

# **ANDHRA CEMENTS LIMITED**

**84<sup>th</sup> ANNUAL REPORT  
2022-23**



## BOARD OF DIRECTORS

**Shri K.V. Vishnu Raju** - Chairman  
(w.e.f. 23-03-2023)

**Dr. S. Anand Reddy** - Managing Director  
(w.e.f 14.04.2023)

**Shri S. Sreekanth Reddy** - Director  
(w.e.f 07.03.2023)

**Smt. S. Rachana** - Non-Executive Director  
(w.e.f 07.03.2023)

**Smt. O. Rekha** - Independent Director  
(w.e.f 23.03.2023)

**Shri Ravichandran Rajagopal** -  
Independent Director  
(w.e.f 14.04.2023)

**K.V. Rajendran** - Erstwhile Chairman  
(up to 07-03-2023)

**Pankaj Gaur** - Director  
(up to 07-03-2023)

**Naveen Kumar Singh** - Director and CEO  
(up to 07-03-2023)

**Suresh Chand Rathi** - Director  
(up to 07-03-2023)

**Manju Sharma** - Director  
(up to 07-03-2023)

**S.D. Nailwal** - Director  
(up to 07-03-2023)

**CFO**  
K. Prasad

**Company Secretary**  
G. Tirupati Rao

**Statutory Auditors**  
M/s Dass Gupta & Associates  
Chartered Accountants, New Delhi

**Cost Auditors**  
M/s J.K. Kabra & Co  
Cost Accountants, Delhi

**Registrar & Share Transfer Agent**  
CIL Securities Ltd,  
214, Raghav Ratna Towers, Chirag Ali Lane,  
Abids, Hyderabad - 500001  
Ph: +91-40-23202465  
Fax: +91-40-23203028  
Website: [www.cilsecurities.com](http://www.cilsecurities.com)  
E-mail: [rta@cilsecurities.com](mailto:rta@cilsecurities.com)

**Corporate Office**  
Plot No.111, Road No. 10,  
Jubilee Hills,  
Hyderabad - 500 033, Telangana.  
Ph: +91-40-23351571

**Registered Office**  
Andhra Cements Limited  
Durga Cement Works, Sri Durgapuram,  
Dachepalli - 522 414. Palnadu (Dist), (AP)  
CIN: L26942AP1936PLC002379  
Ph: +91-8649-257413  
Fax: +91-8649-257449  
Website: [www.andhracements.com](http://www.andhracements.com)  
E-mail: [investorcell@andhracements.com](mailto:investorcell@andhracements.com)

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

# Contents

Notice	1
Directors' Report with Annexures	44
Management Discussion & Analysis Report	67
Report on Corporate Governance	71
Independent Auditors' Report	89
Balance Sheet	103
Statement of Profit and Loss	104
Cash Flow Statement	105
Statement of Changes in Equity and Significant Accounting Policies	106
Notes to Financial Statements	107

**ANDHRA CEMENTS LIMITED**

(A Subsidiary of Sagar Cements Limited)

**CIN: L26942AP1936PLC002379**

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

Telephone: +91-8649-257440 Fax.: +91-8649-257428

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

**NOTICE**

**NOTICE** is hereby given that the **Eighty Fourth (84<sup>th</sup>) Annual General Meeting** of the members of **ANDHRA CEMENTS LIMITED** will be held on Monday the 05<sup>th</sup> Day of June, 2023 at 3.00 PM, Indian Standard Time (“IST”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

**Ordinary Business:**

- 1. To receive, consider, approve and adopt the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023 together with the reports of the Director’s and Auditor’s thereon be and are hereby received, considered, approved and adopted.”

- 2. To appoint Shri. S. Sreekanth Reddy (DIN: 00123889), 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 Shri. S. Sreekanth Reddy (DIN: 00123889), 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 appoint statutory auditors of the company to fill the casual vacancy and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of Section 139, 141 and 142 of the Companies Act, 2013 and other applicable provisions, if any, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation made by the Board of Directors, M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No.008072S) be and are hereby appointed as Statutory Auditors of the company to fill the casual vacancy caused by the resignation of M/s. Dass Gupta & Associates, Chartered Accountants (Firm Registration No.000112N) and they shall hold the office from 06<sup>th</sup> May, 2023, until the conclusion of this Annual General Meeting at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit

Committee in consultation with the Auditors and duly approved by the Board of Directors of the company.”

“**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.”

**4. To appoint statutory auditors of the company and in this regard, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provisions of the Companies Act, 2013 and other applicable provisions, if any, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), read with Regulation 36 of SEBI (LODR) Regulation 2015, M/s Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No.008072S), be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 89<sup>th</sup> Annual General Meeting at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the company.”

“**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.”

**5. To appoint Dr. S. Anand Reddy (DIN: 00123870) as a Director of the company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152 and other applicable provisions of the Companies Act, 2013 and the rules made there under and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Dr. S. Anand Reddy (DIN: 00123870), who was appointed as an Additional Director, as per the Resolution Plan approved by the Hon’ble National Company Law Tribunal, Amaravati Bench vide Order dt. 16.02.2023, with effect from March 07, 2023 and whose term of office expires at this Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013 and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Dr. S. Anand Reddy as a candidate for the office of Director of the company, be and is hereby appointed as a Director (Executive and Non-Independent category) of the Company, who is liable to retire by rotation.”

“**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.”

**6. To appoint Dr. S. Anand Reddy (DIN: 00123870) as Managing Director of the company:**

To consider and, if thought fit, to pass the following Resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under, read with Schedule V to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) and Articles of Association of the company, approval of the members be and is hereby accorded for the appointment of Dr. S. Anand Reddy (DIN: 00123870) as Managing Director of the Company for a period of five years with effect from 14<sup>th</sup> April, 2023 without any Remuneration.

“**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.”

**7. To appoint Shri. S. Sreekanth Reddy (DIN: 00123889) as a Director of the company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), Shri. S. Sreekanth Reddy (DIN: 00123889), who was appointed as an Additional Director, as per the Resolution Plan approved by the Hon’ble National Company Law Tribunal, Amaravati Bench vide Order dt. 16.02.2023, with effect from March 07, 2023 and whose term of office expires at this Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013 and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Shri. S. Sreekanth Reddy as a candidate for the office of Director of the company, be and is hereby appointed as a Director (Non-Executive and Non-Independent category) of the company, who is liable to retire by rotation.”

“**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.”

**8. To appoint Smt. S. Rachana (DIN: 01590516) as a Director of the company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), Smt. S. Rachana (DIN: 01590516), who was appointed as an Additional Director, as per the Resolution Plan approved by the Hon’ble National Company Law Tribunal, Amaravati Bench vide Order dt. 16.02.2023, with effect from March 07, 2023 and whose term of office expires at this Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying its intention to propose Smt. S. Rachana as a candidate for the office of Director of the company, be and is hereby appointed as a Director (Non-Executive and Non-Independent category) of the Company, who is liable to retire by rotation.

“**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.”

**9. To appoint Shri. K.V. Vishnu Raju (DIN: 00480361) as an Independent Director of the Company:**

To consider and, if thought fit, to pass the following Resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) Shri. K.V.Vishnu Raju (DIN: 00480361), who was appointed as an Additional Director, designated as an Independent Director, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation for a term of five consecutive years with effective from 23<sup>rd</sup> March, 2023.”



“**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.”

**10. To appoint Smt. O. Rekha (07938776) as an Independent Director of the Company:**

To consider and, if thought fit, to pass the following Resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) Smt. O. Rekha (DIN: 07938776), who was appointed as an Additional Director, designated as an Independent Director, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation for a term of five consecutive years with effective from 23<sup>rd</sup> March, 2023.”

“**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.”

**11. To appoint Shri. Ravichandran Rajagopal (DIN: 00110930) as an Independent Director of the Company:**

To consider and, if thought fit, to pass the following Resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) Shri. Ravichandran Rajagopal (DIN: 00110930), who was appointed as an Additional Director, designated as an Independent Director, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation for a term of five consecutive years with effective from 14<sup>th</sup> April, 2023.”

“**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.”

**12. To appoint Shri. V.H. Ramakrishnan (DIN: 00143948) as an Independent Director of the Company:**

To consider and, if thought fit, to pass the following Resolution, as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and pursuant to Regulation 17, 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company, Shri. V.H. Ramakrishnan (DIN: 00143948), be and is hereby appointed as an Independent Director, not liable to retire by rotation for a term of five consecutive years with effective from 05<sup>th</sup> June, 2023.”

**“RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI Listing Regulations and other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force, the approval of the members of the company be and is hereby accorded for the said appointment of Shri. V.H. Ramakrishnan (DIN: 00143948) as an Independent Director of the Company, who has attained the age of 81 years.”

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

**13. Consent to increase in the borrowing limits of the company in excess of the limits prescribed under Section 180 (1) (c) of the Companies Act, 2013:**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of the earlier special resolution passed by the Members on 30<sup>th</sup> September, 2014 and pursuant to the provisions of Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications thereof for the time being in force and as may be enacted from time to time), and subject to the articles of association of the company, consent of the members be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow for the purpose of business, as and when required, from, including without limitation, any Bank and/or Financial Institution and/or NBFC and/or anybody corporate/ entity/entities and/or authority/authorities and/or Director(s)/relatives of Director(s), either in rupees

or in such other foreign currencies as may be permitted by law from time to time, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the money to be borrowed by the company together with the money already borrowed may exceed the aggregate of its paid up capital, free reserves and securities premium, provided that at any time the total outstanding amount of such borrowings, apart from temporary loans obtained from the company's Bankers in the ordinary course of business, shall not exceed Rs. 2,000 crores."

**"RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to inter-alia interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

**14. Consent under Section 180 (1) (a) of the Companies Act, 2013:**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the earlier resolution passed by the Members on 30<sup>th</sup> September, 2014, and pursuant to the provisions of the Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications thereof for the time being in force and as may be enacted from time to time), and subject to the Articles of Association of the company, consent of the members be and is hereby accorded under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, to the Board of Directors of the company to mortgage and or charge all or any of the moveable and immovable properties of the company, wherever situate, present and future, and to confer power to the lending entities concerned to enter upon and to take possession of assets of the company in certain events, in favour of Banks/Financial Institutions/NBFCs/Body Corporate/other entities/any authority(ies) to secure the term loan and other credit facilities extended or as may be extended by them to the company from time to time, together with interest, compound / additional interest at the respective agreed rates, premia on prepayment or on redemption, cost, charges, expenses and all other monies payable by the company to the above said lenders in terms of their sanction governing such term loan(s) and other credit facilities up to the limit as may be approved by the members from time to time under section 180(1)(c) of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorized to finalize the security documents for creating the aforesaid mortgage and or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

**15. Consent under Section 186 of the Companies Act, 2013:**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 186 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the company and all other provisions of applicable laws, consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any other body(ies) corporate and / or give any guarantee or provide security in connection with a loan to any other body(ies) corporate and / or acquire by way of subscription, purchase or otherwise, the securities including debentures of all kinds of any body(ies) corporate up to an aggregate amount not exceeding Rs. 2,000 crores notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorised to take from time to time all decisions including finalization of the terms and conditions for giving the loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such further acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate for the purpose.”

**16. To ratify the remuneration of Cost Auditor for the financial year ending March 31, 2024:**

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 2023-24, 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.”

