravichandran	00110930	14/04/2023
07	Valliyur Hariharan Ramakrishnan	00143948	05/06/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B S S & Associates**
Company Secretaries

S.Srikanth

Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337324

Peer review no: 726/2020

Place: Hyderabad

Date: 14.05.2024

ANDHRA CEMENTS LIMITED

Corporate Governance Report for the year 2023-24

Pursuant to Schedule V read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), compliance with the requirements of Corporate Governance is set out below

1. **Company’s philosophy on code of governance:**

Andhra Cements Limited (“The Company”) believes that adherence to good corporate practice leads to transparency in its operations and improvement in the quality of its relationship with all its stakeholders and in the process, inter-alia, would enable it to become one of the most respected and attractive company in the industry and creating value for all its stakeholders.

2. **Board of Directors:**

Composition:

As on 31st March, 2024, the Board of Directors had an optimum combination of Executive and Non-Executive Directors and its composition was in conformity with Regulation 17 and 17A of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 (“the Act”). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

- (i) As on 31st March, 2024 the Company had 7 Directors
- (ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2024 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies registered under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders’ Relationship Committee are alone considered for the purpose.

Name of the Director	Category	Number of board meetings during the year 2023-24		Whether attended the last AGM held on 5.6.2023	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri K.V.Vishnu Raju	Chairman, Independent and Non-Executive Director	6	6	Yes	0	5	0	0
Dr.S.Anand Reddy	Managing Director	6	6	Yes	-	4	1	0

Shri S.Sreekanth Reddy	Non-Executive Director	6	6	Yes	0	4	0	0
Smt. S.Rachana	Non-Executive Director	6	6	Yes	0	0	0	0
Smt. O.Rekha	Independent and Non-Executive Director	6	6	Yes	0	1	2	0
Mr R Rajagopal (w.e.f. 14.04.2023)	Independent and Non-Executive Director	6	6	Yes	0	1	0	0
Mr V H Ramakrishnan (w.e.f. 05.06.2023)	Independent and Non-Executive Director	6	4	Yes	0	0	0	0

(iii) Directorships and their category in other listed entities:

Sl No	Name of the Director	Category	Names of the other Listed Entities where the person is a director and the category of such directorship		Chairmanship / Membership in Committees of other other Listed Entities	
			Company	Category	Chairman	Member
1	Shri K.V. Vishnu Raju	Chairman and Independent Director	Anjani Foods Limited	Chairman and Director	1	1
			Sagar Cements Limited	Chairman and Independent Director	0	2
2	Dr.S.Anand Reddy	Executive Director	Sagar Cements Limited	Executive Director	0	1
3	Shri S.Sreekanth Reddy	Non-Executive Director	Sagarsoft (India) Limited	Chairman – Non-Executive Director	0	0
			Sagar Cements Limited	Executive Director	0	0
4	Smt. S.Rachana	Non-Executive Director	Sagar Cements Limited	Non-Executive Director	0	0
5	Smt. O.Rekha	Independent Director	Sagar Cements Limited	Independent Director	1	1
6	Shri R.Rajagopal	Independent Director	Anjani Foods Limited	Executive Director	0	3
			Sagar Cements Limited	Independent Director	0	1
7	Shri V H Ramakrishnan	Independent Director	KCP Limited	Independent Director	0	2

- (iv) As on 31st March, 2024, none of the Directors on the Board held directorships in more than seven listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the Listed companies in which he/she was a Director. Necessary disclosures regarding Committee positions held by the Directors in other public companies as on 31st March, 2024 have been made by them.
- (v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.
- (vi) The Board held six meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are as under:
14th April, 2023, 6th May, 2023, 27th July, 2023, 19th October, 2023, 24th January, 2024 and 28th March, 2024.
- (vii) **Disclosure of relationship between directors inter-se:**
Dr.S.Anand Reddy, Managing Director is brother of Shri S.Sreekanth Reddy, Non-Executive Director.
Shri S.Sreekanth Reddy, Non-Executive Director is brother of Dr.S.Anand Reddy, Managing Director and is the spouse of Mrs. S.Rachana, Non-Executive Director.
Mrs.S.Rachana, a Non-Executive Director is the spouse of Shri S.Sreekanth Reddy, Non-Executive Director.
Except as mentioned above, none of the other Directors is related inter-se.
- (viii) During the year under report, all the information as applicable and falling under Part A of the Schedule II of the SEBI Listing Regulations, were placed before the Board for its consideration.
- (ix) The terms and conditions of appointment of the Independent Directors are available on the website of the Company.
- (x) During the year, the Independent Directors separately held a meeting among themselves on 24th January, 2024.
- (xi) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.
- (xii) The details of the familiarization programme of the Independent Directors are available on the website of the Company (www.andhracements.com).

- (xiii) In the opinion of the Board, the independent directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.
- (xiv) Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning:

The company's present Board is a skill-based one, comprising of Directors who collectively have the skills directly relevant for performing their function as a member of the Board and the personal attributes or qualities that are identified and considered desirable to be an effective Director like, integrity (ethics), effective communicator, constructive questioner, contributor and team player, commitment and leadership skills. Apart from the above, the whole-time directors of the company have the technical skill / managerial experience, expertise and an in-depth knowledge of the company and cement industry for discharging their respective responsibilities.

Board Skill Matrix:

In terms of the requirement of the SEBI Listing Regulation, the Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board, along with the names of the Directors, who have such skill/expertise/competence:

Business & Industry	Domain Knowledge in Business and understanding of business environment, the development in the industry for improving Company's business
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilization, Understanding of Financial policies and accounting statement and assessing economic conditions
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values

Sl.No	Name of the Director	Skill/Expertise/Competence
1	Shri K.V.Vishnu Raju	Business & Industry and Corporate Governance
2	Shri Ravichandran Rajagopal	
3	Dr.S.Anand Reddy	
4	Shri S.Sreekanth Reddy	
5	Smt.S.Rachana	Business & Industry
6	Smt.O.Rekha	Financial Expertise, Governance & Compliance
7	Shri V H Ramakrishnan	Financial Expertise, Governance & Compliance

(xv) Details of equity shares and convertible securities of the Company held by the Directors as on 31st March, 2024 are given below:

As on 31st March, 2024, none of the Executive/Non-Executive Directors/ Independent Directors were holding any shares or convertible securities in the company.

(xvi) During the financial year 2023-24, none of the Independent Directors had resigned from his/her directorship,

3. Audit Committee

- i. The composition of the audit committee of the Board is in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.
- ii. The terms of reference of the audit committee is as per Part C of the Schedule II of the SEBI Listing Regulations and include:
 - 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;
 - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - Approval of payment to statutory auditors for any other services rendered by them;
 - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in the accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.

- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of related party transactions
- Qualifications, if any, in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 utilisation of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
 - consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
 - Establishment of vigil mechanism for directors and employees to report their genuine concerns.
 - Review of the information that is required to be carried out, mandatorily or otherwise, as per the Listing Regulations.
 - Approval or any subsequent modifications of transactions with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Evaluation of internal financial controls;
 - Establishment of vigil mechanism for directors and employees to report their genuine concerns.
 - Calling for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of quarterly and annual financial statements before their submission to the Board and discussions on any related issues with the internal and statutory auditors and the management of the Company;
 - Review of the information that is required to be carried out, mandatorily or otherwise, as per the SEBI Listing Regulations.
- iii. The audit committee invites to its meetings such of the executives, as it considers appropriate particularly the head of the finance function and representatives of the statutory auditors and internal auditors. The Company Secretary acts as the Secretary to the Committee.
- iv. Shri G. Tirupati Rao, Company Secretary, has been appointed by the Board as the Compliance Officer to ensure compliance with and effective implementation of the Insider Trading Code.
- v. The previous Annual General Meeting (“AGM”) of the Company was held on 5th June, 2023 and the Chairman of the audit committee was present at the said meeting.
- vi. The Audit Committee of the Board has been reconstituted on 27th July, 2023. The composition of the Audit Committee as on 31st March, 2024 and the details of attendance at its meetings held during the year 2023-24 are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the financial year 2023-24	
		Held	Attended
Shri V H Ramakrishnan - Chairman (w.e.f. 27-07-2023)	Independent Director	3	3
Shri K V Vishnu Raju	Independent Director	4	4
Smt O.Rekha	Independent Director	4	4
Shri S.Srekanth Reddy	Non-Executive Director	4	4

- vii. The Audit committee met 4 times during the year 2023-24 and the dates of these meetings are as under:

6th May, 2023, 27th July, 2023, 19th October, 2023, and 24th January 2024.

4. Nomination and Remuneration Committee

- i. The Nomination and Remuneration Committee (NRC) of the Board has been reconstituted on 27th July, 2023, the Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.
- ii. The terms of reference of the NRC are available on the company's website <https://andhracements.com/> as part of the Nomination and Remuneration Policy adopted by the company.

Nomination and Remuneration policy:

The Policy on Nomination and Remuneration adopted by the company is aimed at attracting, retaining, developing and motivating workforce. Individual performance is assessed and rewarded through an annual appraisal process. Details of this policy are available on the company's web site, <https://andhracements.com>.

- iii. The details of the composition of the Nomination and Remuneration Committee as on 31st March, 2024 and the details of the attendance at its meetings during the year 2023-24, are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the financial year 2023-24	
		Held	Attended
Smt. O.Rekha - Chairperson	Independent Director	1	1

Shri K.V.Vishnu Raju	Independent Director	1	1
Shri S.Srekanth Reddy	Non-Executive Director	1	1
Shri Ravichandran Rajagopal	Independent Director	1	1

The NRC hold One meeting during the year 2023-24 and the dates of the meeting is 14th April, 2023.

- iv. The Company presently does not have any Employee Stock Option Scheme.
- v. Performance Evaluation Criteria / Policy for Independent Directors, the company has adopted a Policy for evaluating the performance of its Independent Directors, and the same is available on the company's web site.

5. Remuneration of Directors

Remuneration to Non-Executive Directors:

Currently, Non-Executive Directors are not paid any remuneration other than the sitting fee of Rs.40,000/-, for each meeting of the Board and Committees thereof attended by them.

Details of sitting fees paid to the non-executive directors during the year 2023-24 are given below:

S.No.	Name of the Director	Sitting Fee (In Rupees)
1	Shri. S. Srekanth Reddy	4,40,000
2	Smt. S.Rachana	2,40,000
3	Shri K.V. Vishnu Raju	5,20,000
4	Smt. O.Rekha	5,20,000
5	Shri V H Ramakrishnan	3,20,000
6	Shri Ravichandran Rajagopal	2,80,000
	Total	23,20,000

There were no other pecuniary relationship or transactions between the Non-Executive Directors and the Company.

Remuneration to the Managing Director and Whole time Directors:

The Company has not paid any remuneration to its Managing Director (MD) and Whole-time Directors of the Company.

6. Stakeholders' Relationship Committee

- i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.
- ii. The broad terms of reference of the stakeholders' relationship committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/ annual reports, and other related matters.
 - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc., as per the procedures applicable under relevant regulations.
- iii. This Committee had the following directors as its members as on 31st March, 2024:

Name of the Member	Category of the Director
Shri K.V.Vishnu Raju - Chairman	Independent Director
Smt. O.Rekha	Independent Director
Dr. S.Anand Reddy	Executive Director

Shri G. Tirupati Rao, Company Secretary, is the compliance officer for the above purpose. Based on the information obtained from the Company's Registrars, the Company had received "0" complaint from the investors during the year 2023-24 as detailed below and all these complaints, being routine in nature, were redressed in the normal course by the Registrars themselves. There were no complaints pending as on 31st March, 2024.