**17. Material Related Party Transaction(s) with Sagar Cements Limited.**

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

**“RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, if any, each as amended from time to time, and the Company’s Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to continue with the existing contract(s)/arrangement(s)/transaction(s) and/or enter into/execute new contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Sagar Cements Limited (SCL), an Holding company of Andhra Cements Limited (‘Company’) and accordingly a related party under Regulation 2(1) (zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and SCL, for an aggregate value up to Rs.90 crores per year and other transactions for business, subject to such contract(s)/ arrangement(s)/ transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**“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

**18. Material Related Party Transaction(s) with R V Consulting Services Private Limited.**

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

**“RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, if any, each as amended from time to time, and the Company’s Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to continue with the existing contract(s)/arrangement(s)/transaction(s) and/or enter into/execute new contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with R V Consulting Services Private Limited (“RV”), a related party under Regulation 2(1) (zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and RV, for an aggregate value up to Rs.90 crores per year and other transactions for business, subject to such contract(s)/ arrangement(s)/ transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**“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: 6<sup>th</sup> May, 2023

**Registered office:**  
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, 20/20 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, 02/2022 dated 05.05.2022 and 10/2022 dated 28.12.2022 issued by the Ministry of Corporate Affairs (MCA) 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 84<sup>th</sup> Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means (“VC / OAVM”) (hereinafter referred to as “AGM” or “e-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 15<sup>th</sup> 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 e-AGM.
3. e-AGM: 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 e-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 e-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 e-AGM on its behalf and to vote either through remote e-voting or during the e-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's. 3 to 18 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 6<sup>th</sup> May, 2023 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 84<sup>th</sup> 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 e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://evoting.kfintech.com> by clicking “e-AGM - 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 e-AGM through Video Conferencing.
10. The Members can join the e-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 e-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 e-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 e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note No.21 below for instruction for e-voting during the AGM.
15. The Company has fixed 26<sup>th</sup> May, 2023 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 e-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 e-AGM.

16. The Register of Members and Transfer Book of the Company will be closed from 27<sup>th</sup> May, 2023 to 5<sup>th</sup> June, 2023 (both days inclusive).
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Annual Report for the financial year ended 31<sup>st</sup> March, 2023 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 Annual 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 Annual Report, e-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 [rta@cilsecurities.com](mailto:rta@cilsecurities.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 Annual Report, AGM Notice and the e-voting instructions.
  - ii. Those members who have not registered their email and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be served, may temporarily get their email address and mobile number provided with the Company's e-voting and e-AGM agent i.e. KFin Technologies 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 Annual Report, Notice of e-AGM and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [inward.ris@kfintech.com](mailto:inward.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 e-AGM through Video Conference.**

- i. For attending the e-AGM: Member will be provided with a facility to attend the e-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 e-AGM:**
  - a) Members desiring any additional information with regard to Accounts/ Annual 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- Client ID/Folio number at least 2 days before the date of the e-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 e-AGM.

- viii. **Speaker Registration before e-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 e-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 e-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](mailto:gtrao@andhracements.com) or [investorcell@andhracements.com](mailto: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 e-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 1<sup>st</sup> June, 2023 (9.00 A.M. IST) and ends on 4<sup>th</sup> June, 2023 (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 26<sup>th</sup> May, 2023. 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 Annual Report to the shareholders whose name is recorded as on 5<sup>th</sup> May, 2023 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 5<sup>th</sup> May, 2023 being the date reckoned for sending through email, the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. 26<sup>th</sup> May, 2023 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 Client ID, the Member may send SMS:MYEPWD <space> 'e-voting Event Number + Folio number or DPID 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 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 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](mailto: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:  
  
Mr. 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 e-AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the e-AGM shall be treated as invalid.
- ix. 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><b>1. User already registered for IDeAS facility:</b>  Visit URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>  Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' Section.</p> <p>On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting"</p> <p>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><b>2. User not registered for IDeAS e-Services</b>  To register click on link : <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> Select "Register Online for IDeAS" or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a> Proceed with completing the required fields.  Follow steps given in point 1</p> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b>  Open URL: <a href="https://www.evoting.nSDL.com">https://www.evoting.nSDL.com</a>  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><b>1. Existing user who have opted for Easi / Easiest</b>  Visit URL: <a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a> Or URL: <a href="https://www.cdslindia.com">https://www.cdslindia.com</a>  Click on New System Myeasi</p> <p>Login with your registered user id and password.  The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal.  Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b>  Option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a>  Proceed with completing the required fields.  Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b>  Visit URL: <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>  Provide your demat Account Number and PAN No.  System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.  After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-voting is in progress.</p>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<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.  Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.  Click on options available against company name or e-voting service provider - KFintech and you will</p>

	be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.
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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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 /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., 26<sup>th</sup> May, 2022 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](mailto:cs@bssandassociates.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [investorcell@andhracements.com](mailto: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 Mr.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 e-AGM, however such Member shall not be allowed to vote again during the e-AGM.

- p. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e- voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than two working days of conclusion of the e-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://andhracements.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 e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

21. Instructions for members for Voting during the e-AGM session

- i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the e-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 e-AGM.
- iii. Members / shareholders, attending the e-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 e-AGM.
- iv. Members who have voted through Remote e-voting will be eligible to attend the e-AGM. However, they shall not be allowed to cast their vote again during the e-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 March 31, 2023. Post March 31, 2023 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhar number. The folios in which PAN is / are not valid as on the notified cut-off date of March, 31, 2023 or any other date as may be specified by the CBDT, shall also be frozen.
- 23. 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 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 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 at [www.cilsecurities.com](http://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.

24. The members / investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: **rta@cilsecurities.com** or the Company's official e-mail id: **investorcell@andhracements.com**.
25. 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.

26. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/ P/2020/236 dated December 2, 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.
27. 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) 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.
28. 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.
29. Members may note that the Annual Report for the year 2022-23 is also available on the Company's website <https://andhracements.com> for their download.
30. 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 84<sup>th</sup> AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM.
31. 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.

32. 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 e-AGM.
33. During the 84<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the e-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 e-AGM.
34. The transcript of this meeting, shall be made available on the website of the company.
35. 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.
36. 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 of Directors

**G. Tirupati Rao**  
Company Secretary  
M.No.F2818

Hyderabad  
6<sup>th</sup> May, 2023

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

Annexure to the Notice of the 84<sup>th</sup> Annual 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 Nos.3 to 18 of the accompanying Notice dated 6<sup>th</sup> May, 2023.

**Item nos. 3 and 4**

The Members of the company at its 80<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019 appointed M/s. Dass Gupta & Associates, Chartered Accountants (Firm Registration No. 000112N) to hold the office from the conclusion of 80<sup>th</sup> AGM till the conclusion of 85<sup>th</sup> AGM of the Company.

M/s. Dass Gupta & Associates, Chartered Accountants (Firm Registration No. 000112N) have tendered their resignation as Statutory Auditors This has resulted into a casual vacancy in the office of Statutory Auditors of the company as envisaged by Section 139(8) of the Companies Act, 2013. Casual vacancy caused by the resignation of auditor shall be approved by the members in General Meeting within three months from the date of recommendation of Audit Committee and Board of Directors of the company. The Board of Directors of the company recommended the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No.008072S) as the Statutory Auditors of the company to fill the casual vacancy caused by the resignation of M/s. Dass Gupta & Associates. Accordingly, members approval by way of ordinary resolution is sought. M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), have conveyed their consent for being appointed as the Statutory Auditors of the company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under section 141 of the Companies Act, 2013 and have given a certificate declaring that the firm complies with all eligibility norms for appointment of statutory auditors under the Companies Act, 2013.

Disclosures for appointment of Statutory Auditor as per Regulation 36(5) of the SEBI (LODR) Regulations, 2015:

1 Proposed Fee Payable	Rs. 34,00,000/- plus applicable taxes and out of pocket expenses for the FY 2023-24.
2 Terms of appointment	M/s. Deloitte Haskins & Sells, Chartered Accountants, will hold office from the conclusion of the 84 <sup>th</sup> Annual General Meeting till the conclusion of the 89 <sup>th</sup> Annual General Meeting to conduct the audit of accounts of the Company for the financial years 2023-24 to 2027-28.
3 Any material Change in the fee payable to auditor from that paid to the outgoing	M/s. Deloitte Haskins & Sells having an ample experience in providing audit, tax and advisory services, considering the above experience and

auditor along with the rationale for such change	proposal on the payment of fees received from auditors, the Board accorded for payment of Rs.34 lakhs which is subject to approval of shareholders. The amount which is been paid to M/s. Dass Gupta & Associates (outgoing auditors) is Rs. 13,00,000/-
4 Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor (s) proposed to be appointed.	M/s. Deloitte Haskins & Sells, Chartered Accountants, having firm registration number 008072S and having its office at KRB Towers, Plot No.1 to 4 & 4A 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floors, Jubilee Enclave, Madhapur, Hyderabad -500 081 Telangana, India. They are providing audit, tax and advisory services. The Board of Directors of the company recommends the passing of the resolution in <b>Item Nos. 3 and 4</b> of the notice as an Ordinary Resolution.

The Board of Directors of the company recommends the passing of the resolution in **Item Nos. 3 and 4** of the notice as an Ordinary Resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

#### **Item No. 5**

Dr. S. Anand Reddy (DIN: 00123870), was appointed as an Additional Director of the company w.e.f 07<sup>th</sup> March, 2023, as per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Amaravati Bench vide Order dt. 16.02.2023.

In terms of Section 203 of the Companies Act, 2013, as Dr. S. Anand Reddy is a whole-time key managerial personnel of Sagar Cements Limited (Holding Company) requires prior permission of the Board of the Holding Company. Accordingly, your Company has obtained the same.

In terms of Section 161(1) of the Companies Act, 2013 and Regulation 17 (1) (c) of the SEBI (LODR) Regulations, 2015, Dr. S. Anand Reddy holds office only up to the date of next General Meeting or the appointment shall be approved by the shareholders within a time period of three months from the date of appointment, whichever is earlier. As he is eligible, it is proposed to appoint him as a Director of the Company.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules') and (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Act. The Company has received the requisite notices for the above director in writing under section 160 of the Act, from a member proposing his appointment as a Director of the company.

A brief profile and the other required information of Dr. S. Anand Reddy, as required under Regulation 36(3) of SEBI(LODR) Regulations, 2015 and Secretarial Standard – 2 is given in Annexure 2, forming part of the Notice.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 5 of the notice as an Ordinary Resolution.

As the resolution relates to the appointment of Dr.S.Anand Reddy as Director, to that extent he along with Shri. S. Sreekanth Reddy, who is the other director related to him, may be deemed to be interested in this resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in this Resolution.

#### **Item No. 6**

In terms of Sections 196, 197 of the Companies Act, 2013 ("the Act") and other applicable provisions of the said Act and under applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") or any amendment thereto or modification thereof and subject to the approval of the members, the Board appointed Dr. S. Anand Reddy (DIN-00123870) as Managing Director of the Company for a period of 5 years with effect from 14<sup>th</sup> April, 2023, keeping in view his rich experience over 30 years in Cement Industry and its operations.

In terms of Sections 196, 197 and 203 read with other applicable provisions and Schedule V of the Companies Act, 2013, the approval of members is sought for the appointment of Managing Director of the Company.

A brief profile and the other required information of Dr.S.Anand Reddy, as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard – 2 is given in Annexure 2, forming part of the Notice.

As the resolution relates to the appointment of Dr.S.Anand Reddy as Managing Director, to that extent he along with Shri. S.Sreekanth Reddy, who is the other director related to him, may be deemed to be interested in this resolution.

None of the other Directors or Key Managerial Personnel or their relatives is in any way, concerned or interested financially or otherwise in this resolution.

Your Board is of the firm view that it would be in the interest of the company that Dr.S.Anand Reddy, be appointed as Managing Director and accordingly it commends the resolution for approval of the members as a Special Resolution.

#### **Item No. 7**

Shri. S. Sreekanth Reddy (DIN: 00123889), was appointed as an Additional Director of the company w.e.f 07<sup>th</sup> March, 2023, as per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Amaravati Bench vide Order dt. 16.02.2023.

In terms of Section 161(1) of the Companies Act, 2013 and Regulation 17 (1) (c) of the SEBI (LODR) Regulations, 2015, Shri. S. Sreekanth Reddy holds office only up to the date of next General Meeting or the appointment shall be approved by the shareholders within a time period of three months from the date of appointment, whichever is earlier. As he is eligible, it is proposed to appoint him as a Non-executive Director of the Company.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and

Qualification of Directors) Rules, 2014 ('Appointment Rules') and (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Act. The Company has received the requisite notices for the above director in writing under section 160 of the Act, from a member proposing his appointment as a Director of the company.

A brief profile and the other required information of Shri. S. Sreekanth Reddy, as required under Regulation 36(3) of SEBI(LODR) Regulations, 2015 and Secretarial Standard – 2 is given in Annexure 2, forming part of the Notice.

As the resolution relates to the appointment of Shri. S.Sreekanth Reddy as Director, to that extent he along with Dr.S.Anand Reddy and Smt. S.Rachana, who are the other directors related to him, may be deemed to be interested in this resolution.

None of the other Directors or Key Managerial Personnel or their relatives is in any way, concerned or interested financially or otherwise in this resolution.

Your Board is of the firm view that it would be in the interest of the company that Shri. S.Sreekanth Reddy, be appointed as Director and accordingly it commends the resolution for approval of the members as an Ordinary Resolution.

#### **Item No. 8**

Smt. S. Rachana (DIN: 01590516), was appointed as an Additional Director of the company w.e.f 07<sup>th</sup> March, 2023, as per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Amaravati Bench vide Order dt. 16.02.2023.

In terms of Section 161(1) of the Companies Act, 2013 and Regulation 17 (1) (c) of the SEBI (LODR) Regulations, 2015, Smt. S. Rachana holds office only up to the date of next General Meeting or the appointment shall be approved by the shareholders within a time period of three months from the date of appointment, whichever is earlier. As she is eligible, it is proposed to appoint her as a Non-executive Director of the Company.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules') and (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Act. The Company has received the requisite notices for the above director in writing under section 160 of the Act, from a member proposing her appointment as a Director of the company.

A brief profile and the other required information of Smt. S. Rachana, as required under Regulation 36(3) of SEBI(LODR) Regulations, 2015 and Secretarial Standard – 2 is given in Annexure 2, forming part of the Notice.

As the resolution relates to the appointment of Smt. S. Rachana as Director, to that extent she along with Shri. S.Sreekanth Reddy, who is the other director related to her, may be deemed to be interested in this resolution.

None of the other Directors or Key Managerial Personnel or their relatives is in any way, concerned or interested financially or otherwise in this resolution.



Your Board is of the firm view that it would be in the interest of the company that Smt. S.Rachana, be appointed as Director and accordingly it commends the resolution for approval of the members as an Ordinary Resolution.

#### **Item No. 9**

Pursuant to Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") Shri. K.V. Vishnu Raju (DIN: 00480361) was appointed as an Additional Director under category of Independent on 23<sup>rd</sup> March, 2023, the Board based on the experience has recommended appointment of Shri. K.V. Vishnu Raju as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years on the Board of the Company with effect from 23<sup>rd</sup> March, 2023.

Shri K.V. Vishnu Raju is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as Director and a declaration stating that he meets with the criteria of independence as prescribed both under sub-section (6) and (7) of Section 149 of the Act and under the Regulation 25(8) of SEBI (LODR) Regulations, 2015. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Shri. K.V. Vishnu Raju for the office of Independent Director of the Company. In the opinion of the Board, Shri. K.V. Vishnu Raju fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri. K.V. Vishnu Raju is independent of the management.

Except Shri. K.V. Vishnu Raju, who is seeking appointment as an Independent Director, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested, financially or otherwise in the Resolutions concerning his appointment proposed at Item No.9. A Statement containing brief profile of the Director proposed to be appointed is given in the Annexure 2, which may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Your Directors recommend the resolution for the approval of the members.

#### **Item No. 10**

Pursuant to Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 under the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Smt. O. Rekha was appointed as an Additional Director under category of Independent on 23<sup>rd</sup> March, 2023 the Board, based on the experience has recommended appointment of Smt. O. Rekha as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years on the Board of the Company with effect from 23<sup>rd</sup> March, 2023.

Smt. O. Rekha is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director and a declaration stating that she meets with the criteria of independence as prescribed both under (6) and (7) of Section 149 of the Act and under the Regulation 25(8) of SEBI (LODR) Regulations,

2015. The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Smt. O. Rekha for the office of Independent Director of the Company. In the opinion of the Board, Smt. O. Rekha fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Smt. O. Rekha is independent of the management.

Except Smt. O. Rekha, who is seeking appointment as an Independent Director, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested, financially or otherwise in the Resolutions concerning his appointment proposed at Item No.11. A Statement containing brief profile of the Director proposed to be appointed is given in the annexure 2, which may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Your Directors recommend the resolution for the approval of the members.

#### **Item No. 11**

Pursuant to Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and under the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Shri. Ravichandran Rajagopal was appointed as Additional Director under category of Independent on 14<sup>th</sup> April, 2023 the Board, based on the experience has recommended appointment of Shri. Ravichandran Rajagopal as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years on the Board of the Company with effect from 14<sup>th</sup> April, 2023.

Shri. Ravichandran Rajagopal is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director and a declaration stating that he meets with the criteria of independence as (6) and (7) of Section 149 of the Act and under the Regulation 25(8) of SEBI (LODR) Regulations, 2015. The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Shri. Ravichandran Rajagopal for the office of Independent Director of the Company. In the opinion of the Board, Shri. Ravichandran Rajagopal fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri. Ravichandran Rajagopal is independent of the management.

Except Shri Ravichandran Rajagopal, who is seeking appointment as an Independent Director, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested, financially or otherwise in the Resolutions concerning his appointment proposed at Item No.10. A Statement containing brief profile of the Director proposed to be appointed is given in the annexure 2, which may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Your Directors recommend the resolution for the approval of the members.

#### **Item No. 12**

Based on the recommendation of the Board in its meeting held on 23<sup>rd</sup> March, 2023 accorded its approval, subject to the approval of members by a special resolution,

for the appointment of Shri V.H. Ramakrishnan (DIN: 00143948) as an Independent Director for a term of 5 (five) consecutive years on the Board of the Company with effect from 05<sup>th</sup> June, 2023.

Shri. V.H. Ramakrishnan worked in banking sector and having a rich experience of 41 years in Financial Management. Shri. V.H. Ramakrishnan possesses the required skills, knowledge, and experience in the fields of Banking and Financial Management and his induction on the Board of Andhra Cements Limited will immensely benefit the Company. The Board is of the opinion that Shri V.H. Ramakrishnan's rich and diverse experience is a valuable asset to the Company and his appointment as Director will add value and enrich the decision-making process and will also be in the best interest of the Company.

Further, as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 01, 2019, requires the company to obtain approval of members by way of special resolution along with the justification in explanatory statement for appointing any director as non-executive director who has attained the age of seventy-five years of age. The Board was aware of the fact that Shri V.H. Ramakrishnan is 81 years old (Date of Birth: 13/04/1941). The justification for recommending the appointment of Shri V.H. Ramakrishnan as an Independent Director, notwithstanding that he is 81 years old, is that the Board believe that his expertise in Banking and Finance field will provide wider perspective, which can contribute to the business growth and strategic development of the Company and can assist in achieving the objectives of the company in the years to come.

The company has received consent from Shri V.H. Ramakrishnan for his proposed appointment as an Independent Director in terms of Section 152 of the Companies Act, 2013 and has given his consent to act as Director and a declaration stating that he meets the criteria of independence as (6) and (7) of Section 149 of the Act and under the Regulation 25(8) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, Shri V.H. Ramakrishnan fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Shri V.H. Ramakrishnan is independent of the management.

A brief profile of Shri V.H. Ramakrishnan and other information as required under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are provided as Annexure – 2 to this Notice.

Except Shri V.H. Ramakrishna, who is seeking appointment as an Independent Director, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested, financially or otherwise in this Resolutions concerning his appointment proposed at Item No.12. Your Directors recommend the resolution for the approval of the members.

#### **Item Nos 13 and 14**

As you are aware, your company is planning to increase the Cement Production at Durga Cement Works, Sri Durgapuram, Dachepalli Mandal, Palnadu District, (AP). The company is also looking for opportunities to set-up new plants by way setting up new production line or by way acquisitions. to cater to the ever-growing demand for

cement. As this may require significant borrowings by the company, it is now proposed to revise the borrowing limits to Rs.2000 crores, to raise funds, inter-alia, for the above purpose from time to time.

Further, any such borrowings by the company need to be secured by, inter-alia, mortgaging the movable and immovable properties of the company, as may be required by the lenders concerned, who mostly include in their terms of lending a standard condition to confer them with power to enter upon and to take possession of assets of the borrower in certain events, in their favor to secure the term loan(s) and other credit facilities as may be extended by them including interest, compound / additional interest at the respective agreed rates, premia on pre-payment or on redemption, cost, charges, expenses and all other monies payable by the company to the above said lenders in terms of the sanction governing such term loan(s) and other credit facilities.

For the above said borrowings and for creating charge or mortgaging the company's movable and immovable properties with power to take possession of the assets of the company in certain events, approval of the members is required under Section 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way concerned or interested, financially or otherwise, in the resolution.

Relevant documents related to the resolution are open for inspection by the members at the registered office of the Company on all working days between 10.00 a.m. to 5.00 p.m. till the date of the Meeting.

The Board recommends the Special Resolution set out at item number 13 and 14 of the Notice for approval by the members.

#### **Item No. 15**

Pursuant to the provisions of Section 186 of the Companies Act, 2013, the Board of Directors shall not except with the approval of the Company in general meeting shall directly or indirectly

- (a) give any loan to any person or other body corporate;
- (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent. of its paid-up share capital, free reserves and securities premium account or one hundred per cent. of its free reserves and securities premium account, whichever is more.

It is proposed to pass an enabling resolution authorizing board of directors or any of its committee of the company to make investment or give loan, guarantee or provide security up to Rs.2000 crores at any point of time.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way concerned or interested, financial or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at item number 15 of the Notice for approval by the members.

**Item No. 16**

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

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 2023-24. The Board has fixed remuneration of Rs.5,00,000/- (Rupees Five Lakhs only) exclusive of applicable service tax 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 ending March 31, 2024 by passing an Ordinary Resolution as set out at Item No. 16 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.

**Item No.17**

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year exceeds Rs.1,000 crores or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and shall require prior approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, as well as (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not. It is in the above context that, Resolution No. 17 is placed for the approval of the Shareholders of the Company.

As a part of the Corporate Insolvency Resolution Process (CIRP), the Amaravati Bench of National Company Law Tribunal approved a Resolution Plan submitted by Sagar Cements Limited (“SCL”). Following the above development, SCL has infused a sum of Rs.322.23 crores in to the company, against which sum, company has allotted 8,75,63,533 equity shares of Rs.10/- each at a premium of Rs.26.80 per share which constituting 95% of the share capital of the company, by virtue of which, SCL has become a holding company of and its “related party”.