Sl.No	Particulars	Opening	Received	Resolved	Pending
1	Non-receipt of shares after transfer / transmission	0	0	0	0
2	Non-receipt of dividend warrants	0	0	0	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Securities	0	0	0	0
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	0	0	0
	Total	0	0	0	0

The Stakeholders' Relationship Committee had met once during the year 2023-24 on 24th January, 2024 and all the members of the Committee were duly present at the meeting.

- iv. Name, designation and address of Compliance Officer:

Shri G. Tirupati Rao
 Company Secretary
 Andhra Cements Limited
 Corporate Office: Plot No.111, Road No.10
 Jubilee Hills, Hyderabad-500 033
 Telephone: 91 40 23351571

6. Risk Management Committee

- i. The composition of the Risk Management Committee is in line with the provisions of Regulation 21 of the SEBI Listing Regulations.
- ii. The terms of reference of the Risk Management Committee are available on the company's website www.andhracements.com as part of the Risk Management Policy.
- iii. The details of the composition of the Risk Management Committee as on 31st March, 2024 are given below:

Name of the Member	Category
Shri S.Sreekanth Reddy, Chairman	Non-Executive Director
Shri K.V. Vishnu Raju	Independent Director
Smt.O.Rekha	Independent Director
Shri V H Ramakrishnan	Independent Director
Shri Ravichandran Rajagopal	Independent Director

The Risk Management Committee is not applicable to the Company as the Company was not in top 1000 listed entities at the end of the immediately preceding financial year. However, the Company has voluntarily constituted the Committee for future requirements and no meeting of the Committee was held during the year.

Senior management:

Particulars of senior management including the changes therein since the close of the previous financial year:

- (a) **The details of Senior Management as on March 31, 2024 pursuant to SEBI Listing Regulations:**

Sl. No.	Name	Designation
1	Kolluru Prasad	Chief Financial Officer
2	G. Tirupati Rao	Company Secretary
3	Ch. Subba Rao	Vice-President (Operations)
4	A. Narender Reddy	Sr. GM (Operations)
5	Venkata Subba Reddy	GM (P&QC)
6	J. Naveen Kumar Reddy	GM (Mines)
7	K.S. Ramanuja Chary	GM (Human Resource)

- (b) **Changes in Senior Management since the close of the previous financial year:**

During the year Mr. Ch. Subba Rao was appointed as Vice-President (Operations) in place Mr. P. Biksha Reddy.

8. General Body Meetings

General Meeting

The details of the time, venue and the date of the last three Annual General Meetings of the Company are given below:

AGM	Date	Time	Venue
84 th AGM	5 th June, 2023	3.00 p.m.	Through VC/OAVM
83 rd AGM	16 th September, 2022	12.30 p.m.	Through VC/OAVM
82 nd AGM	29 th September, 2021	12.30 p.m.	Through VC/OAVM

Following are the details of Special Resolutions passed in the above said Annual General Meetings:

Following Special Resolutions were passed at the 82nd, 83rd and 84th Annual General Meetings.

At the 82nd AGM, two special resolutions were passed in respect of appointment of Shri K.V. Rajendran and Shri Suresh Chand Rathi as Independent Directors of the Company, and at the 83rd AGM, one special resolution was passed in respect of appointment of Shri S.D. Nailwal as Director of the Company and at the 84th AGM, eight special resolutions were passed in respect of appointment Dr. S. Anand Reddy, Shri K.V. Vishnu Raju, Smt. O. Rekha, Shri R. Rajagopal, Shri V.H. Ramakrishnan and consents under sections 180 (1)(c), 180 (1) (a) and 186 of the companies Act, 2013.

Whether any special resolution passed last year through postal ballot:

During the year under review, no special resolution was passed through postal ballot.

There is no proposal to pass any special resolution exclusively through postal ballot.

Procedure for Postal Ballot – when conducted

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote through e-voting. The postal ballot notice is sent to shareholders in electronic form to their email addresses, wherever available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013 in connection with the above.

Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of the conclusion of the e-voting period. The results are displayed on the website of the Company (www.andhracements.com), and communicated to the Stock Exchanges, and

Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for exercising e-voting.

9. Means of communication

Quarterly results:

As part of compliance with Regulation 33, 10 and 47 of the SEBI Listing Regulations, the Company furnishes its quarterly and annual financial results to the Stock Exchanges where its shares have been listed, followed by publication in the newspapers in accordance with the said Regulations.

Newspapers in which the results were published:

Details of newspapers in which quarterly results relating to the Financial Year 2023-24 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30 th June, 2023	28 th July, 2023	Financial Express Andhra Prabha
30 th September, 2023	20 th October, 2023	
31 st December, 2023	26 th January, 2024	
31 st March, 2024	15 th May, 2024	

Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website 'www.andhracements.com' and also on the website of NSE and BSE as part of corporate filing made by the Company from time to time with the said stock exchanges.

Press Release

Press Releases as and when issued by the company following the publication of financial results are also made available at the company's website.

Analyst/Investor Meets

During the year under review, the Company has not made any presentation to institutional investors or to the analysts.

Management Discussion and Analysis Report

The Annual Report of the Company contains the Management Discussion and Analysis as annexure to the Directors' Report.

10. General Shareholder information:

a. Annual General Meeting:

Day & Date	Wednesday the 26 th Day of June, 2024
Time	11.30 AM
Venue	Through VC/OAVM

- b. Financial Year:** 1st April, 2023 to 31st March, 2024
- c. Book Closure Dates:** 20th June, 2024 to 26th June, 2024 (both days inclusive)
- d. Dividend payment:**

For the Current Financial Year 2023-24, the Board has not recommended any Dividend

e. Listing on Stock Exchanges:

The paid-up share capital of the company as on 31st March, 2024 is Rs. 92,17,21,400/- consisting of 9,21,72,140 equity shares of Rs.10/- each. All these shares have been listed on the National Stock Exchange of India Ltd. Mumbai and BSE Ltd., Mumbai. There are no dues against listing fee payable to these stock exchanges.

f. Stock and ISIN Codes for the Company's shares:

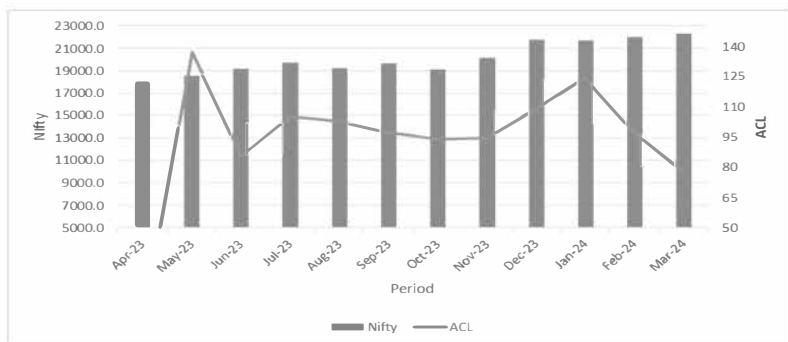
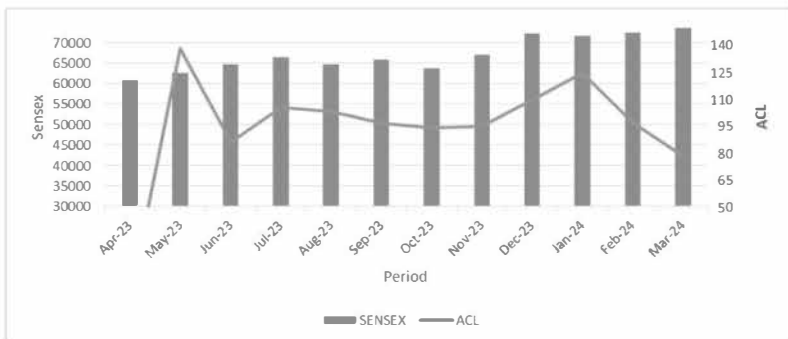
Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5 th Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	ACL
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	532141
ISIN	INE666E01020

g. Market price details:

Monthly High, Low and closing prices for the Company's shares of Rs.10/- each during the Financial Year as traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Month	BSE		
	High	Low	Close
April 2023	No trading	No trading	No trading
May 2023	137.72	54.94	137.72
June 2023	158.75	79.65	85.90
July 2023	104.77	78.00	104.77
August 2023	121.25	100.50	102.60
September 2023	102.95	95.30	96.15
October 2023	105.55	89.35	93.43
November 2023	102.20	90.03	94.65
December 2023	123.46	93.30	109.24
January 2024	139.00	106.25	124.10
February 2024	127.60	95.20	96.85
March 2024	99.95	77.00	78.04

Month	NSE		
	High	Low	Close
April 2023	No trading	No trading	No trading
May 2023	137.00	98.00	137.00
June 2023	158.00	79.30	85.70
July 2023	102.00	82.90	105.00
August 2023	121.25	82.90	105.00
September 2023	103.00	95.60	96.85
October 2023	103.70	89.40	93.85
November 2023	102.25	82.85	94.60
December 2023	118.85	93.70	108.95
January 2024	139.20	107.90	124.15
February 2024	126.90	95.25	96.85
March 2024	99.90	77.00	77.75



j. None of the securities of the Company were suspended from trading.

k. Registrars and Share Transfer Agents:

CIL Securities Limited
214, Raghava Ratna Towers, Chirag Ali Lane,
Abids, Hyderabad -500001
Phone No. 040-69011157
e-mail: rtacil@cilsecurities.com
Website: <https://www.cilsecurities.com>

l. Share Transfer System:

Around 99.53% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dated 8th June, 2018, with effect from 1st April, 2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/Registrar (RTA), if the shares concerned are held in physical form.