The Company proposes to enter into transactions with SCL during FY 2023-24 as that of the previous year such as (i) Purchase of clinker (ii) Sale and purchase of spares/equipment’s (iii) Usage of Brand name of SCL (iv) Inter Corporate Loans and Borrowings form SCL and (v) Manpower Services. The Management has provided the Audit Committee with the relevant details of proposed RPTs including rationale, material terms and basis of pricing. The Audit Committee, after discussion and deliberation has granted approval for entering into the RPTs with SCL for an aggregate value of up to Rs.90 Crores per year. The Audit Committee has noted that the said transactions will be on an arms’ length basis and in the ordinary course of business. As the current proposals is material in nature, these transactions are deemed to be material related party transactions requiring specific approval from the shareholders under Regulation 23 (4) and other applicable Listing Regulations.

**Further details of the proposed transactions with ACL, are as follows:**

<b>S.No</b>	<b>Particulars</b>	<b>Description</b>
1	A summary of the information provided by the management of the listed entity to the audit committee	
a)	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Sagar Cements Limited (“SCL”) and SCL is the holding company to Andhra Cements Limited (“ACL”).
b)	Type, material terms and particulars of the proposed transaction	The operational transaction involves (i) Purchase of clinker (ii) Sale and purchase of spares/equipment’s (iii) Usage of Brand name of SCL and (iv) Inter Corporate Loans and Borrowings form SCL (v) Manpower Services, aggregating up to Rs.90 crores per year.
c)	Value of the proposed transactions	Amount up to Rs.90 crores per year.
d)	The percentage of the listed entity’s annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	ACL annual turnover based on the audited financial statements for FY 2021-22 is Nil

e)	RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis.	Not applicable.
2	Justification for why the proposed transaction is in the interest of the listed entity	Already furnished as part of the Explanatory Statement.
3	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Nil
4	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
5	Percentage of the counter-party's annual turnover that is represented by the value of the proposed RPT, on a voluntary basis	SCL's annual consolidated turnover based on the audited financial statements for FY 2021-22 is Rs.1,59,687 Lakhs.
6	Any other information that may be relevant	Nil

Accordingly, the necessary resolution is submitted in Item No.17 of the Notice and your Board recommends the same for approval of the shareholders.

Dr. S.Anand Reddy, Mr. S.Sreekanth Reddy, Mrs. S.Rachana, Mr. K.V.Vishnu Raju, Mr. Ravichandran Rajagopal and Mrs. O.Rekha, Directors of the Company, hold directorships in SCL. Mr. K.Prasad, CFO holds the position of CFO in SCL.

None of the other Directors and Key Managerial Personnel of the company and their relatives is in any way concerned or interested financially or otherwise in the resolution, except to the extent of their designations and shareholding, if any, in ACL and in SCL.

### **Item No.18**

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year exceeds Rs.1,000 crores or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and shall require prior approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed

entity or any of its subsidiaries on the other hand, as well as (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not. It is in the above context that, Resolution No.18 is placed for the approval of the Shareholders of the Company.

R V Consulting Services Private Limited (“RV”) is a promoter group of Sagar Cements Limited which is a holding company and also Smt.S.Rachana, director of the company also holds directorship and shareholder of RV by virtue of which, RV has become “related party” to ACL. The Company proposes to enter into transactions with RV during FY 2023-24 as that of the previous year such as (i) Technical Consultancy, Site Supervision, Third Party Inspection (ii) Purchase of Property, Plant & Equipment including machinery for Mechanical Equipment’s and repairs and electrical instrumental (iii) Civil Works, painting works and (iv) Development works including green belt development an site cleaning and any other related transactions. The Management has provided the Audit Committee with the relevant details of proposed RPTs including rationale, material terms and basis of pricing. The Audit Committee, after discussion and deliberation has granted approval for entering into the RPTs with RV for an aggregate value of up to Rs.90 crores per year. The Audit Committee has noted that the said transactions will be on an arms’ length basis and in the ordinary course of business. As the current proposals is material in nature, these transactions are deemed to be material related party transactions requiring specific approval from the shareholders under Regulation 23 (4) and other applicable Listing Regulations.

**Further details of the proposed transactions with ACL, are as follows:**

S.No	Particulars	Description
1	A summary of the information provided by the management of the listed entity to the audit committee	
a)	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	R V Consulting Services Private Limited (“RV”) is a promoter group of Sagar Cements Limited which is a holding company and also Smt.S.Rachana, director of the company also holds directorship and shareholder of RV
b)	Type, material terms and particulars of the proposed transaction	(i) Technical Consultancy, Site Supervision, Third Party Inspection (ii) Purchase of Property, Plant & Equipment including machinery for Mechanical Equipment’s and repairs and electrical instrumental (iii) Civil Works, painting works and (iv) Development works including green belt development an site cleaning and any other related transactions aggregating up to Rs.90 crores per year.



c)	Value of the proposed transactions	Amount up to Rs.90 crores per year.
d)	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	ACL annual turnover based on the audited financial statements for FY 2021-22 is Nil
e)	RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis.	Not applicable.
2	Justification for why the proposed transaction is in the interest of the listed entity	Already furnished as part of the Explanatory Statement.
3	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Nil
4	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
5	Percentage of the counter-party's annual turnover that is represented by the value of the proposed RPT, on a voluntary basis	RV's annual consolidated turnover based on the audited financial statements for FY 2021-22 is Rs.10,368 Lakhs.
6	Any other information that may be relevant	Nil

Accordingly, the necessary resolution is submitted in Item No.18 of the Notice and your Board recommends the same for approval of the shareholders.

Smt. S. Rachana as Director, to that extent she along with Shri S.Sreekanth Reddy, who is the other director related to her, may be deemed to be interested in the resolution

None of the other Directors and Key Managerial Personnel of the company and their relatives is in any way concerned or interested financially or otherwise in the resolution, except to the extent of their designations and shareholding, if any.

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

Place: Hyderabad  
Date: 6<sup>th</sup> May, 2023

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

**Registered office:**  
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

<b>Name of the Director</b>	<b>Dr.S.Anand Reddy</b>	<b>Shri S.Sreekanth Reddy</b>	<b>Mrs.S.Rachana</b>
DIN	00123870	00123889	01590516
Date of birth	10.06.1964	27.08.1971	04.08.1975
Age	59	51 years	47 years
Qualification	M.B.B.S	B.E. (I & P) and PG Diploma in Cement Technology	B.Sc.
Experience in specific functional areas	Corporate Executive	Corporate Executive	Corporate Executive
Date of first appointment on the Board	07.03.2023	07.03.2023	07.03.2023
Nature of Appointment	Appointment as Managing Director	Appointment as Director	Appointment as Director
Terms and Conditions of Appointment / Reappointment	Appointment as Managing Director on terms and conditions as detailed in Resolution No.3	Appointment as Director on terms and conditions as detailed in Resolution No.4	Appointment as Director on terms and conditions as detailed in Resolution No.5
Directorships in other Companies (other than listed companies)	1. Sagar Power Limited 2. Sagar Priya Housing & Industrial Enterprises Ltd. 3. Super Hydro Electric Pvt.Ltd. 4. Sagar Cements (M) Private Limited 5. Jajpur Cements Pvt. Ltd.	1. Sagar Power Limited 2. Sagar Priya Housing and Industrial Enterprises Ltd. 3. SreeVenkateswara Winery and Distillery Private Limited 4. Super Hydro Electric Private Limited 5. Sagar Cements (M) Private Limited 6. Jajpur Cements Private Limited.	1. R V Consulting Services Private Limited
Directorships in other Listed Companies	1. Sagar Cements Limited	1. Sagarsoft (India) Limited 2. Sagar Cements Limited	1. Sagar Cements Limited
Names of Listed Companies from which he has resigned in the past three years	NA	NA	NA

Membership/ Chairmanship of Committees of other Boards	Chairman of the Audit Committee in Sagar Power Ltd.	Member of the Audit Committee in Sagar Cements (M) Private Limited	Nil
Membership of Audit / Stakeholders Relationship Committees of Listed Companies	Member of Stakeholders' Relationship Committee of Sagar Cements Limited	Nil	Nil
No. of shares held including shareholding as a beneficial owner in Andhra Cements Ltd.	Nil	Nil	Nil
Number of Board Meetings attended during FY 2023	02	02	02
Details of Remuneration last drawn	Nil	Nil	Nil
Details of Remuneration sought to be paid	No remuneration is proposed	No remuneration is proposed except sitting fee	No remuneration is proposed except sitting fee
Inter-se relationship with other Directors and KMP of the Company	Related to Shri S.Sreekanth Reddy, Director	Related to Dr.S.Anand Reddy, Managing Director and Mrs.S. Rachana, Non-Executive Director	Related to Shri S.Sreekanth Reddy, Director
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements exchange of India	Dr. S. Anand Reddy holds Managing Director in M/s. Sagar Cements Limited (SCL) since 2018 and having ample experience in the Cements Industries The Company believes that his skills, knowledge, and experience on the Board will complement the effective functioning of the Company.	He holds Executive Director in Sagar Cements Limited since 2018 and he led Sagar Cements to be one of the most economical cement companies in Telangana, one that has adopted modern technology for optimum power and coal consumption. The Company believes that his skills, knowledge, and experience on the Board will complement the effective	She holds bachelor degree in science and also having vast experience in the cement sector.

<p>Information as required pursuant to BSE Circular no. LIST/COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/24 dated June 20, 2021.</p>	<p>We affirm that Dr.S.Anand Reddy is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Dr.S.Anand Reddy is not debarred from holding the office of director pursuant to any SEBI Order.</p>	<p>We affirm that Shri S.Sreekanth Reddy is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri S.Sreekanth Reddy is not debarred from holding the office of director pursuant to any SEBI Order.</p>	<p>We affirm that Mrs.S.Rachana is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Mrs.S.Rachana is not debarred from holding the office of director pursuant to any SEBI Order.</p>
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**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**

<b>Name of the Director</b>	<b>Shri Ravichandran Rajagopal</b>	<b>Shri Kalidindi Venkata Vishnu Raju</b>	<b>Smt.O.Rekha</b>	<b>Shri V.H. Ramakrishnan</b>
DIN	00110930	00480361	07938776	00143948
Date of birth	10.07.1962	31.01.1964	20.07.1959	13.04.1941
Age	60 years	58 years	64 years	82 years
Qualification	B.E.(Mechanical) and PG Diploma in Management	B.Tech. (Chemical Engineering) and MS in Chemical Engineering	B.Com. (Hons.), MBA, ACA	B.Sc., ACA, ACMA
Experience in specific functional areas	Corporate Executive	Corporate Executive	Finance	Finance
Date of first appointment on the Board	14.04.2023	23.03.2023	23.03.2023	23.03.2023 (Subject to the approval of members)
Nature of Appointment	Appointment as Independent Director	Appointment as Independent Director	Appointment as Independent Director	Appointment as Independent Director
Terms and Conditions of Appointment / Reappointment	Appointment as Independent Director on terms and conditions as detailed in Resolution No.11	Appointment as Independent Director on terms and conditions as detailed in Resolution No.9	Appointment as Independent Director on terms and conditions as detailed in Resolution No.10	Appointment as Independent Director on terms and conditions as detailed in Resolution No.12
Directorships in other Companies (other than listed companies)	1. Anjani Foods Ltd. 2. Anjani Vishnu Holdings Ltd. 3. Vishnu Foundation Technology Business Incubator 4. SentaFoodwork Private Ltd. 5. Tulya Beverages Private Ltd. 6. PH4 Food & Beverages Private Ltd.	1. Anjani Vishnu Allied Services Ltd. 2. Anjani Vishnu Holdings Ltd. 3. Anjani Cement (Karnatak) Ltd. 4. B.V.Raju Dental Health Care Systems Ltd. 5. NCL Buildtek Ltd. 6. Gorinta Hotels Private Ltd.	1. Sagar Cements (M) Private Limited 2. VA Champ Industries Private Limited	Nil
Directorships in other Listed Companies	1. Anjani Foods Limited 2. Sagar Cements Limited	1. Anjani Foods Limited 2. Sagar Cements Limited	1. Sagar Cements Limited	1. K C P Limited
Names of Listed Companies from which he has resigned in the past three years	NA	NA	NA	NA

Membership/ Chairmanship of Committees of other Boards	Nil	Nil	Chairman of Audit Committee in Sagar Cements (M) Private Limited	Nil
Membership of Audit / Stakeholders Relationship Committees of Listed Companies	1.Member of Audit Committee of Sagar Cements Limited 2.Member of Audit Committee and Stakeholders Relationship Committee in Anjani Foods Limited	1.Chairman of Stakeholders Relationship of Anjani Foods Limited 2.Member of Audit committee of Sagar Cements Limited	1.Chairman of Audit Committee in Sagar Cements Limited	1.Member of Audit Committee and Stakeholders Relationship Committee in The K C P Limited
No. of shares held including shareholding as a beneficial owner in Andhra Cements Ltd.	Nil	Nil	Nil	Nil
Number of Board Meetings attended during FY 2023	Nil	01	01	Nil
Details of Remuneration last drawn	Nil	Nil	Nil	Nil
Details of Remuneration sought to be paid	No remuneration is proposed except sitting fee	No remuneration is proposed except sitting fee	No remuneration is proposed except sitting fee	No remuneration is proposed except sitting fee
Inter-se relationship with other Directors and KMP of the Company	Nil	Nil	Nil	Nil
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Shri Ravichandran Rajagopal is a professional, having rich expertise and skills in areas which include Cement, Dairy, Food products and Healthcare services. His ability to build cross functional teams and build the organization from ground up has been an important part of his capabilities. The Company believes that his skills,	Shri Kalidindi Venkata Vishnu Raju is a professional, having rich expertise and skills in areas which include Food products Cement, Dairy. He had also been associated with Raasi Cements Limited as Executive Director from 1992 to 1995 and as Managing Director from 1995 to 1998. He was on the Board of Anjani Portland	Smt.O.Rekha is a professional, having expertise and skills in Finance. Her ability to build cross functional teams and build the organization from ground up has been an important part of her capabilities. The Company believes that his skills, knowledge, and experience on the Board will complement the effective functioning of the Company.	Shri V.H. Ramakrishnan is a professional, having rich expertise and skills in areas which include Cement. His ability to build cross functional teams and build the organization from ground up has been an important part of his capabilities. The Company believes that his skills, knowledge, and experience on the Board will complement the

	knowledge, and experience on the Board will complement the effective functioning of the Company.	Cement Limited as its Chairman and Managing Director from 1999 to 2014. The Company believes that his skills, knowledge, and experience on the Board will complement the effective functioning of the Company.		effective functioning of the Company.
Information as required pursuant to BSE Circular no. LIST/COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/24 dated June 20, 2021.	We affirm that Shri Ravichandran Rajagopal is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri Ravichandran Rajagopal is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Shri Kalidindi Venkata Vishnu Raju is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri Kalidindi Venkata Vishnu Raju is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Smt.O.Rekha is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Smt.O.Rekha is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Shri V.H.Ramakrishnan is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri V.H.Ramakrishnan is not debarred from holding the office of director pursuant to any SEBI Order.

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

Place: Hyderabad  
Date: 6<sup>th</sup> May, 2023

**Registered office:**

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

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

# ANDHRA CEMENTS LIMITED

## DIRECTORS' REPORT

To,  
The Members

The Directors of your Company are pleased to present the Eighty Fourth (84<sup>th</sup>) Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023.

### FINANCIAL HIGHLIGHTS

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

(Rs. in lakhs, unless otherwise stated)

	<b>2022-23</b>	2021-22
Revenue from Operations	-	-
Other Income	48	61
PBIDT	(2547)	(3002)
Finance Cost	1567	15836
Depreciation	4679	4658
Profit/(Loss) before exceptional Items	(8793)	(23496)
Exceptional Item	97163	(134)
Profit/(Loss) before Tax	88370	(23630)
Tax	-	-
Profit/(Loss) after Tax	88370	(23630)
Deferred Tax	(6592)	-
<b>Net Profit / (Loss)</b>	<b>94962</b>	<b>(23630)</b>
Other Comprehensive Income	-	-
Total Comprehensive Income	94962	(23630)
<b>Basic &amp; Diluted Earnings per share of Rs. 10/- each</b>	<b>34.82</b>	<b>(8.05)</b>

**THE DETAILS OF THE 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**

### CORPORATE INSOLVENCY RESOLUTION PROCESS

The Hon'ble NCLT, Amaravati Bench, vide its Order dated 16<sup>th</sup> February, 2023 approved the Resolution Plan submitted by the Resolution Applicant, Sagar Cements Limited.

The Resolution Applicant, Sagar Cements Limited upon successful implementation of the Resolution Plan took over the control of the management and ownership of the Company and by virtue of which your company has become subsidiary of Sagar



Cements Limited. The reconstituted Board reflects the control of the Company's Management by Sagar Cements Limited by appointing their Nominees as Directors.

A new Board was constituted on 7<sup>th</sup> March, 2023 (Re-constituted Board) (and the Independent Directors were appointed on 23.03.2023) and new Management was put in place, in accordance with provisions of the IBC and NCLT Order. The approved Resolution Plan is binding on the Company and its employees, creditors, guarantors and other stakeholders involved.

Members may kindly note that, for the financial year under review, the Directors of the Re-constituted Board (Directors) were in office from 7<sup>th</sup> March, 2023, to which this report primarily pertains. During the CIRP which commenced from 26<sup>th</sup> April, 2022 to 16<sup>th</sup> February, 2023, the Resolution Professional (RP) was entrusted with the management of the affairs of the Company.

This report was prepared by the reconstituted board in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

The erstwhile Board consisted of Mr. K.V. Rajendran, Mr. Pankaj Gaur, Mr. Naveen Kumar Singh, Mr. Suresh Chand Rathi, Mr. S.D. Nailwal and Mrs. Manju Sharma ceased to be Directors of the Company w.e.f. 7<sup>th</sup> March, 2023 without any further action.

The Board of Directors of the Company was re-constituted and as on the date of this Report, the Company consists of the following Directors.

<b>S.No.</b>	<b>Name of the Director</b>	<b>Designation</b>
1	Dr. S. Anand Reddy	Managing Director
2	Mr. S. Sreekanth Reddy	Non-Executive Director
3	Mrs. S. Rachana	Non-Executive Director
4	Mr. K.V. Vishnu Raju	Non-Executive -Independent Director
5	Mrs. O. Rekha	Non-Executive-Independent Director
6	Mr. Ravichandran Rajagopal	Non-Executive-Independent Director

*subject to the approval of the members in the 84<sup>th</sup> Annual General Meeting*

Silent features of the approved Resolution Plan and implemented during the financial year under review are as follows:

The CIRP under the Insolvency and Bankruptcy Code, 2016 initiated on 26<sup>th</sup> April, 2022. The National Company Law Tribunal (NCLT), Amaravati Bench, vide its order dated 16<sup>th</sup> February, 2023 approved the Resolution Plan submitted by SAGAR CEMENTS LIMITED, which inter alia resulted in the following:

- a) Extinguishment of 20,17,41,371 equity shares of Rs. 10/- each held by the erstwhile promoters.
- b) Reduction of Capital of 9,17,79,121 equity shares of Rs. 10/- each held by the public (Non-Promoter) to the extent of 95% of their holdings and issued 46,08,607 new equity shares of Rs. 10/- each fully paid-up, in terms of the Resolution Plan. The Company issued 8,75,63,533 equity shares of Rs. 10/- at a premium

of Rs. 26.80/- per share to the Resolution Applicant viz., Sagar Cements Limited, which constitute 95% of the post issue share capital of the company.

- c) Fractional entitlement of equity shares 0.5 or more, rounding off to next higher integer. Further, every shareholder holding 19 or less equity shares of the company on Record Date (03-03-2023) has allotted one equity share.
- d) Settlement of debts of financial creditors amounting to Rs. 725,89,33,418/-
- e) Settlement of Employees and workmen amounting to Rs. 8,27,18,455/-
- f) Settlement of Operational Creditors (other than Employees and workmen) for a sum of Rs. 9,34,76,068/- payable by the Company and extinguishment of other current and non-current liabilities standing as on the commencement of CIRP.
- g) Extinguishment of all contingent liabilities, commitments and other claims and obligations including all taxes and other government dues standing as on the commencement of CIRP.

**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 10,00,00,000 Preference Shares of Rs. 10/- each amounting to Rs.100 crores.

**PAID-UP SHARE CAPITAL**

In terms of the Resolution Plan as approved by the Hon'ble NCLT, Amaravati Bench, vide its Order dated 16-02-2023, the existing Promoter Shareholding was extinguished and their shareholding stands cancelled and the existing Public Shareholding was reduced to the extent of 95% and allotted 46,08,607 new equity shares of Rs. 10/- each, on 07-03-2023. Further, the Company has issued and allotted 8,75,63,533 equity shares of Rs. 10/- each at a premium of Rs. 26.80/- per share on 23-03-2023 to the Resolution Applicant viz, Sagar Cements Limited, as per the approved Resolution Plan on a preferential basis. Consequent to the above the paid-up equity share capital of the Company as at 31<sup>st</sup> March, 2023 is Rs. 92,17,21,400/-.

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**

During the year under review, Company's plants viz, Durga Cement Works (DCW) and Visaka Cement Works (VCW) were not operated due to operational constraints. Further, the plant operations of the Company are at halt due to shortage of working capital and consequential attachment of stocks and bank accounts of the Company by the GST authorities and Power disconnection by the concerned Electricity Board. The Company was under the process of Corporate Insolvency Resolution Process as per the NCLT Order dated 26<sup>th</sup> April, 2022.

After successful implementation of Resolution Plan, the Company re-commenced its Plant Operations/Grinding Operations from 12<sup>th</sup> April, 2023 at its Durga Cement Works,

## **FINANCIAL STATEMENTS**

As per the provisions of the Companies Act, 2013 and Regulation 34 of LODR, Companies are required to prepare financial statements to be laid before the Annual General Meeting of the Company. Accordingly, the financial statements along with the Auditors' Report thereon, 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](http://www.andhracements.com).

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

1. In term of the Resolution Plan as approved by the NCLT Order dt. 16-02-2023, the exiting Board was suspended and all the Directors were ceased to be a Directors of the Company, without any action from their end. The Board was re-constituted on 7<sup>th</sup> March, 2023 by induction of Dr. S. Anand Reddy, Shri. S. Sreekanth Reddy and Smt. S. Rachana as Additional Directors and Shri.K.Prasad as CFO of the Company. Subsequently the newly constituted Board appointed Shri. K.V. Vishnu Raju and Smt. O. Rekha as Additional Directors (under Independent category) on 23<sup>rd</sup> March, 2023, and Shri. Ravichandran Rajagopal was inducted as an Additional Director (under Independent category) on 14<sup>th</sup> April, 2023. Subject to members approval Dr. S. Anand Reddy is appointed as Managing Director. Required resolutions for the appointment of Directors have been included in the notice of the Annual General Meeting seeking approval of the members.
2. During the year under report, the Board Meet 6 times, the details whereof are given in Report on Corporate Governance. The meetings of Board of Directors were held on 30.05.2022, 22.07.2022, 03.11.2022, 09-02-2023, 07.03.2023 and 23.03.2023.