As regards transmission of shares held in physical form, the documents required for transmission, like original share certificate, death certificate, succession certificate/legal heir certificate can be lodged either with the Company at its Registered Office/Corporate Office or with the Company's Registrars and Share Transfer Agents, whose address has been given above.

m. Shareholdings particulars as on 31st March, 2024

(i) Distribution of shareholdings:

Sl. No	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	89724	97.76	2500884	2.71
2	501 - 1000	1038	1.13	797309	0.86
3	1001 - 2000	492	0.54	760894	0.83
4	2001 - 3000	242	0.26	588404	0.64
5	3001 - 4000	76	0.08	270216	0.29
6	4001 - 5000	51	0.06	238036	0.26
7	5001 - 10000	91	0.10	681341	0.74
8	10001 and above	65	0.07	86335056	93.67
	TOTAL:	91779	100.00	92172140	100.00

(ii) Shareholding pattern:

Description	No. of holders	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter	1	82954926	90.00	82954926	90.00
Domestic Companies	369	1755846	1.91	1753567	1.91
Mutual Funds	5	638	0.0	44	0
Indian Financial Institutions and Banks	32	316753	0.34	315697	0.34
FII's	1	369500	0.40	0	0
NRI's	733	110167	0.12	108262	0.11
Public – Individuals	89208	6353221	6.89	6294368	6.83
HUF	345	285319	0.31	285319	0.31
Foreign Portfolio Investor	2	23765	0.03	23765	0.03
Insurance Companies	15	515	0.00	0	0
Clearing Members	5	1365	0.0	1365	
KMP	2	125	0.0	125	0
Total	90718	92172140	100	91737438	99.53

n. Dematerialization of Shares and liquidity:

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with both NSDL and CDSL for the purpose. The ISIN number for the company's shares is INE666E01020. Shares representing 99.53% of the share capital were kept in dematerialized form as on 31st March, 2024 as detailed below:

In physical form		In Demat Form				Total	
Shares	%	With NSDL		With CDSL		Shares	%
		Shares	%	Shares	%		
434702	0.47	86660974	94.02	5076464	5.51	92172140	100.00

o. Details of outstanding GDR / ADR / Warrants or any other convertible instruments:

The company has not issued any GDR/ADR/Warrants or any other convertible instruments.

p. Plants Location:

Cement Plants:

1. Sri Durga Cements Works,
Sri Durgapuram, Srinagar Post
Dachepalli Mandal, Palnadu Dist, AP - 522414
2. Visaka Cement Works
Parlupalem Vilege, Durganagar Post
Visakhapatnam, AP – 530029

q. Address for investors related correspondence:

The Company Secretary
Andhra Cements Limited
Corporate Office: Plot No.111, Road No.10, Jubilee Hills
Hyderabad – 500033
Tel. 040 – 23351571
Email: gtrao@andhracements.com

r. Credit Rating and Details of Revision:

Rating Agency	Type of Instrument	Rating as on 31 st March, 2024	Rating as on 31 st March, 2023
India Ratings and Research Private Limited	Fund-based Working Capital Limits	IND BBB+ Stable	IND BBB+ Stable
	Non-Fund based Working Capital Limits	IND BBB+ Stable IND A2	IND BBB+ Stable IND A2
	Term Loan	IND BBB+ Stable	IND BBB+ Stable

11. Other disclosures

i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2023-24 as per the Ind AS 24 issued by Institute of Chartered Accountants of India (“the ICAI”) have been given in the Notes to Standalone Financial Statements for the year ended 31st March, 2024. These transactions were entered into by the company in its ordinary course of business and at an arm’s length basis. During the year 2023-24, there were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions wherever required.

ii. Statutory compliance, Penalties and Strictures:

There were no instances of non-compliance by the Company on any matter relating to capital market during the last three year or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period. Except in two occasions, penalties has been imposed by the stock exchanges in the year 2021-22 and later the penalties were waived after considering company's request for waiver.

iii. Establishment of Vigil mechanism, Whistle Blower Policy and affirmation:

The Company has adopted a 'Vigil Mechanism' and 'Whistle Blower Policy'. The said policy has been put up on the website of the Company. No personnel has been /will be denied access to the audit committee.

iv. Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:

(a) The Company had implemented all the mandatory requirements applicable to it under SEBI Listing Regulations. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations.

(b) The audited financial statements of the Company are unqualified.

(c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

v. The Policy on dealing with related party transactions and the policy for determining 'material' subsidiaries are available on the company's website <https://www.andhracements.com/AboutUs.html>

vi. Commodity Price risks and hedging activities

Commodity price risk is a financial risk on an entity's financial performance upon fluctuations in the prices of commodities that are beyond the control of the entity, since they are primarily driven by external market forces.

Any Sharp fluctuations in prices will create significant business challenges, impacting the profitability of the company.

Andhra Cements Limited has captive limestone mine which is one of the major raw materials to produce cement. Commodities like Iron ore, bauxite and laterite are utilized in the manufacturing process but they are not significant.

Further the price of fuels includes Coal and Pet Coke which are close to 26% of the cost of production, have a significant impact on the performance of the company since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials in advance to meet around six months of its

operational requirement, by optimizing the domestic and import sources through establishment of long term financial instruments.

Company's current exposures to the major commodities are given below:

Commodity Name	Exposure INR (Rs. in Crores)	Exposure in Qty in (MT)	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Pet Coke / Coal (Imported)	1.68	2707.52	100%	-	100%	-	100%
Pet Coke / Coal (Domestic)	10.19	9601.02	0%	-	0%	-	0%

vii. Utilization of funds raised through preferential allotment or qualified institutions placement:

During the financial year 2023-24, no funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of the SEBI Listing Regulations.

viii. Certificate from the Company Secretary in practice to the effect that none of the directors has been debarred or disqualified has been given in the annexure to this report.

ix. None of the recommendations made by any Committee at its meetings was rejected by the Board.

x. Fee paid to Statutory Auditors:

A total fee of Rs. 35 lakhs was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2023-24.

xi. Disclosure in relation to sexual harassment:

During the year 2023-24, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

xii. The company has not provided any loans and advances in the nature of loans to other firms / companies in which directors are interested other than to its subsidiary companies.

xiii. Details of material subsidiary as on 31st March, 2024

As on 31.03.2024, the Company did not have any subsidiary

xiv. Reconciliation of Share Capital Audit:

A firm of practicing Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. Their audit report confirms that the total issued / paid-up capital is in

agreement with the aggregate of the total number of shares in physical form and the total number of shares held in demat form with NSDL and CDSL.

- xv. The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company www.andhracements.com.

xvi. Code of Conduct

The members of the board and senior management personnel have affirmed their compliance during the year ended 31st March, 2024 with the Code applicable to them. A certificate by the Managing Director to this effect has been given in the annexure to this report.

12. The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras 2 to 10 of Part (C) of Schedule V of the SEBI Listing Regulation.
13. The following discretionary requirements have been adopted pursuant to Part E of Schedule II of SEBI Listing Regulations.
- (a) The financial statements of the company are with un-modified opinion.
 - (b) The Internal Auditors of the company are directly reporting to the Audit Committee.
 - (c) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
14. As on 31st March, 2024, the company was in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.
15. The compliance certificate from the Company Secretary in practice regarding compliance with conditions of corporate governance has been annexed to the Directors Report.
16. **The Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)**

Pursuant to Regulation 39 of the SEBI Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company. Based on their response, such shares have been transferred to “unclaimed suspense account” as per the provisions of Schedule VI of the SEBI Listing Regulations. The disclosure as required under Schedule V of the SEBI Listing Regulations is given below:

Disclosure with respect to unclaimed shares:

S.No.	Description	Shareholders	Shares
A	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	51	51
B	Number of shareholders who approached claiming shares against the above	0	0
C	Number of shareholders to whom shares were transferred against (a) above	0	0
D	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	51	51

The voting rights on the shares outstanding on these shares shall remain frozen till the rightful owner of such shares claims the shares.

17. Details of agreements that bind the company

During the financial year 2023-24, the Company has not entered into any agreement that binds the company.

INDEPENDENT AUDITOR'S REPORT

To

The Members of,
ANDHRA CEMENTS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Andhra Cements Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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 Responsibility 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 Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	Auditor's Response
1	<p>Revenue from Operations - Sales made to trade customers/dealers: (Refer Note 18 to the financial statements)</p> <p>Revenue from sale made to trade customers/dealers is recorded at the time of dispatch based on sales order raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/dealers are obtained on dispatch of goods.</p> <p>We have identified recognition of revenue as a Key Audit Matter as the volume of such sales orders which are in the form of oral/email requests received from the sales officers, basis which the sales orders are entered in the system, there is significant audit effort to ensure that revenue is recorded based on such sale orders and confirmed by customer's acknowledgement on dispatch.</p>	<p>Principle Audit Procedures Performed:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the Company's accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). • Obtained an understanding of the management's process and evaluated the design, implementation and operating effectiveness of the Company's key internal financial control over the revenue recognition process. We carried out combination of procedures involving inquiry and inspection of evidence in respect of operating effectiveness of these controls. • We understood the process and controls around sale order creation in the IT system of the Company and tested the general IT controls and manual controls over the Company's system which record the sales order in the system. • Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, transfer of control and receipt against the same. • Performed reconciliation of sales recorded with statutory records of the Company. • Compared the sales made to trade customers/dealers with historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, including Annexures, but does not include the financial statements and our auditor's report thereon.
- 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 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. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to financial statements 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 the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

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

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

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

Other Matter

The financial statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 06, 2023.

Our opinion on the financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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.
 - b) 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, except for matters stated in (i)(vi) below.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- i) 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 does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 44(v) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 44(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year

- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at database level and for certain master tables at the application level for accounting software to log any direct data changes.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 24213649BKCJFB5296)

Place: Hyderabad
Date: May 14, 2024

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **ANDHRA CEMENTS LIMITED** ("the Company") as at March 31, 2024 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

C Manish Muralidhar
(Partner)

Place: Hyderabad
Date: May 14, 2024

(Membership No. 213649)
(UDIN: 24213649BKCJFB5296)

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” section of our Report of even date.)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use of assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use of assets so as to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sales deed/transfer deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements and included in property, plant and equipment and capital work-in-progress, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans, guarantees etc., are held in the name of the Company based on the confirmations directly received by us from lenders/custodian.
- (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- (ii) (a) The inventories (except for goods-in-transit, which have been received subsequent to year-end), were physically verified during the year by the

Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at various points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2024.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, the Company has during the year applied the term loans to the extent unutilized by the Company in the previous year were, for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.

- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up-to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up-to December 2023 and the final of the internal audit reports were issued after the balance sheet date covering the period January 2024 to March 2024 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable
- (d) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable
- (xvii) The Company has incurred cash losses amounting to ₹ 6,518 Lakhs during the financial year covered by our audit and ₹ 3,629 Lakhs in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing

at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 24213649BKCJFB5296)

Place: Hyderabad
Date: May 14, 2024

ANDHRA CEMENTS LIMITED

CIN NO. L26942AP1936PLC002379

BALANCE SHEET AS AT MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

PARTICULARS	NOTE NO	As at	As at
		March 31, 2024	March 31, 2023
ASSETS			
Non-Current assets			
(a) Property, plant and equipment	2	81,465	73,818
(b) Capital work-in-progress	39	13	2,630
(c) Intangible assets	3	20	-
(d) Right of use assets	4	17	-
(e) Financial assets			
(i) Other financial assets	5	1,244	17
(f) Deferred tax assets (net)	27	10,721	6,592
(g) Other non-current assets	6	646	1,367
Total Non-current assets		94,126	84,424
Current assets			
(a) Inventories	7	5,919	517
(b) Financial assets			
(i) Trade receivables	8	3,851	-
(ii) Cash and cash equivalents	9	1,071	4,370
(iii) Bank balances other than cash and cash equivalents	10	1,625	926
(iv) Other financial assets	5	250	7
(c) Current tax assets (net)	27	56	5
(d) Other current assets	6	931	632
Total Current assets		13,703	6,457
Asset held for sale	2	137	-
TOTAL ASSETS		1,07,966	90,881
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	9,217	9,217
(b) Other equity	12	20,464	26,307
Total Equity		29,681	35,524
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13A	63,652	52,491
(ii) Other financial liabilities	14	530	-
(b) Provisions	15	186	159
(c) Other non-current liabilities	17	385	-
Total Non-current liabilities		64,753	52,650
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13B	3,867	-
(ia) Lease liabilities	34	17	-
(ii) Trade payables	16		
(a) Total outstanding dues of micro enterprises and small enterprises		4,126	5
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,339	285
(iii) Other financial liabilities	14	935	2,190
(b) Provisions	15	37	68
(c) Other current liabilities	17	1,211	159
Total Current liabilities		13,532	2,707
Total Liabilities		78,285	55,357
TOTAL EQUITY AND LIABILITIES		1,07,966	90,881
The accompanying notes are an integral part of the financial statements.	1		