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 LODR.
4. Pursuant to the provisions of the Companies Act, 2013 and LODR, 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 LODR, 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, 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 LODR, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the management and the board, performance of the Board as a whole and its Members and other required matters. Pursuant to Regulation 17(10) of LODR Board of Directors have evaluated the performance of the 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 not entered into any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction.

The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at [www.andhracements.com](http://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, except the Order passed by the Hon'ble NCLT, Amaravati Bench, Hyderabad dated 26.04.2022 for the Commencement of Corporate Insolvency Resolution Process (CIRP) and appointment of RP, and later the Hon'ble NCLT, Amaravati Bench, approved the Resolution Plan submitted the Resolution Applicant viz, Sagar Cements Limited, vide Order dated 16<sup>th</sup> February, 2023. These two orders are available on the Company's website at [www.andhracements.com](http://www.andhracements.com).

## **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, M/s. Dass Gupta & Associates, Chartered Accountants (Firm Registration No. 000112N), were appointed as Statutory Auditors of the Company, however they have tendered their resignation on 06.05.2023, thus resulted into casual vacancy, the Board of Directors of the Company recommended appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as Statutory Auditors of the Company to fill the casual vacancy caused by M/s. Dass Gupta & Associates, to hold the office from 06.05.2023 until the conclusion of this AGM. Accordingly, based on the recommendations of the Audit Committee, the Board has recommended for approval of the shareholder at the ensuing AGM, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company the year 2028. The resolution along with explanatory statement for statutory auditors appointment has been included in the Notice of ensuing Annual General Meeting.

The Company has obtained a written consent and a certificate from the Statutory Auditors to the effect that their appointment, if appointed, would be in accordance with the conditions as prescribed and they fulfill the criteria laid down in Section 141 of the Companies Act, 2013.

### **2. Cost Auditors**

The Board of Directors of the Company on the recommendation of Audit Committee, appointed M/s. Narasimha Murthy & Co, Cost Accountants (Firm Regn No. 000042) for the Financial Year 2023-24 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 of ensuing Annual General Meeting.

### 3. **Secretarial Auditor**

Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2023, issued by M/s. Savita Jyoti Associates, Company Secretaries, in form MR-3 forms part of this report and marked as “**Annexure-B**”.

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, on recommendations of the Audit Committee, the Board has appointed M/s. BSS & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2024.

### **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 31<sup>st</sup> March, 2023 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, except at the stage of Capital Reduction in terms of the NCLT Order dated 16.02.2023.

### **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 31<sup>st</sup> March, 2023 that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- b) the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31<sup>st</sup> March, 2023 and the profit 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](http://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 Internal Auditors of the Company for insufficiency or inadequacy of such controls.

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

## **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 is 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 4<sup>th</sup> 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. During the year under review, no complaints were received by the Company.

## **FUTURE OUTLOOK**

GDP growth is expected to increase in the year 2023-24. 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 for the financial year 2023-24. Our plants are fully equipped and supported with grinding units at strategic locations. Our company will be able to make suitable measures to take advantage of the present economic momentum in the coming years.

## **THREATS**

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

## **OPPORTUNITIES**

The Company’s products have always been perceived to possess superior quality standards in the market and the company has been enjoying a high-level customer satisfaction index. Hence, products will be sold at higher profitability and revenue.

## **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, interalia, an adequate number of bag filters in the plant.

## **SUB COMMITTEES OF THE BOARD**

The Board has an Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management 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.

## **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**

Statements 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 6, 2023

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

## FORM NO. AOC -2

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

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

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

2. **Details of contracts or arrangements or transactions at arm's length basis: NIL**

Name(s) of the related party and nature of	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions relationship including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
-	-	-	-	-	-

For and on behalf of the Board

Place: Hyderabad  
Date: May 6, 2023

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

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE PERIOD ENDED MARCH 31, 2023

*[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,

Dachepalli – 522 414, Palnadu (Dist), AP

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Andhra Cements Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing 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 has, during the audit period from April 1, 2022 to March 31, 2023 ('audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on March 31, 2023 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the Audit period)
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the Audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;( Not applicable during the Audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the Audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;(Not applicable during the Audit period)
2. We have relied on certifications/representations made by the officers of the Company and mechanism formed by the Company for compliance under the Applicable Act, Laws and Regulations to the Company. Major laws applicable to the company are as follows:
- 1. Mines and Minerals (Development and Regulation) Act, 1957
  - 2. Factories Act, 1984;
  - 3. Contract Labour Act, 1970;
  - 4. Employees' Provident Funds & Miscellaneous Provisions Act, 1952;
  - 5. Industrial Dispute Act, 1947;
  - 6. Environment (Prevention of pollution control) Act, 1986;
  - 7. Cement (Quality Control) Order, 2003;
  - 8. Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
  - 9. Mineral Conservation and Development Rules, 1988;
  - 10. Metalliferous Mine Regulations, 2012; and
  - 11. Explosives Act, 2008.
3. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and The National Stock Exchanges of India Limited, Mumbai.
4. During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that:

- The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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/ Regulation(s).
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Since none of the members have communicated dissenting views in the matters/ agenda proposed from time to time for consideration of the Board and Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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

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

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

**We further report that** National Company Law Tribunal (NCLT), Amravati Bench, AP has approved the Company Insolvency Resolution Process (CIRP) vide order dated 16.02.2023 and the Board has approved the following in terms of the NCLT Order:

- h) Extinguishment of 20,17,41,371 equity shares of Rs. 10/- each held by the erstwhile promoters.
- i) Reduction of Capital of 9,17 79,121 equity shares of Rs. 10/- each held by the public (Non-Promoter) to the extent of 95% of their holdings and issue of 46,08,607 new equity shares of RS. 10/- each to the Public.
- j) Issue and Allotment of 8,75,63,533 Equity Shares of Rs. 10/- each at a Premium of Rs. 26.80/- per share to M/s. Sagar Cements Limited as per the terms of the approved resolution plan.

The complete year audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable.

**for Savita Jyoti Associates**  
Company Secretaries

**CS Savita Jyoti**  
FCS No.3738; C P No.:1796  
UDIN: F003738E000252437

Date: 04/05/2023  
Place: Hyderabad

**SECRETARIAL COMPLIANCE REPORT OF  
M/S ANDHRA CEMENTS LIMITED**

CIN: L26942AP1936PLC002379

Sri Durga Cement Works, Sri Durgapuram, Dachehalli - 522414,  
Palnadu District, Andhra Pradesh, India

[as per the regulation 24(A) of SEBI (LO&DR) Regulations, 2015 as amended from time to time]

I, Savita Jyoti partner of M/s. Savita Jyoti Associates, Practicing Company Secretary (CP No: 1796, M. No. 3738), have examined:

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

for the year ended 31st March, 2023 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 year under review
- (e) Securities and Exchange Board of India (Share based employee benefits and Sweat Equity) Regulations, 2021; Not Applicable during the year under review
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable during the year under review
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and based on the above examination, I/We hereby report that, during the Review Period:

Sr. No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Not applicable Remarks by PCS
1.	<b>Secretarial Standards:</b> 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	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/ guidelines issued by SEBI</li> </ul>	YES  YES	
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• 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</li> </ul>	YES  YES  YES	
4.	<b>Disqualification of Director:</b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	YES	
5.	<b>To examine details related to Subsidiaries of listed entities:</b> <ul style="list-style-type: none"> <li>a. Identification of material subsidiary companies</li> <li>b. Requirements with respect to disclosure of material as well as other subsidiaries</li> </ul>	NA  NA	
6.	<b>Preservation of Documents:</b> 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	



7.	<b>Performance Evaluation:</b> 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	
8.	<b>Related Party Transactions:</b> a. The listed entity has obtained prior approval of Audit Committee for all Related party transactions b. 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	NA  NA	
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	YES	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> 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	No Actions taken against the Company/ its promoters/ directors/ subsidiaries either by SEBI or by BSE & NSE under SEBI Regulations and circulars/ guidelines issued thereunder during the year under review.

12.	<b>Additional Non-compliances, if any:</b> No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	YES	No additional non-compliance was observed for any SEBI regulation/ circular/ guidance note etc. during the year under review.
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The Additional disclosures of Annual Secretarial Compliance Report as below:-

- (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
----- Not Applicable -----										

- (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
----- Not Applicable -----										

*for* **Savita Jyoti Associates**  
Company Secretaries

**Savita Jyoti**  
Partner  
M. No. FCS No. 3738  
CP. No. 1796  
UDIN F003738E000252745  
PR: 1326/2021

Date: 04-05-2023  
Place: Secunderabad

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

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

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

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

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

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

<b>Particulars</b>	<b>Ratio to Median Remuneration</b>
N.A.	N.A.

Note : There is no remuneration to any director.)

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

<b>Particulars</b>	<b>% increase in the Remuneration</b>	
Shri A.K. Agrawal, CFO	0.52%	(9.81%)
Shri G. Tirupati Rao, Company Secretary	8.90%	(19.61%)

**(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 18.60%.

**(iv) The number of permanent employees on the rolls of Company including on secondment: 110**

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

The median remuneration of the employees during the financial year was Rs.5.16 lakhs (4.35 lakhs) and the percent increase in the median remuneration was 18.60% (9.57%).

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

Key indices of Company's performance are :

Particulars	2022-23	2021-22	Growth (%)
Net Sales from Operations (Rs. In lakhs)	-	-	N/A
Profit Before Tax (Rs. In lakhs)	88148	(23630)	473%
Profit After Tax (Rs. In lakhs)	94736	(23630)	501%

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

(Rs. In Lakhs)

Particulars	Chief Executive Officer	Company Secretary	CFO
Remuneration of Key Managerial Personnel (KMP) during financial year 2022-23 (aggregated)	-	24.36	34.87
Revenue from operations	-	-	-
Remuneration (as % of revenue)	-	NA	NA
Profit before tax (PBT)	-	88148	88148
Remuneration (as % of PBT)	-	0.03%	0.04%

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

Particulars	Unit	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	Variation
Closing price of shares at BSE	Rs.	4.95	14.65	(66.21)%
EPS (Consolidated)	Rs.	34.82	(8.05)	533%
Market Capitalization	Rs. Cr	145.29	430.01	(66.21)%
Price Earnings Ratio	Ratio	NA	NA	NA

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

(Rs. in lakhs unless otherwise stated)

<b>Particulars</b>	<b>Remuneration in Financial Year 2022-23</b>	<b>% increase in Remuneration in Financial year 2022-23</b>
Average monthly salary of all employees (other than Key Managerial Personnel)	5.06	(4.25)%
Salary of Company Secretary	24.36	8.90%
Salary of CFO	34.87	0.52%

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

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

The total remuneration of Key Managerial Personnel increased by 3.80% in 2022-23 compared to 2021-22.

Profit before Tax increased by 473% in 2022-23 compared to 2021-22.

- (x) **The key parameters for any variable component of remuneration availed by the Directors : Nil**
- (xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : NA**
- (xii) **Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of our Company.

**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 as the plant operations were suspended.

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

No steps were taken during the year as the plant operations were suspended.

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

Not applicable.

**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: Nil**

The Plant was shut down and there were no production activities during the year.

For and on behalf of the Board

**K.V. VISHNU RAJU**

Chairman  
(DIN: 00480361)

Place: Hyderabad  
Date: May 6, 2023

## ANDHRA CEMENTS LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **Industry structure and development:**

India's cement demand remained passive for most of F.Y. 2023, 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 Andhra Pradesh. 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 inadequate working capital 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 Telangana, 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, Swach 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, post the bifurcation of erstwhile Andhra Pradesh and formation of 2 new states 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 2022-23 are given below:

Sl. No.	Particulars	31.03.2023	31.03.2022	Formula adopted
1	Debtors Turnover Ratio (Days)	(#)	(#)	365 Days/ (Net Revenue / Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	(#)	(#)	365 Days/ Net Revenue/ Average Inventories)
3	Interest Coverage Ratio	57.41	(0.49)	(Profit before Tax + Interest)/(Interest + Interest Capitalised)
4	Current Ratio	2.39	0.01	Current Assets/(Total Current Liabilities-Security Deposits payable on demand - Current maturities of Long Term Debt)
5	Debt-equity Ratio	1.48	(*)	Total Debt/ Total Equity
6	Operating Profit Margin Ratio	(#)	(#)	EBITDA/Net Revenue
7	Net Profit Margin Ratio	(#)	(#)	Net Profit/Net Revenue
8	Return on Network	(**)	(**)	Total Comprehensive Income/Average Network

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

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

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

- EBITDA denotes Profit before Interest+ Tax+ Depreciation.
- 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.
- 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 respective demat accounts, after capital reduction. The Company will release these shares, whenever 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 2022-23 on the rolls of the Company is 119 at Cement Division and Central 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, 2023.

For and on behalf of the Board

Place: Hyderabad  
Date: May 6, 2023

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

**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, 2023 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 6, 2023

# ANDHRA CEMENTS LIMITED

## Corporate Governance Report for the year 2022-23

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 31<sup>st</sup> March, 2023, the re-constituted 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. (Except the appointment of Managing Director, which was taken place on 14-04-2023).

Note:

In terms of the NCLT Order dt. 16-02-2023, the existing suspended Board of the Company was dissolved and all the Directors of the existing Board deemed to have resigned without any further act or deed from any person and the Resolution Applicant viz, Sagar Cements Limited, has Re-constituted the Board of the Company on 7<sup>th</sup> March, 2023, in accordance with the terms of Resolution Plan.

- (i) As on 31<sup>st</sup> March, 2023 the Company had Five 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 31<sup>st</sup> March, 2023 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 2022-23		Whether attended the last AGM held on	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended	16.9.2022	Chairman	Member	Chairman	Member
Shri K.V.Vishnu Raju (Appointed as Chairman (w.e.f.23.03.2023))	Chairman, Independent and Non-Executive Director	6	2	NA	0	5	1	3
Dr.S.Anand Reddy (w.e.f. 07-03-2023)	Non-Executive Director	6	2	NA	-	5	1	1
Shri S.Sreekanth Reddy(w.e.f. 07-03-2023)	Non-Executive Director	6	2	NA	0	5	0	1
Mrs. S.Rachana (w.e.f 07-03-2023)	Non-Executive Director	6	2	NA	0	0	0	0
Mrs.O.Rekha (w.e.f 23-03-2023)	Independent and Non-Executive Director	6	1	NA	0	1	1	0

NA – Not Applicable

(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 Listed Entities	
			Company	Category	Chairman	Member
1	Shri K.V.Vishnu Raju (As Chairman and Independent Director w.e.f 23-03-2023)	Chairman and Independent Director	Anjani Foods Limited Sagar Cements Limited	Chairman Independent Chairman Independent	2	1
2	Dr.S.Anand Reddy	Non-Executive Director	Sagar Cements Limited	Executive Director	0	1
3	Shri S.Sreekanth Reddy	Non-Executive Director	Sagarsoft (India) Limited Sagar Cements Limited	Chairman – Non-Executive Director Executive Director	0	1
4	Mrs.S.Rachana	Non-Executive Director	Sagar Cements Limited	Non-Executive Director	0	0
5	Mrs.O.Rekha	Independent Director	Sagar Cements Limited	Independent Director	1	1

- (iv) As on 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March, 2023 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:  
30<sup>th</sup> May, 2022, 22<sup>nd</sup> July, 2022, 3<sup>rd</sup> November, 2022, 9<sup>th</sup> February, 2023, 7<sup>th</sup> March, 2023 and 23<sup>rd</sup> March, 2023.
- (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 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 9<sup>th</sup> February, 2023.
- (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](http://www.andhracements.com)).

- (xiii) In the opinion of the Board, the independent directors fulfill the conditions specified in the 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 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 utilisation, 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	Dr.S.Anand Reddy	
3	Shri S.Sreekanth Reddy	
4	Mrs.S.Rachana	Business & Industry
5	Mrs.O.Rekha	Financial Expertise, Governance & Compliance

(xv) Details of equity shares and convertible securities of the Company held by the Directors as on 31<sup>st</sup> March, 2023 are given below:

As on 31<sup>st</sup> March, 2023, none of the Executive/Non-Executive Directors/ Independent Directors holding any shares or convertible securities in the company.

(xvi) During the financial year 2022-23, none of the Independent Directors had resigned from his/her directorship, except in terms of the NCLT order dt. 16-02-2023.

### 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 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;
  - 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 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 16<sup>th</sup> September, 2022 and the Chairman of the audit committee was present at the said meeting.
- vi. The Audit Committee of the Board has been reconstituted on 23<sup>rd</sup> March, 2023, the composition of the Audit Committee as on 31<sup>st</sup> March, 2023 and the details of attendance at its meetings held during the year 2022-23 are given below:



Name of the Member	Category	Number of meetings held during the tenure of member in the financial year 2022-23	
		Held	Attended
Shri K.V. Rajendran - Chairman (Up to 07-03-2023)	Independent Director	4	2
Shri Suresh Chand Rathi (Up to 07.03.2023)	Independent Director	4	4
Shri S.D. Nailwal (Up to 07.03.2023)	Non-Independent Director	4	2
Smt. O. Rekha - Chairperson (Appointed as a Chairperson w.e.f 23.03.2023)	Independent Director	0	0
Shri K.V. Vishnu Raju (w.e.f 23.03.2023)	Independent Director	0	0
Shri S. Sreekanth Reddy (w.e.f 23-03-2023)	Non-Executive Director	0	0

- vii. The Audit committee met 4 times during the year 2022-23 and the dates of these meetings are as under:

30<sup>th</sup> May, 2022, 22<sup>nd</sup> July, 2022, 3<sup>rd</sup> November, 2022, and 9<sup>th</sup> February, 2023.

#### 4. Nomination and Remuneration Committee

- i. The Nomination and Remuneration Committee (NRC) of the Board has been reconstituted on 23rd March, 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 31<sup>st</sup> March, 2023 and the details of the attendance at its meetings during the year 2022-23, are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the financial year 2022-23	
		Held	Attended
Shri Suresh Chand Rathi, Chairman (Up to 07.3.2023)	Independent Director	1	1
Shri Pankaj Gaur (up to 07-03-2023)	Non-Executive Director	1	1
Shri K.V. Rajendran (Up to 07-03-2023)	Independent Director	1	1
Smt. O. Rekha - Chairperson (w.e.f 23.03.2023)	Independent Director	0	0
Shri K.V. Vishnu Raju (w.e.f 23.03.2023)	Independent Director	0	0
Shri S. Sreekanth Reddy (w.e.f 23-03-2023)	Non-Executive Director	0	0

The NRC hold One meeting during the year 2022-23 and the date of the meeting is 30<sup>th</sup> May, 2022.

- 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.20,000/- and the same was increased to Rs. 40,000/- w.e.f 23-03-2023, 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 2022-23 are given below:

S.No.	Name of the Director	Sitting Fee (In Rupees)
1	Dr. S. Anand Reddy	60,000
2	Shri. S. Sreekanth Reddy	60,000
3	Mrs.S.Rachana	60,000
4	Shri K.V. Vishnu Raju	40,000
5	Mrs.O.Rekha	40,000
	<b>Total</b>	<b>2,60,000</b>

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. The Stakeholders Relationship Committee (SRC) of the Board has been reconstituted on 23<sup>rd</sup> March, 2023 and the Committee had the following directors as its members as on 31<sup>st</sup> March, 2023:

<b>Name of the Member</b>	<b>Category of the Director</b>
Shri Suresh Chand Rathi, Chairman (up to 07-03-2023)	Independent Director
Shri Naveen Kumar Singh (up to 07-03-2023)	Executive Director
Smt. Manju Sharma (up to 07-03-2023)	Non-Executive Director
Shri K.V.Vishnu Raju - Chairman (w.e.f 23-03-2023)	Independent Director
Smt. O. Rekha (w.e.f 23-03-2023)	Independent Director
Dr. S. Anand Reddy (w.e.f 23-03-2023)	Non-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 1 complaint from the investors during the year 2022-23 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, 2023.

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	1	1	0
	<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

During the year, one meeting of the Stakeholders' Relationship Committee was held on 9<sup>th</sup> February, 2023 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](http://www.andhracements.com) as part of the Risk Management Policy.
- iii. The details of the composition of the Risk Management Committee as on 31<sup>st</sup> March, 2023 and the attendance at its meetings held during the year 2022-23, are given below:

Name of the Member	Category	Number of meetings held during the tenure of Member in the financial year 2022-23	
		Held	Attended
Shri S.Sreekanth Reddy, Chairman (w.e.f. 23-03-2023)	Non-Executive Director	0	0
Shri K.V. Vishnu Raju (w.e.f. 23-03-2023)	Independent Director	0	0
Mrs.O.Rekha (w.e.f 23-03-2023)	Independent Director	0	0

The Risk Management Committee was constituted on 23<sup>rd</sup> March, 2023 and had not met during the year 2022-23.

## 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
83 <sup>rd</sup> AGM	16 <sup>th</sup> September, 2022	12.30 p.m.	Through VC/OAVM
82 <sup>nd</sup> AGM	29 <sup>th</sup> September, 2021	12.30 p.m.	Through VC/OAVM
81 <sup>st</sup> AGM	29 <sup>th</sup> September, 2020	3.30 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 82<sup>nd</sup> and 83<sup>rd</sup> Annual General Meetings.

At the 82<sup>nd</sup> 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 83<sup>rd</sup> AGM, one special resolution was passed in respect of appointment of Shri S.D. Nailwal as Director of the Company.

### Whether any special resolution passed last year through postal ballot:

During the year under review, no postal ballot was conducted.

## 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 2022-23 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30 <sup>th</sup> June, 2022	22 <sup>nd</sup> July, 2022	Financial Express, Nava Telangana & Praja Shakti
30 <sup>th</sup> September, 2022	3 <sup>rd</sup> November, 2022	
31 <sup>st</sup> December, 2022	9 <sup>th</sup> February, 2023	
31 <sup>st</sup> March, 2023	7 <sup>th</sup> April, 2023	

### Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website '[www.andhracemments.com](http://www.andhracemments.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.

**Whether any special resolution passed last year through postal ballot:**

During the year under review, no postal ballot was conducted.

**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.

**Management Discussion and Analysis Report**

The Integrated 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	Monday, 5 <sup>th</sup> June, 2023
Time	3.00 PM
Venue	Through VC/OAVM

**b. Financial Year:** 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

**c. Book Closure Dates:** From 27.05.2023 to 05.06.2023 (both days inclusive)

**d. Dividend payment:**

For the Current Financial Year 2022-23, the Board has not recommended any Dividend.

**e. Listing on Stock Exchanges:**

In terms of the Resolution Plan as approved by the Hon'ble NCLT, Order dt. 16-02-2023, the paid-up share capital of the company as on 31<sup>st</sup> March, 2023 has reduced from Rs. 2,93,52,049,20/- to 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.