In terms of our report attached

For Debitte Haskins & Sells
Chartered Accountants
Firm Registration No: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

Place : Hyderabad
Date : May 14, 2024

For and on behalf of the Board of Directors of
Andhra Cements Limited

Dr. S Anand Reddy
Managing Director
DIN: 00123870

G. Tirupati Rao
Company Secretary
M. No. F2818

S Sreekanth Reddy
Director
DIN: 00123889

K Prasad
Chief Financial officer

ANDHRA CEMENTS LIMITED

CIN NO.L26942AP1936PLC002379

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

PARTICULARS	NOTE NO	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
I Revenue from Operations	18	26,811	-
II Other Income	19	851	48
III Total Income (I+II)		27,662	48
IV Expenses:			
(a) Cost of materials consumed	20	4,248	-
(b) Changes in inventories of finished goods and work-in-progress	21	(1,924)	33
(c) Employee benefits expense	22	1,326	744
(d) Finance costs	23	7,054	1,567
(e) Depreciation and amortisation expense	24	5,641	4,679
(f) Power and fuel expense		14,982	105
(g) Freight and forwarding expense		4,478	-
(h) Other expenses	25	4,025	1,713
Total Expenses		39,830	8,841
V Loss before exceptional items and tax (III - IV)		(12,168)	(8,793)
VI Exceptional Items	26	(1,479)	(97,163)
VII (Loss)/ profit before tax (V - VI)		(10,689)	88,370
VIII Tax Expense:			
(a) Current tax	27	-	-
(b) Deferred tax	27	(4,128)	(6,592)
Total Tax expense		(4,128)	(6,592)
IX (Loss)/ profit after tax (VII - VIII)		(6,561)	94,962
X Other comprehensive loss			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain on defined benefits plan	31	(2)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	27	1	-
Other comprehensive loss for the year, net of tax		(1)	-
XI Total Comprehensive Income (IX+X)		(6,562)	94,962
XII Earnings per equity share (Face value of ₹ 10 each fully paid (March 31, 2023: ₹ 10 each fully paid))			
Basic and Diluted	35	(7.12)	34.82
The accompanying notes are an integral part of the financial statements.	1		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No: 008072S

C Manish Muralidhar

Partner

Membership No: 213649

For and on behalf of the Board of Directors of

Andhra Cements Limited

Dr. S Anand Reddy

Managing Director

DIN: 00123870

S Sreekanth Reddy

Director

DIN: 00123889

G. Tirupati Rao

Company Secretary

M. No. F2818

K Prasad

Chief Financial officer

Place : Hyderabad

Date : May 14, 2024

Place : Hyderabad

Date : May 14, 2024

ANDHRA CEMENTS LIMITED

CIN NO.L26942AP1936PLC002379

Statement of Cash Flows for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

PARTICULARS	For the Year Ended March 31, 2024		For the Year Ended March 31, 2023	
A Cash flow from operating activities				
(Loss)/ profit before tax		(10,689)		88,370
Adjustments for				
Depreciation and amortisation expense	5,641		4,679	
Finance costs	7,054		1,567	
Impairment (reversal)/ losses on property, plant and equipment (net)	(1,479)		4,709	
Exceptional income (Refer note 26)	-		(1,01,872)	
Interest income	(99)		(47)	
Liabilities no longer required written back	(1)		-	
Unrealised gain on foreign currency transactions and translation	(4)		-	
(Profit)/ loss on sale of property, plant and equipment (net)	(751)		55	
Obsolete inventory written off	-	10,361	207	(90,702)
Operating loss before working capital changes		(328)		(2,332)
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(3,851)		5	
Inventories	(5,402)		58	
Other financial assets	(895)		(7)	
Other assets	(331)	(10,479)	(774)	(718)
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	7,180		3,628	
Other financial liabilities	(40)		(674)	
Provisions	(6)		-	
Other liabilities	1,052	8,186	-	2,954
Cash used in operating activities		(2,621)		(96)
Less: Income tax paid		(51)		(5)
Net cash used in operating activities		(2,672)		(101)
B Cash flow from investing activities				
Capital expenditure on property, plant and equipment including capital advances	(11,396)		(2,733)	
Deposits not considered as cash and cash equivalents				
- Placed	(700)		(827)	
- Matured	-		-	
Proceeds from sale of property, plant and equipment	2,403		-	
Interest received	98		47	
Net cash used in investing activities		(9,595)		(3,513)
C Cash flow from financing activities				
Proceeds from allotment of equity shares	-		32,223	
Proceeds from non-current borrowings	8,963		50,080	
Proceeds of loan from related party	4,000		-	
Repayment of non-current borrowings	(2)		-	
Proceeds from current borrowings (net)	2,067		(36,159)	
Repayment of lease liabilities	(16)		-	
Interest paid	(6,044)		(38,161)	
Net cash generated from financing activities		8,968		7,983
Net (decrease)/ Increase in cash and cash equivalents (A+B+C)		(3,299)		4,369
Cash and cash equivalents at the beginning of the year		4,370		1
Cash and cash equivalents at the end of the year (Refer note 9)		1,071		4,370
Note:				
Cash and cash equivalents comprises of:				
Cash in hand		1		-
Balances with banks		70		370
Deposits with banks		1,000		4,000
Cash and cash equivalents (Refer note 9)		1,071		4,370

ANDHRA CEMENTS LIMITED

CIN NO.L26942AP1936PLC002379

Statement of Cash Flows for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2023	Cash flow changes		Non-cash flow changes		As at March 31, 2024
		Proceeds	Repayment changes	Fair value	Other adjustments	
Non-current borrowings (including current maturities of non-current borrowings)	50,491	8,963	(2)	-	-	59,452
Loan from related party and others	2,000	4,000	-	-	-	6,000
Current borrowings	-	2,067	-	-	-	2,067
Total liabilities from financing activities	52,491	15,030	(2)	-	-	67,519

Particulars	As at April 01, 2022	Cash flow changes		Non-cash flow changes		As at March 31, 2023
		Proceeds	Repayment changes	Fair value	Other adjustments (Refer Note 26)	
Non-current borrowings (including current maturities of non-current borrowings)	87,925	50,080	(30,946)	-	(56,568)	50,491
Loan from related party and others	3,894	-	-	-	(1,894)	2,000
Current borrowings	5,213	-	(5,213)	-	-	-
Total liabilities from financing activities	97,032	50,080	(36,159)	-	(58,462)	52,491

Reconciliation of lease liability:

Particulars	As at April 01, 2023	Additions	Finance cost accrued during the year	Payment of lease liabilities	Other adjustments	As at March 31, 2024
Lease liabilities	-	31	2	(16)	-	17

Particulars	As at April 01, 2022	Additions	Finance cost accrued during the year	Payment of lease liabilities	Other adjustments	As at March 31, 2023
Lease liabilities	-	-	-	-	-	-

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

For and on behalf of the Board of Directors of
Andhra Cements Limited

Dr. S Anand Reddy
Managing Director
DIN: 00123870

S Sreekanth Reddy
Director
DIN: 00123889

G. Tirupati Rao
Company Secretary
M. No. F2818

K Prasad
Chief Financial officer

Place : Hyderabad
Date : May 14, 2024

Place : Hyderabad
Date : May 14, 2024

ANDHRA CEMENTS LIMITED

CIN NO.L26942AP1936PLC002379

Statement of Changes in Equity for the year ended March 31, 2024

A Equity Share Capital

All amounts are in ₹ Lakhs unless otherwise stated

PARTICULARS	Amount
Balance as at March 31, 2022	29,352
Reduction during the year (Refer note 36)	(28,891)
Shares issued during the year (Refer note 36)	8,756
Balance as at March 31, 2023	9,217
Changes in equity share capital during the year	-
Balance as at March 31, 2024	9,217

B Other Equity

Particulars	Reserves and Surplus						Other items of other comprehensive Income	Total other equity
	Capital Reserve	Capital Redemption Reserve	Equity component of financial instrument	Securities premium	Deemed investment in equity	Retained earnings		
Balance as at March 31, 2022	10	2	1,081	9,054	-	(1,30,944)	(216)	(1,21,013)
Profit for the year	-	-	-	-	-	94,962	-	94,962
Transfer from equity component of financial instrument	1,081	-	(1,081)	-	-	-	-	-
Transfer from securities premium	9,032	-	-	(9,032)	-	-	-	-
Premium on issue of equity shares (Refer note 36(vii))	-	-	-	23,467	-	-	-	23,467
Transfer to Retained earnings	-	-	-	-	-	(216)	216	-
Capital Reduction (Refer note 36(vii))	28,891	-	-	-	-	-	-	28,891
Balance as at March 31, 2023	39,014	2	-	23,489	-	(36,198)	-	26,307
Loss for the year	-	-	-	-	-	(6,561)	-	(6,561)
Other comprehensive income for the year (net of tax ₹ 1)	-	-	-	-	-	-	(1)	(1)
Deemed investment in equity (Refer note 37)	-	-	-	-	719	-	-	719
Balance as at March 31, 2024	39,014	2	-	23,489	719	(42,759)	(1)	20,464

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

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

For and on behalf of the Board of Directors of
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ANDHRA CEMENTS LIMITED

CIN NO.L26942AP1936PLC002379

Notes to financial statements

1. Corporate information and material accounting policies

a) Corporate Information:

Andhra Cements Limited (“the Company”) was incorporated under the Companies Act, 1956 as a public limited company on December 09, 1936. The Company is engaged in the business of manufacture and sale of cement. The Company has its registered office at Dachepalli, Palnadu district, Andhra Pradesh and Corporate office at Hyderabad, Telangana. Its shares are listed on The National Stock Exchange (NSE) of India Limited and the BSE Limited (BSE).

The financial statements of the Company for the year ended March 31, 2023 were audited by M/s Dass Gupta & Associates, Chartered Accountants, the predecessor auditor.

b) Material accounting policies

i) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as ‘Ind AS’) prescribed under section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India (SEBI). The Company has consistently applied accounting policies to all periods.

ii) Basis of preparation and presentation

This financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, net realisable value in Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

iii) **Functional and Presentation currency**

These 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.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

iv) **Use of estimates and Judgements**

In the application of the accounting policies, which are described in Note 1(b), the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and the associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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. The significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- **Useful lives of property, plant and equipment and amortisation of intangible assets**

Depreciation on plant and machinery, railway siding, mining rights and land restoration is calculated on a straight-line basis and property, plant and equipment other than stated above is calculated on a diminishing balance method using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment as estimated by the management. Amortisation of intangible assets is calculated on diminishing balance method considering the useful life estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

- **Defined benefit plans**

The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions relating to discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

- **Recognition of deferred tax assets and liabilities**

Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax losses for which there is probability of utilization against the future

taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.

- **Fair value measurement of Financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Provisions and contingencies**

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

- **Leases**

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Inventories**

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.

- **Expected credit losses**

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

- **Mining rights**

The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

A cash generating unit to which mining right has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any mining rights allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

- v) **Revenue recognition:**

The Company derives revenue from the sale of cement and recognizes when it transfers control over the goods to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from service contracts with customers is recognized when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

- Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

- vi) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

vii) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in statement of profit and loss when the plan amendment or curtailment occurs. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense.

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method. Compensated absences expected to be maturing after 12 months from the date of balance sheet are classified as non-current.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

viii) Taxation

Income tax expense represents the sum of current tax and deferred 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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of the goodwill.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Minimum alternate tax

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

ix) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Freehold land is not depreciated.

Capital work-in-progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such Capital works in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery, railway siding is charged under straight line method and on other assets depreciation is charged under diminishing balance method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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.

Class of asset	Useful lives
Buildings	5 – 60 years
Plant and machinery	
- Power plant	30 – 40 years
- Other than power plant	5 – 30 years
Furniture and Fixtures	3 – 10 years
Office equipment	10 years
Vehicles	5 – 10 years
Railway siding	25 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company follows the process of componentization for property, plant and equipment. Accordingly, the Company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from that class of assets / components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

Individual assets costing less than or equal to ₹ 5,000 are depreciated in full in the year of acquisition.

Land-Restoration:

The Company provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows. The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss.

x) Intangible assets and amortisation

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a diminishing balance method over their estimated useful lives for software and mining rights is charged under straight line method over the period of the respective mining agreement. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

xi) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Work-in-progress and finished goods include appropriate proportion of overheads.

The methods of determining cost of various categories of inventories are as follows:

Type of Inventory	Method
Raw materials and coal	Weighted average method
Stores and spares and packing materials	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average method and including an appropriate share of applicable overheads.

xii) Cash and cash equivalents (for purposes of Cash Flow Statement)

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

Cash flows are reported using indirect method whereby profit/ (loss) before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xiii) Foreign currency transactions and translations:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

xiv) Financial Instruments:

(A) Initial recognition:

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

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 and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognized immediately in profit and loss.

(B) Subsequent measurement:

Non-derivative Financial Instruments:

- a. **Financial assets carried at amortized cost:** A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset 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.

- b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Company has made an irrevocable election for its investments which are classified as equity instruments.
- c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.
- d. **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the “other income” line item.

(C) De-recognition of financial assets and liabilities:

a. Financial assets:

The Company derecognizes 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 retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition 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 recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

b. Financial liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 37 – Provisions, contingent liabilities and contingent assets.

xv) Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not hold derivative financial instruments for speculative purposes.

xvi) Impairment of assets

a. Financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit and loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

b. Non-financial assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount

that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

xvii) Earnings per share

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

xviii) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also 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. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

xix) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments.

xx) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

xxi) Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

xxii) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2024.

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All amounts are in ₹ Lakhs unless otherwise stated

2 Property, plant and equipment

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Land - freehold	811	699
Land restoration	309	-
Buildings	9,706	5,340
Plant and machinery	66,661	65,218
Furniture and fittings	59	1
Office and other equipment	276	22
Electrical installations	3,373	2,526
Computers	33	7
Railway Siding	-	-
Vehicles	237	5
Total	81,465	73,818

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Notes to Financial Statements

For the year 2023-24

All amounts are in ₹ Lakhs unless otherwise stated

Description of Assets	Land - Freehold	Land- Restoration	Buildings	Plant and Machinery	Furniture and Fittings	Office and other Equipment	Electrical installations	Computers	Railway Siding	Vehicles	Total
I. Gross block											
Opening Balance	699	-	10,571	1,15,675	15	383	7,212	57	183	124	1,34,919
Add: Additions	112	350	5,291	5,739	68	367	1,376	43	-	237	13,583
Less: Disposals/ adjustments	-	-	-	4,195	-	358	-	-	-	10	4,563
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	990	-	-	-	-	-	-	990
Balance as at March 31, 2024	811	350	15,862	1,16,229	83	392	8,588	100	183	351	1,42,949
II. Accumulated depreciation and impairment											
Opening Balance	-	-	5,231	50,457	14	361	4,686	50	183	119	61,101
Add: Depreciation expense	-	41	925	4,072	10	27	529	17	-	5	5,626
Less: Eliminated on disposal of assets	-	-	-	2,629	-	272	-	-	-	10	2,911
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	853	-	-	-	-	-	-	853
Less: Reversal of impairment (Refer note 26)	-	-	-	1,479	-	-	-	-	-	-	1,479
Balance as at March 31, 2024	-	41	6,156	49,568	24	116	5,215	67	183	114	61,484
Net block (I-II)											
Carrying value as at March 31, 2024	811	309	9,706	66,661	59	276	3,373	33	-	237	81,465
Carrying Value as at March 31, 2023	699	-	5,340	65,218	1	22	2,526	7	-	5	73,818

For the year 2022-23

All amounts are in ₹ Lakhs unless otherwise stated

Description of Assets	Land - Freehold	Land-Restoration	Buildings	Plant and Machinery	Furniture and Fittings	Office and other Equipment	Electrical installations	Computers	Railway Siding	Vehicles	Total
I. Gross block											
Opening Balance	649	-	10,571	1,15,698	439	668	7,161	57	183	236	1,35,662
Add: Additions	50	-	-	-	-	-	53	-	-	-	103
Less: Disposals	-	-	-	23	424	285	2	-	-	112	846
Balance as at March 31, 2023	699	-	10,571	1,15,675	15	383	7,212	57	183	124	1,34,919
II. Accumulated depreciation and impairment											
Opening Balance	-	-	3,843	42,820	419	624	4,366	47	174	212	52,505
Add: Depreciation expense	-	-	295	4,148	1	2	229	2	-	2	4,679
Less: Eliminated on disposal of assets	-	-	-	18	406	271	2	-	-	95	792
Add: Impairment losses recognised in profit or loss (Refer note 4 below)	-	-	1,093	3,507	-	6	93	1	9	-	4,709
Balance as at March 31, 2023	-	-	5,231	50,457	14	361	4,686	50	183	119	61,101
Net block (I-II)											
Carrying Value as at March 31, 2023	699	-	5,340	65,218	1	22	2,526	7	-	5	73,818
Carrying Value as at March 31, 2022	649	-	6,728	72,878	20	44	2,795	10	9	24	83,157

1. Pledge on property, plant and equipment:

- i. Property, plant and equipment with a carrying amount of ₹ 81,465 (March 31, 2023: ₹ 73,818) are subject to a pari-passu first charge on the Company's term loans. Refer note 13.
2. The title deeds of all immovable properties are held in the name of the Company. The Company has not revalued its Property, plant and equipment during the year ended March 31, 2024 and March 31, 2023.
3. Asset held for sale represents Cement Mill I and Cement Mill II along with its auxiliary equipments. These assets are classified as asset held for sale based on sale agreement executed by the Company, pending clearance of the above-mentioned assets from site by the identified buyer. Asset held for sale is classified at lower of cost and fair value less cost to sell.
4. The Company in accordance with the Ind AS-36 on "Impairment of Assets" carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS. On the basis of review carried out by the management, an amount of ₹ 4,709 has been provided on property, plant and equipment during the year ended March 31, 2023.

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	Particulars	As at March 31, 2024	As at March 31, 2023
3	Intangible assets		
	Computer software	20	-
	Total	20	-
	Computer Software:		
	I. Gross block		
	Opening Balance	-	-
	Additions	21	-
	Closing Balance	21	-
	II. Accumulated amortisation		
	Opening Balance	-	-
	Amortisation expense	1	-
	Closing Balance	1	-
	Net block (I-II)		
	Carrying Value	20	-
	Note: The Company has not revalued its intangible assets.		
4	Right of use assets		
	Buildings	17	-
	Total	17	-
	Buildings:		
	I. Gross block		
	Opening Balance	-	-
	Add: Additions	31	-
	Less: Deletion	-	-
	Closing Balance	31	-
	II. Accumulated depreciation		
	Opening Balance	-	-
	Add: Depreciation expense	14	-
	Closing Balance	14	-
	Net block (I-II)		
	Carrying Value	17	-
	Note: Refer note 34 on operating lease.		

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Particulars	As at March 31, 2024	As at March 31, 2023
5 Other financial assets		
(Unsecured, considered good)		
<u>Non-current</u>		
Security deposits	780	4
Balance held as margin money deposit against borrowings (Refer note below)	14	13
Financial benefit due to guarantee by Holding company	450	-
Total	1,244	17
<u>Current</u>		
Security deposits	115	-
Advances to employees	4	-
Interest accrued but not due	8	7
Financial benefit due to guarantee by Holding company	123	-
Total	250	7
Total other financial assets	1,494	24
Note: Held as securities or earmarked for issue of bank guarantees/ letter of credit/ margin money.		
6 Other assets (Unsecured, considered good)		
<u>Non-current</u>		
Capital advances (Refer note 33)	541	1,294
Prepaid expenses	105	73
Balances with government authorities		
Unsecured, considered good	-	-
Considered doubtful	179	179
Less: Provision for doubtful deposits	(179)	(179)
	-	-
Total	646	1,367
<u>Current</u>		
Advances to suppliers and service providers	657	31
Prepaid expenses	127	44
Balances with government authorities	147	557
Total	931	632
Total other assets	1,577	1,999

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Particulars	As at March 31, 2024	As at March 31, 2023
7 Inventories (at lower of cost and net realisable value)		
Raw materials	173	53
Coal	1,187	52
Work-in-progress	1,920	271
Stores and spares	1,525	923
Packing materials	51	-
Finished goods	275	-
Less: Provision for obsolete stores/ diminution in value of stocks	(225)	(782)
Total (A)	4,906	517
Goods-in-transit:		
Raw materials	3	-
Coal	1,010	-
Total (B)	1,013	-
Total inventories (A+B)	5,919	517
Note: Refer note 1 (b)(xi) for basis of valuation of inventory and refer note 13A and 13B for details of inventory pledged.		
8 Trade Receivables		
Trade receivables considered good - Secured	249	-
Trade receivables considered good - Unsecured	3,602	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Sub-total	3,851	-
Less: Provision for impairment	-	-
Total trade receivables	3,851	-

Notes:

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are pledged against borrowings of the Company (Refer note 13A and 13B).

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The ageing of the receivables is as follows:

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All amounts are in ₹ Lakhs unless otherwise stated

FY 2023-24:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	2,445	1,398	8	-	-	-	3,851
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables							
- credit impaired	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
TOTAL	2,445	1,398	8	-	-	-	3,851

FY 2022-23:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables							
- credit impaired	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

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All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
Movement in expected credit loss allowance				
Balance at the beginning of the year	-	1,147		
Less: Expected credit loss allowance	-	-		
Less: Trade receivables written off during the year	-	(1,147)		
Balance at the end of the year	-	-		
Particulars	As at March 31, 2024	As at March 31, 2023		
9. Cash and cash equivalents				
Cash in hand	1	-		
Balances with banks	70	370		
Deposits with banks	1,000	4,000		
Total Cash and cash equivalents	1,071	4,370		
10. Other bank balances				
Margin money deposits (Refer note below)	1,625	926		
Total other bank balances	1,625	926		
Note: Margin money deposits with banks are against bank guarantees and borrowings.				
Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
11. Equity share capital				
Authorised:				
Equity shares of ₹10 each (March 31, 2023: Equity Shares of ₹ 10 each)	40,00,00,000	40,000	40,00,00,000	40,000
Preference share capital				
Authorised:				
Preference shares of ₹100 each (March 31, 2023: Preference Shares of ₹100 each)	1,00,00,000	10,000	1,00,00,000	10,000
Issued, subscribed and fully paid:				
Equity shares ₹10 each (March 31, 2023: Equity Shares of ₹ 10 each)	9,21,72,140	9,217	9,21,72,140	9,217
Notes:				
(a) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:				
Opening Balance	9,21,72,140	9,217	29,35,20,492	29,352
Reduction during the Year (Refer note 36)	-	-	(28,89,11,885)	(28,891)
Shares issued during the year (Refer note 36)	-	-	8,75,63,533	8,756
Closing Balance	9,21,72,140	9,217	9,21,72,140	9,217

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All amounts are in ₹ Lakhs unless otherwise stated

(b) Rights, preferences and restrictions attached to the equity shares:						
<p>The Company has only one class of equity shares having a par value of ₹ 10 each per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>						
Name of the shareholder	As at March 31, 2024			As at March 31, 2023		
	No. of shares	% of holding		No. of shares	% of holding	
(c) Details of shares held by the Holding Company:						
Sagar Cements Limited						
	8,29,54,926	90.00%		8,75,63,533	95.00%	
(d) Details of equity shareholders holding more than 5% shares in the Company:						
Sagar Cements Limited						
	8,29,54,926	90.00%		8,75,63,533	95.00%	
Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
(e) Details of shares held by the promoters in the Company and change during the year:						
Sagar Cements Limited						
	8,29,54,926	90.00%	-5.00%	8,75,63,533	95.00%	100.00%
(f) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.						
Particulars	As at March 31, 2024			As at March 31, 2023		
12. Other equity						
Deemed investment in equity	719			-		
Securities premium	23,489			23,489		
Capital redemption reserve	2			2		
Capital reserve	39,014			39,014		
Retained earnings	(42,759)			(36,198)		
Equity component of financial instrument	-			-		
Other items of other comprehensive income	(1)			-		
Total other equity	20,464			26,307		

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Notes to Financial Statements

Movement in other equity is as follows:

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Deemed investment in equity (Refer Note 37)	719	-
(b) Securities premium		
(i) Opening balance	23,489	9,054
(ii) Premium on issue of equity shares (Refer note 36(vii))	-	23,467
(iii) Transfer to capital reserve (Refer note 36(vii))	-	(9,032)
	23,489	23,489
(c) Capital redemption reserve	2	2
(d) Capital reserve		
(i) Opening balance	39,014	10
(ii) Transfer from equity component of financial instrument	-	1,081
(iii) Transfer from securities premium (Refer note 36(vii))	-	9,032
(iv) Capital reduction (Refer note 36(vii))	-	28,891
	39,014	39,014
(e) Retained earnings		
(i) Opening balance	(36,198)	(1,30,944)
(ii) (Loss)/ profit for the year	(6,561)	94,962
(iii) Transfer from other comprehensive income	-	(216)
	(42,759)	(36,198)
(f) Equity component of financial instrument		
(i) Opening balance	-	1,081
(ii) Transfer to capital reserve	-	(1,081)
	-	-
(g) Other items of other comprehensive income		
(i) Opening balance	-	(216)
(ii) Other comprehensive loss for the year	(1)	-
(iii) Transfer to Retained earnings	-	216
	(1)	-
Total	20,464	26,307

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Movement in other equity is as follows:

Nature of reserves:

(a) Deemed investment in equity

Deemed investment in equity represents the gain on account of corporate guarantee given by Sagar Cements Limited (Holding Company).

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the Section 52 of the Companies Act, 2013.

(c) 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.

(d) Capital reserve

Capital reserve created with respect to cancellation of equity shares and written off of debt as per the resolution plan.

(e) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(f) Equity component of financial instrument

Equity component of financial instrument was created for the unsecured loan from the Erstwhile Holding Company ("Mahabhadra Constructions Limited").

(g) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

	Particulars	As at March 31, 2024	As at March 31, 2023
13A	Non current borrowings* (Secured, at amortised cost)		
	Term loans (Refer note below)	57,652	50,491
	Loan from related parties	6,000	2,000
	Total non-current borrowings	63,652	52,491

*Current maturities of non-current borrowings have been disclosed under the head "Current borrowings".

Notes:

As at March 31 ,2024:

Bank	Loan outstanding	Terms of repayment	Rate of interest
State Bank of India (Refer note 1 below)	59,452	39 quarterly instalments	9.75%
Less: Current maturities of non-current borrowings	(1,800)		
Total	57,652		

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As at March 31, 2023:			
Bank	Loan outstanding	Terms of repayment	Rate of interest
State Bank of India (Refer note 1 below)	50,491	39 quarterly instalments	9.60%
Less: Current maturities of non-current borrowings	-		
Total	50,491		

Notes:

- This term loan is secured by first pari-passu charge on on all the immovable fixed assets (present & future) and all the movable fixed assets (present and future) by way of Equitable mortgage, and first charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project documents, and lease holding rights on mining lands and first charge on all the insurance contracts/ insurance proceeds of fixed assets and pledged 2,18,90,883 equity shares of the Company in favour of Axis Trustee Services Limited and corporate guarantee of Sagar Cements Limited.
- The Company has used the borrowings for the purposes for which it was taken.

Particulars	As at March 31, 2024	As at March 31, 2023
13B Current borrowings (Secured, amortised at cost)		
Cash credit facilities (Refer note below)	2,067	-
Current maturities of non-current borrowings	1,800	-
Total current borrowings	3,867	-

Notes:

- The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.25% p.a. to 9.35% p.a. (2022-23: Nil).
- The Company has used the borrowings for the purposes for which it was taken.
- The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

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	Particulars	As at March 31, 2024	As at March 31, 2023
14	Other financial liabilities		
	Non-current		
	Security deposits received	530	-
	Total	530	-
	Current		
	Interest accrued but not due on borrowings (Refer note below)	845	18
	Payables on purchase of property, plant and equipment	90	1,602
	Other liabilities	-	570
	Total	935	2,190
	Total other financial liabilities	1,465	2,190
	Note: Includes ₹ 214 (March 31, 2023: ₹ 15) interest accrued but not due on unsecured loan taken from related party (Refer note 33).		
15	Provisions		
	Gratuity (Refer note 31)	164	184
	Compensated absences (Refer note 31)	59	43
	Total provisions	223	227
	Non-current		
	Gratuity	141	131
	Compensated absences	45	28
	Total	186	159
	Current		
	Gratuity	23	53
	Compensated absences	14	15
	Total	37	68
16	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 29)	4,126	5
	Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	3,339	285
	Total trade payables	7,465	290
	Note: Includes ₹ 195 (March 31, 2023: ₹ Nil) payable to related party (Refer note 33).		

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Trade payables ageing schedule for the year ended March 31, 2024 and March 31, 2023:

FY 2023-24:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,399	2,727	-	-	-	4,126
(ii) Others	2,920	286	12	79	42	3,339
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,319	3,013	12	79	42	7,465

FY 2022-23:

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	5	-	-	-	5
(ii) Others	-	91	115	46	33	285
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	96	115	46	33	290

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Particulars	As at March 31, 2024	As at March 31, 2023
Other liabilities		
<u>Non-current</u>		
Liability for land restoration	385	-
Total	385	-
<u>Current</u>		
Advance from customers	367	-
Statutory remittances	844	159
Total	1,211	159
Total other liabilities	1,596	159

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Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
18 Revenue from Operations		
Revenue from sale of cement and clinker (Refer note 38)	26,558	-
Other operating income		
- Sale of scrap	242	-
- Sale of coal	4	-
- Insurance claims received	3	-
- Miscellaneous income	4	-
Total revenue from operations	26,811	-
19 Other income		
Interest Income on financial assets at amortized cost	99	47
Profit on sale of plant & equipment	751	-
Liabilities no longer required written back	1	1
Total other income	851	48
20 Cost of materials consumed		
Opening stock	53	53
Add: Purchases	4,368	-
Less: Closing stock	173	53
Total cost of materials consumed	4,248	-
Details of materials consumed:		
Limestone	1,812	-
Laterite	812	-
Gypsum	472	-
Fly ash	752	-
Clinker purchased	783	-
Others	(217)	-
Less: Captive consumption of cement	(166)	-
Total	4,248	-
21 Changes in inventories of finished goods and work-in-progress		
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	-
Work-in-progress	271	304
	271	304
<u>Inventories at the end of the year:</u>		
Finished goods	275	-
Work-in-progress	1,920	271
	2,195	271
Net (increase)/ decrease	(1,924)	33

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Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
22 Employee benefits expense		
Salaries and wages, including bonus	1,106	698
Contribution to provident and other funds (Refer note 31)	105	34
Staff welfare expenses	115	12
Total employee benefits expense	1,326	744
23 Finance cost		
Interest expense	5,896	1,523
Interest on lease liability	2	-
Other borrowing cost	1,156	44
Total finance cost	7,054	1,567
24 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer note 2)	5,626	4,679
Depreciation on right of use assets (Refer note 4 and 34)	14	-
Amortisation of intangible assets (Refer note 3)	1	-
Total depreciation and amortisation	5,641	4,679
25 Other expenses		
Packing materials consumed	730	-
Stores and spares consumed	629	16
Repairs and maintenance		
Plant & equipment	784	6
Buildings	4	-
Others	288	3
Selling expenses	221	3
Rent	23	11
Insurance	121	83
Rates and taxes	182	122
Payment to auditors (Refer note(i) below)	35	13
Travelling and conveyance	60	5
Security services	179	177
Donations and contributions	5	-
Legal and other professional charges	554	773
Administrative expenses	78	41
Printing and stationery	24	-
Communication	13	4
Net Loss on foreign currency transactions and translation	8	-
Directors sitting fees	23	3
Loss on sale of plant and equipments	-	55

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Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Provision for doubtful deposits	-	179
Obsolete inventory written off	-	207
Advances written off	-	9
Miscellaneous expenses	64	3
Total other expenses	4,025	1,713
Note(i):		
Payment to Auditors (net of taxes) comprises:		
For audit	25	10
For limited reviews	9	3
For other services	1	-
Total	35	13
26 Exceptional items		
Extinguishment of dues towards Secured financial creditors	-	(58,462)
Liabilities of Capital Goods extinguishment	-	(8,120)
Statutory Remittances written back	-	(1,972)
Other Current and Non Current liabilities written back	-	(34,318)
Reversal of provision for impairment on property, plant & equipment (Refer note below)	(1,479)	-
Total Income	(1,479)	(1,02,872)
Other Current and Non Current assets written off	-	1,000
Provision for impairment on property, plant & equipment	-	4,709
Total Expense	-	5,709
Total exceptional items	(1,479)	(97,163)
Note: Represents impairment reversal recorded based on remeasurement of certain assets at fair value as per the agreement entered by the Company		
27 Income tax expense		
(a) Income tax recognized in the statement of profit and loss		
Current tax:		
In respect of the current year	-	-
Total current tax	-	-
Deferred tax		
In respect of current year origination and reversal of temporary differences	(4,128)	(6,592)
Total deferred tax	(4,128)	(6,592)
Total tax expense	(4,128)	(6,592)

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Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023		
(b) Reconciliation of effective tax rate:				
Loss before tax (A)	(10,689)	88,370		
Enacted tax rates in India (B)	34.94%	34.94%		
Expected tax expense (C = A*B)	(3,735)	30,876		
Permanent difference				
Effect on Income disallowed under Income Tax Act, 1961	(495)	(37,547)		
Effect on expenses disallowed under Income Tax Act, 1961	102	79		
Reversal of deferred tax on Property, plant and equipment	-	-		
Others	-	-		
Total	(393)	(37,468)		
At the effective income tax rate	(4,128)	(6,592)		
Total tax expense	(4,128)	(6,592)		
(c) Movement in deferred tax assets and liabilities for the year 2023-24:				
Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	(Recognized) / Reversed through other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(15,368)	(490)	-	(15,858)
Provision for employee benefits	79	-	1	80
Expected credit loss allowance	-	-	-	-
Others	(190)	27	-	(163)
"Carry forward of unabsorbed depreciation and "business losses"	22,071	4,591	-	26,662
Total Deferred tax liability (Net)	6,592	4,128	1	10,721
Movement in deferred tax assets and liabilities for the year 2022-23:				
Property, plant and equipment and intangible assets	(16,766)	1,398	-	(15,368)
Provision for employee benefits	-	79	-	79
Expected credit loss allowance	890	(890)	-	-
Others	14,191	(14,381)	-	(190)
"Carry forward of unabsorbed depreciation and "business losses"	1,685	20,386	-	22,071
Total Deferred tax liability (Net)	-	6,592	-	6,592

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Particulars	As at March 31, 2024	As at March 31, 2023
(d) Income tax assets and liabilities		
Income tax assets (Net of provision of ₹ Nil (March 31, 2023: ₹ Nil))	56	5
Income tax liabilities (Net of advance tax of ₹ Nil (March 31, 2023: ₹ Nil))	-	-
Net Income tax assets	56	5

28. Contingent liabilities, capital and other commitments

- a) **Contingent Liabilities:** Claims / Debts against the Company upto the closing date which are addressed under the NCLT approved resolution plan are not included in contingent liabilities though many of such claims / debts may be pending for disposal at various judicial forums. As per clause 3.3.13 of the aforesaid resolution plan, these liabilities stands extinguished. Accordingly, the management has assessed that the possibility of outflow of resources embodying economic benefits with respect to such claims / debts is remote.

All direct and indirect tax liabilities relating to assessments of earlier year upto the closing date stand extinguished as per the NCLT approved resolution plan. Further, the implementation of the resolution plan does not have any effect over claims or receivables owed to the Company. Accordingly, the Company has assessed that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies continues to subsist.

The Company has no contingent liabilities as at March 31, 2024 and as at March 31, 2023.

- b) **Capital and other commitments:**

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	39,200	4,247

29. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	4,188	5

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The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	62	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

30. Financial Instruments:

The material accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xiv) to the financial statements.

A. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Note 13A & 13B offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Description	As at March 31, 2024	As at March 31, 2023
Debt (Refer Note below)	67,519	52,491
Cash and cash equivalents and Other bank balances	2,696	5,296
Net debt	64,823	47,195
Total equity	29,681	35,524
Net debt to equity ratio	2.18	1.33

Note: Debt comprises of current and non-current borrowings as disclosed in Note 13A and Note 13B.

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B. Categories of financial instruments:

The carrying value of financial instruments by categories as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Measured at amortised cost		
(i) Trade receivables	3,851	-
(ii) Cash and cash equivalents	1,071	4,370
(iii) Other bank balances	1,625	926
(iv) Other financial assets	1,494	24
Total Financial assets	8,041	5,320
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	67,519	52,491
(ii) Trade payables	7,465	290
(iii) Lease liabilities	17	-
(iv) Other financial liabilities	1,465	2,190
Total Financial liabilities	76,466	54,971

C. Financial risk management objectives:

The Company's corporate finance function monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The Company seeks to minimize the effects of these risks through continuous monitoring on day to day basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the Company's management which monitors risks and policies implemented to mitigate risk exposures.

i) Market risk:

The Company's activities expose it primarily to the financial risk of changes in interest rates. The Company seeks to minimize the effect of this risk through continuous monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the

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reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2024 would increase/ decrease by ₹ 338 (Profit for the year ended March 31, 2023: decrease/ increase by ₹ 262). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are outstanding derivative instruments at the end of the current financial year.

ii) Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure to any single counterparty, except for one customer against whom the concentration of credit risk did not exceed 15% of gross monetary assets. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets.

D. Liquidity risk management:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

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The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities

Financing facilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Secured bills acceptance facility, reviewed annually		
- amount used	1,975	-
- amount unused	3,025	3,000
Total	5,000	3,000
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	2,067	-
- amount unused	1,433	3,500
Total	3,500	3,500
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	59,452	50,491
- amount unused	-	8,963
Total	59,452	59,454
Unsecured loan from Holding Company		
- amount used	6,000	2,000
- amount unused	-	-
Total	6,000	2,000

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	7,465	-	-
Lease liabilities	17	-	-
Other financial liabilities	935	3	527
Borrowings (including current maturities of non-current borrowings)	3,867	1,800	61,852

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The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	290	-	-
Lease liabilities	-	-	-
Other financial liabilities	2,190	-	-
Borrowings (including current maturities of non-current borrowings)	-	1,800	50,691

31. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:**Provident Fund**

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 68 (2022-23: ₹ 33).

Employee State Insurance

The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognized during the year aggregated ₹ 2 (2022-23: ₹ 2).

(ii) Defined benefit plan:**Gratuity:**

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as per actuarial valuation as at March 31, 2024 and March 31, 2023:

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- a) **The principal assumptions used for the purposes of actuarial valuations were as follows:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.22%	7.50%
Expected rate of return on plan asset	7.67%	-
Expected average remaining working lives of employees	17.89 years	14.34 years
Rate of escalation in salary	8.00%	8.00%
Attrition rate	5.22%	10.53%
b) Components of defined benefit costs recognized in profit and loss and other comprehensive income: <u>Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:</u>		
Current service cost	24	16
Interest expense	12	16
Expected return on plan assets	-	-
Other adjustments	1	-
Defined benefit cost included in profit and loss	37	32
<u>Re-measurement effects recognized in Other Comprehensive Income (OCI):</u>		
Remeasurements – Due to financial, demographic and experience adjustments	3	-
Return on plan assets (excluding in interest income)	(1)	-
Components of defined benefit costs recognized in OCI	2	-
c) Key Results - Reconciliation of fair value of assets and obligations		
Present value of funded defined benefit obligations	185	184
Fair value of plan assets	(21)	-
Net liability arising from defined benefit obligation	164	184

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d) Movement in present value of defined enefits obligation are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation at the beginning of the year	184	306
Current service cost	24	16
Interest cost	12	16
Re-measurements - Actuarial gain	2	-
Benefits paid out of plan assets and by employer	(37)	(154)
Defined benefit obligation at the year end	185	184

e) Maturity profile of defined benefit obligation:

Within 1 year	24	54
1 – 2 years	30	26
2 – 3 years	17	27
3 – 4 years	12	18
4 – 5 years	25	13
5 – 10 years	64	66

f) Movement in fair value of plan assets are as follows:

Opening fair value of the plan assets	-	-
Expected return on plan assets	1	-
Contributions from the employer	20	-
Benefits paid out of plan assets	-	-
Re-measurement – Actuarial loss/ (gain)	-	-
Other adjustments	-	-
Fair value of plan asset at the year end	21	-

g) Sensitivity Analysis:

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation at the period end by one percentage, keeping all other actuarial assumptions constant.

Particulars	Defined Benefit Obligation			
	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	174	199	177	192
Effect of 1% change in assumed salary rate	199	173	193	176
Effect of 1% change in assumed attrition rate	184	187	184	184

The Company is expected to contribute ₹ 164 lakhs to its defined benefit plans during the next financial year.

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Compensated absences:

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at the period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate	7.22%	7.50%
Salary escalation rate	8.00%	8.00%
Attrition rate	5.22%	10.53%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

The Company has made provision for compensated absences based on the actuarial valuation.

- 32.** 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 business and geographical segment applicable to the Company.

33. Related Party Disclosures:

The list of related parties of the Company is given below:

Name	Relationship
Sagar Cements Limited	Holding Company
Key managerial personnel (KMP):	
K. V. Vishnu Raju	Chairman of the Board of Directors
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Director
V. H. Ramakrishnan	Independent Director
Ravichandran Rajagopal	Independent Director
O Rekha	Independent Director
Rachana Sammidi	Director
K Prasad	Chief Financial Officer (CFO)
G Tirupati Rao	Company Secretary (CS)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
Sagar Cements (M) Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
RV Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence

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Summary of the transactions with the above parties are as follows:

Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of property, plant and equipment	RV Consulting Services Private Limited	4,630	2,290
Purchase of packing material	Panchavati Polyfibres Limited	769	-
Purchase of clinker	Sagar Cements Limited	579	-
Purchase of Spares	Sagar Cements Limited	11	-
Interest expense on unsecured loan	Sagar Cements Limited	221	16
Loans taken	Sagar Cements Limited	4,000	2,000
Sale of clinker	Sagar Cements Limited	4,001	-
Sale of coal	Sagar Cements Limited	4	-
Sale of slag	Sagar Cements Limited	1	-
Sale of gypsum	Sagar Cements Limited	2	-
Services received	Sagar Cements Limited	456	-
Reimbursement of expenses paid	Sagar Cements Limited	10	-
Interest expense on corporate guarantee	Sagar Cements Limited	146	-
Purchase of coal	Sagar Cements Limited	966	-
Sale of property, plant and equipment	Sagar Cements Limited	92	-
Sale of spares	Sagar Cements Limited	9	-
	Sagar Cements (M) Private Limited	7	-
	Total	16	-
Purchase of scrap	Sagar Cements (M) Private Limited	2	-
Rent expenses paid	Dr. S. Anand Reddy	5	-
	S. Sreekanth Reddy	5	-
	S. Vaajatha	5	-
	Total	15	-
Compensation to key managerial personnel is as follows:			
Short-term benefits	MD, Directors, CS and CFO	24	59
Sitting fee	Chairman, MD and Directors	23	3

ANDHRA CEMENTS LIMITED
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Outstanding balances:

Nature of balance	Party Name	As at March 31, 2024	As at March 31, 2023
Loans taken	Sagar Cements Limited	6,000	2,000
Trade payables	Sagar Cements Limited	102	-
	Panchavati Polyfibres Limited	93	-
	Total	195	-
Interest accrued but not due on loan taken	Sagar Cements Limited	214	15
Payable on purchase of property, plant and equipment	RV Consulting Services Private Limited	-	338
Capital advances	RV Consulting Services Private Limited	163	-
Corporate guarantee taken	Sagar Cements Limited	66,500	60,000

34. Operating Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The Company's lease asset classes primarily consist of leases for buildings. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

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Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	-	-
Additions	31	-
Depreciation	(14)	-
Closing Balance	17	-

The aggregate depreciation expense on right-of-use assets is included under depreciation expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	-	-
Additions	31	-
Finance cost accrued during the year	2	-
Payment of lease liabilities	(16)	-
Closing Balance	17	-

The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Non-current lease liabilities	-	-
Current lease liabilities	17	-
Total	17	-

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on discounted basis

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within one year	17	-
After one year but not more than five years	-	-
More than 5 years	-	-

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Amount recognised in statement of profit and loss account as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amortization of right of use assets	14	-
Interest on lease liability	2	-
Expense relating to short term lease	23	11

35. Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss)/ profit after tax (₹ in lakhs)	(6,561)	94,962
Weighted average number of equity shares outstanding	9,21,72,140	27,27,24,950
Earnings per share:		
Basic and Diluted (in ₹)	(7.12)	34.82

36. (i) National Company Law Tribunal (“NCLT”), Amaravati Bench vide order dated April 26, 2022 (“Order”) has initiated Corporate Insolvency Resolution Process (“CIRP”) against Company pursuant to an application u/s 7 of the Insolvency and Bankruptcy Code, 2016 (the “Code”) filed by Pridhvi Asset Reconstruction and Securitisation Company Limited, one of the financial creditors of the Company. Mr. Nirav Kirit Pujara having IP Registration Number IBBI/IPA-001/IP-P-01450/2018-2019/12285 has been appointed as Interim Resolution Professional (“IRP”) to manage the affairs of the Company, and as per the Code, it is required that the Company be managed as a going concern during the CIRP. By virtue of the provisions of Code read with the Order, from the date of the Order i.e., April 26, 2022 (“Insolvency Commencement Date”), the management of the affairs of the Company vests in IRP. Also, the powers of the board of directors of the Company stands suspended and would be exercised by the IRP.
- (ii) The IRP has not signed the financial statements and that no statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of the IRP including, his authorized representatives and advisors.
- (iii) The financial statement of the Company for the year ended March 31, 2022 have just been taken on record by the IRP. For all such information and data, the IRP has assumed that such information and data are in the conformity with the Companies Act, and other applicable laws with respect to the preparation of the financial results and that they give true and fair view of the position of the Company as of the dates and period indicated therein. Accordingly, the IRP has not verified the genuineness or accuracy or the fairness of the financial statement and is not making any representations regarding accuracy, veracity or completeness of the data or information in the financial statements.
- (iv) In accordance with Code, public announcement was made calling upon financial creditors and operational creditors for the Company to submit their claims to Interim Resolution Professional. Further in accordance with Code, IRP/RP has to receive, collate and admit claims submitted against Company.

ANDHRA CEMENTS LIMITED

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- (v) The National Company Law Tribunal (“NCLT”), Amaravati Bench vide its order dated February 16, 2023 (“Order”) has since approved the resolution plan submitted by Sagar Cements Limited (SCL) for acquisition and revival of Andhra Cements Limited (ACL). Basis this SCL has completed the resolution process within the prescribed time and became the holding company of ACL by subscribing to 95% of the revised paid up capital of the company.
- (vi) Post completion of the resolution process under the supervision of the monitoring committee (MC) which was constituted as per the mandate given in the NCLT order SCL got the control of ACL with effect from March 18, 2023, post dissolution of the MC and to maintain the Company as a going concern. Considering the above facts, the financial statements of the Company for the financial year 2022-23 have been prepared on a going concern basis.
- (vii) The implementation of the Approved Resolution Plan commenced on February 17, 2023, the entire process got completed within the prescribed timeline of 30 days as mentioned in the approved Resolution Plan. The abstract of the implementation of the Resolution Plan is given below:

An amount of ₹76,242 was paid towards the settlement of Allocated CIRP Costs, Financial Creditors, Workmen and Employees and Other Operational Creditor Payments.

Sl. No.	Particulars	Amount in ₹ Lakhs
1	Upfront Cash Recovery (as defined in RFRP)/ Upfront FC Debt Settlement Amount	72,589
2	Allocated CIRP Costs Amount	1,891
3	Workmen and Employees Payments	827
4	Other Operational Creditors Payments	935
	Total Payment to Creditors and CIRP Costs	76,242

In addition to the above, an amount of ₹ 504 towards interim management cost and an amount of ₹15,479 is proposed for improving the operations of the Company.

Pursuant to implementation of Resolution Plan Erstwhile promoters fully paid up 20,17,41,371 Equity shares have been canceled and public shareholdings have been reduced from 9,17,79,121 Equity shares to 46,08,607 Equity shares of ₹ 10/- each i.e. reduced to 5% of the reconstituted paid-up Equity Share capital of the Company.

The Board of Directors of the company in its meeting held on March 23, 2023, approved allotment of 8,75,63,533 fully paid equity shares ₹ 10/- each to Sagar Cements Limited with a premium of ₹ 26.80 per share, aggregating to ₹ 32,223, representing 95% of the equity share capital of the Company.

As per the approved resolution plan, all claims have been settled and remaining liability stands extinguished and accounted as exceptional item.

- (viii) The Company has incurred losses of ₹ 8,793 for the financial year ended March 31, 2023 before exceptional items and however due to implementation of resolution plan the gain has been recognized on account of reversal of liabilities after settlements, the accumulated losses were reduced to of ₹ 36,198 as at March 31, 2023.

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37. The Holding Company extended the corporate guarantee for the further loans availed by the Company and on account of the same, the loans were given at concessional rate to the Company. The fair value of the corporate guarantee aggregating to ₹ 719 (March 31, 2023: ₹ Nil) has been accounted as deemed investment in equity.

38. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per Contract price	31,285	-
Less: Discounts and incentives	(4,727)	-
Revenue as per statement of profit and loss	26,558	-

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.
- Of the total revenue from operations, ₹ 4,001 during the year ended March 31, 2024, amounts to 15% of the total revenue, contributed by a single largest customer of the Company.

Disaggregation of Revenue:

Revenue by timing of recognition:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Goods transferred at a point of time	26,558	-
Goods transferred over time	-	-

39. Capital Work-in-Progress:

(a) Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	13	-	-	-	13

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Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,630	-	-	-	2,630

There are no projects where activity has been suspended or completion is overdue or exceeded its cost compared to its original plan.

40. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2024	Transactions during the year ended March 31, 2023	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
Ninad Holding Private Limited	Shareholders of Andhra Cements Limited	-	-	-	46 No's	46 No's
Ninad Holding Pvt Ltd		-	-	-	125 No's	125 No's
Fairgrowth Investments Limited		-	-	-	34 No's	34 No's
Cosmat Investments Private Limited		-	-	-	20 No's	20 No's
Skyline Promoters Private Limited		-	-	-	15 No's	15 No's
LYNX Mutual Funds Limited		-	-	-	13 No's	13 No's
Rockland Leasing Limited		-	-	-	11 No's	12 No's
Baps (India) Trading Private Limited		-	-	-	11 No's	11 No's
Micronet Software Services Private Limited		-	-	-	10 No's	10 No's
Silver Arrow Investments Private Limited		-	-	-	9 No's	9 No's
Victor Properties Private Limited		-	-	-	-	6 No's
Devika Constructions Private Limited		-	-	-	5 No's	5 No's
Paul Dey & Company Private Limited		-	-	-	4 No's	4 No's
Suphala Plantations India Limited		-	-	-	4 No's	4 No's
Sukam Financial Services Private Limited		-	-	-	3 No's	3 No's
GPS Commercial Private Limited		-	-	-	3 No's	3 No's
Sindhudurg Investments Private Limited	-	-	-	3 No's	3 No's	
HI-LEA Finance Limited	-	-	-	3 No's	3 No's	

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Victor Properties Private Limited		-	-	-	1 No	1 No
Aravali Commercial Private Limited		-	-	-	1 No	1 No
Mifco Credits & Securities Limited		-	-	-	1 No	1 No
Prananjali Investment & Trading Co Private Limited		-	-	-	1 No	1 No
Baps (India) Trading Private Limited		-	-	-	1 No	1 No
Rajendra Mercantile Private Limited		-	-	-	1 No	1 No
Rohifin Investment Private Limited		-	-	-	1 No	1 No
Small Lots Services Limited		-	-	-	1 No	1 No
HPM Investments Limited		-	-	-	1 No	1 No
Balbir Leasing Private Limited		-	-	-	1 No	1 No
Kay Bee Finvest Private Limited		-	-	-	1 No	1 No

41. Key financial ratios:

Ratio	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	% of Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	1.42	2.39	(41%)	1
Debt-Equity Ratio	Debt ⁽¹⁾	Net Worth ⁽²⁾	2.27	1.48	53%	1
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment ⁽³⁾	0.07	2.51	(97%)	1
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.20)	3.71	(105%)	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory ⁽⁴⁾	8.25	NA	-	1
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable ⁽⁵⁾	13.79	NA	-	1
Trade payables turnover ratio (times)	Purchase	Average Trade Payables ⁽⁶⁾	6.80	6.42	6%	-
Net capital turnover ratio	Sales of Products and Services	current assets - current liabilities	155.31	NA	-	1
Net profit ratio	Profit after tax	Sales of Products and Services	(24.70%)	NA	-	1
Return on Capital employed	Earnings before interest and taxes	Capital Employed ⁽⁷⁾	(0.05)	(0.08)	(38%)	1
Return on Investments	Income generated from investments	Total investments	NA	NA	-	-

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⁽¹⁾ Debt = Long term secured loans + Current maturities of long-term debt + Loan term unsecured loans + Cash credit facilities

⁽²⁾ Net Worth = Equity share capital + Other equity

⁽³⁾ Excluding refinanced debt for all the loan funds during the period

⁽⁴⁾ Average inventory = (Opening + Closing balance) / 2

⁽⁵⁾ Average trade receivables = (Opening + Closing balance) / 2

⁽⁶⁾ Average trade payables = (Opening + Closing balance) / 2

⁽⁷⁾ Capital Employed = Tangible net worth + Total debt + Deferred tax liability

Notes:

1. The Company was under shut down for the years ended March 31, 2021, March 31, 2022 and March 31, 2023. It has restarted the commercial operations during the current financial year, but operations are yet to be fully ramped up. This has resulted in variations in ratios as reported above.

42. As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company is required to use only such accounting software for maintaining its books of accounts that have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software.

In respect of the accounting software used by the Company, audit trail was not enabled at certain master tables at application level and database level to log any direct data changes. In respect of such application and database, the Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective. The Company is in the process of system upgradation to meet the audit trail requirements for the relevant masters at application level and database.

43. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

44. Other statutory information

- (i) The Company does not have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not revalued its Property, plant & equipment (including right-of-use assets) and Intangible assets during the period.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

ANDHRA CEMENTS LIMITED

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- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
45. These financial statements were approved by the Company's Board of Directors on May 14, 2024.

For and on behalf of the Board of Directors of
Andhra Cements Limited

Dr. S Anand Reddy
Managing Director
DIN: 00123870

S Sreekanth Reddy
Director
DIN: 00123889

G. Tirupati Rao
Company Secretary
M.No.F2818

K Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

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