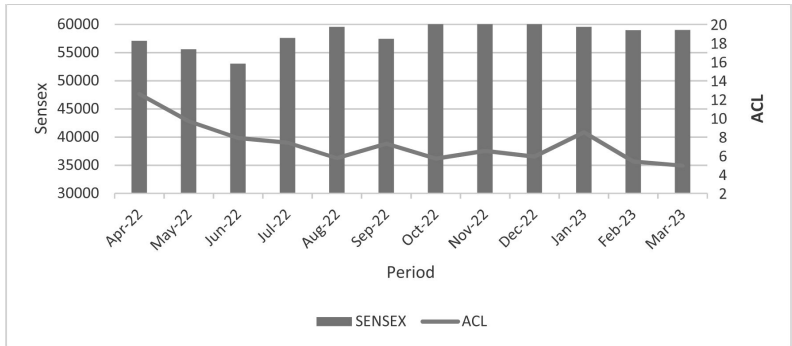
**f. Stock and ISIN Codes for the Company's shares:**

Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5 <sup>th</sup> Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	Old Symbol – ANDHRACEMT New Symbol -ACL
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	532141
Old ISIN	INE666E01012
New 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 2022	15.75	12.58	12.58
May 2022	11.55	07.58	09.68
June 2022	09.20	07.90	07.90
July 2022	07.80	05.55	07.41
August 2022	07.04	05.75	05.75
September 2022	08.05	05.47	07.27
October 2022	06.91	05.69	05.69
November 2022	07.59	05.97	06.52
December 2022	06.50	05.64	05.91
January 2023	08.94	05.95	08.50
February 2023	08.08	05.39	05.39
March 2023	05.59	04.88	04.95



There were no shares traded in the NSE during the FY 2022-23.

**j. Registrars and Share Transfer Agents:**

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

**k. Share Transfer System:**

Around 97.07% 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 8<sup>th</sup> June, 2018, with effect from 1<sup>st</sup> 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 or with the Company's Registrars and Share Transfer Agents, whose address has been given above.

## I. Shareholdings particulars as on 31<sup>st</sup> March, 2023

### (i) Distribution of shareholdings: (before reduction of capital)

Sl. No	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	82518	83.85	391240	0.43
2	501 - 1000	7149	7.26	303896	0.33
3	1001 - 2000	4079	4.15	320663	0.35
4	2001 - 3000	1478	1.50	192383	0.21
5	3001 - 4000	706	0.72	127635	0.14
6	4001 - 5000	731	0.74	175493	0.19
7	5001 - 10000	1032	1.05	397476	0.43
8	10001 and above	720	0.73	90263354	97.93
	<b>TOTAL:</b>	<b>98413</b>	<b>100.00</b>	<b>92172140</b>	<b>100.00</b>

### (ii) Shareholding pattern: (before reduction of capital)

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	87563533	95.00	87563533	95.00
Bodies Corporate	372	1319357	1.43	1317036	8.99
Mutual Funds	5	638	0	44	0
Banks	27	239	0	32	0
FIs	22	9631	0.01	8256	0.01
Fiis	1	369500	0.40	0	0
NRI's	734	49952	0.06	48031	0.06
Resident – Individuals	97251	2859290	3.10	2798651	3.10
<b>Total</b>	<b>98413</b>	<b>92172140</b>	<b>100</b>	<b>91735583</b>	<b>100</b>



**m. 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 – INE666E01012 (New ISIN-INE666E01020). Shares representing more than 97.07% of the share capital were kept in dematerialized form as on 31<sup>st</sup> March, 2023 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
436557	0.47	89997820	97.64	1737763	1.89	92172140	100.00

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

The company has not issued any GDR/ADR.

**o. Plants Location:**

**Cement Plants:**

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

**p. 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

**q. Credit Rating and Details of Revision:**

Rating Agency	Type of Instrument	Rating as on 31 <sup>st</sup> March, 2022	Rating as on 31 <sup>st</sup> March, 2023
India Ratings and Research Private Limited	Fund-based Working Capital Limits	NA	IND BBB+ Stable
	Non-Fund based Working Capital Limits	NA	IND BBB+ Stable IND A2
	Term Loan	NA	IND BBB+ Stable

## 11. Other disclosures

### i. **Related Party Transactions:**

Full disclosures of related party transactions entered into during the year 2022-23 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 31<sup>st</sup> March, 2023. These transactions were entered into by the company in its ordinary course of business and at an arm's length basis. During the year 2022-23, 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 cases one time penalty imposed by the stock exchanges in the year 2021-22, 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>

**v. Utilization of funds raised through issue of Equity Shares:**

In terms of the Resolution Plan as approved by the Hon'ble NCLT, Order dt. 16.02.2023, the Resolution Applicant viz Sagar Cements Limited, infused Rs. 325 crores for acquisition of 95% shareholding of post capital reduction. The funds were utilised as per the approved Resolution Plan.

- vi.** 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.
- vii.** None of the recommendations made by any Committee at its meetings was rejected by the Board.

**viii. Fee paid to Statutory Auditors:**

A total fee of Rs.13 lakhs was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2022-23.

**ix. Disclosure in relation to sexual harassment:**

During the year 2022-23, 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.

- x.** 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.

**xi. 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.

- xii.** 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](http://www.andhracements.com).

**xiii. Code of Conduct**

The members of the board and senior management personnel have affirmed their compliance during the year ended 31<sup>st</sup> March, 2023 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.
- The financial statements of the company are with un-modified opinion.
  - The Internal Auditors of the company are directly reporting to the Audit Committee.
  - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
14. As on 31<sup>st</sup> March, 2023, 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	-	-
D	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	0	0

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

## INDEPENDENT AUDITOR'S REPORT

To

The Members of,  
**ANDHRA CEMENTS LIMITED**

### **Report on the audit of the financial statements**

We have audited the accompanying financial statements of **Andhra Cements Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Financial Statements”).

### **Opinion**

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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence 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 we have obtained 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 matter described below to be key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Accounting treatment for the effects of the Resolution Plan</b></p> <p>(a) Refer Note 33 and 37 to the financial statements for the details regarding the resolution plan implemented in the company pursuant to a corporate insolvency resolution process concluded during the year under Insolvency and Bankruptcy Code, 2016.</p> <p>Owing to the size of the over-due credit facilities, multiplicity of contractual arrangements, large number of operational creditors, determination of the carrying amount of related liabilities and contingent liabilities at the date of approval of Resolution Plan was a complex exercise.</p> <p>In respect of de-recognition of operational and financial creditors, difference amounting to Rs.1,02,871.63 Lakhs between the carrying amount of financial liabilities extinguished and consideration paid, is recognized in statement of profit and loss account in accordance with “Ind AS - 109” “Financial Instruments” prescribed under section 133 of the Companies Act, 2013 and accounting policies consistently followed by the Company and disclosed as an “Exceptional items”.</p> <p>Accounting for the effects of the resolution plan is considered by us to be a matter of most significance due to its importance to intended users understanding of the Financial Statements as a whole and materiality thereof.</p>	<p>(a) We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognized in the financial statements:</p> <ul style="list-style-type: none"> <li>• Reviewed management’s process for review and implementation of the Resolution Plan.</li> <li>• Reviewed the provisions of the Resolution Plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements.</li> <li>• Verified the payment of funds on test check basis as per the Resolution Plan.</li> <li>• Tested the implementation of provisions of the Resolution Plan in computation of balances of liabilities owed to financial and operational creditors.</li> <li>• Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS.</li> <li>• Discussion with the management on the development in these litigations during the year ended 31st March 2023.</li> <li>• Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised)- written representations.</li> <li>• Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan.</li> </ul>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

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

**Responsibilities of the Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, Read with Rule 7 of Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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 control that we identify during our audit.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by 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 appears from our examination of those books.
  - c) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the company as on March 31, 2023, and taken on record in the meeting of the Board of Directors, we report that none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-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.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No. 34 and 35, Contingent liabilities and capital commitments of the Financial Statements).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company as on March 31, 2023.
- iv. (a) The management has represented to us that, to the best of management's knowledge and belief, other than as disclosed in the notes to the accounts, 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented to us that, to the best of management's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) According to the information and explanations given to us and based on our examination of the records of the company, nothing has come to our notice that has caused us to believe that the representations made above contain any material mis-statement.

- v. The company has not declared or paid any dividend during the year.
  - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
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 **Dass Gupta & Associates**  
Chartered Accountants  
Firm Reg. No: 000112N

**CA Bhanu Preet Kaur**  
Partner  
(Membership No. 421517)  
UDIN No: 23421517BGWRCF2134

Place : Delhi  
Date : 6<sup>th</sup> May, 2023

## **ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Andhra Cement Limited of even date)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Andhra Cements Limited** ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

## **Meaning of Internal Financial Controls with reference to Financial Reporting**

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Dass Gupta & Associates**

Chartered Accountants

Firm Reg. No: 000112N

**CA Bhanu Preet Kaur**

Partner

(Membership No. 421517)

UDIN No: 23421517BGWRCF2134

Place : Delhi

Date : 6<sup>th</sup> May, 2023

## **ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT**

### **(Referred to in paragraph – 2 under the heading of “Report on Other Legal and Regulatory Requirements” section of our Report to the members of Andhra Cements Limited of even date.)**

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

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) (A) According to the information and explanations given to us and the records examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) According to the information and explanations given to us and the records examined by us, the Company does not have any intangible assets. Therefore, the reporting under this clause is not applicable.
  - b) A substantial portion of Property, Plant and Equipment of Durga Cements work (DCW) and Visakha Cements Works (VCW) plant has been physically verified by engaging an outside expert and by the management respectively. In our opinion the frequency of verification is reasonable having regard to the size and operation of the company and the nature of its assets. According to the information given to us and to the best of our knowledge, no material discrepancies were noticed on such physical verification.
  - c) According to the information and explanations given to us and the records examined by us, we report that the title deeds, comprising the immovable property of Land, are held in the name of company as at the balance sheet date.
  - d) According to the information and explanations given to us and the records examined by us, the company has not revalued its Property, Plant and Equipment during the year.
  - e) According to the information and explanations given to us and the records examined by us, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) In respect of the Company's Inventory:
  - a) According to the information and explanations given to us, the raw material and work in progress for DCW plant, has been physically verified by engaging an outside expert and stores and spares has been verified by the Management and for VCW plant Physical Verification has been done

by the management. The Verification is done at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. According to the information and explanations given to us and the records examined by us, no discrepancy was noticed on physical verification.

- b) According to the information and explanations given to us and the records examined by us, the company has been sanctioned working capital limit in excess of five crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The company has not filled any quarterly returns or statement with the bank since the facility has not been availed by the company during the year. Accordingly, reporting under paragraph 3(ii)(b) of the Order is not applicable to the company.
- iii) According to the information and explanations given to us and the records examined by us, during the year the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, reporting under paragraph 3(iii) of the Order is not applicable to the company.
- iv) According to the information and explanations given to us and the records examined by us, during the year, the Company has not made any loan, investments and guarantees to any person specified under Sections 185 and 186 of the Act. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable to the company.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, and the rules framed thereunder to the extent notified during the year. Accordingly, reporting under paragraph 3(v) of the Order is not applicable to the company.
- vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2014 made by Central Government for the maintenance of cost records u/s 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, duty of custom, TDS and any other statutory dues have generally been regularly deposited to the appropriate authorities, though there has been slight delay in a few cases except for professional Tax. In respect of Professional Tax for VCW plant, during the year, the company is irregular in depositing for more than 6 months and the amount involved is Rs. 0.15 lakhs. Due to technical glitch of the website company was not able to pay this outstanding dues.

- b) As mentioned in Note no 34 to the financial statements, pursuant to the implementation of the Resolution Plan, there are no dues in respect of Central Excise, Service Tax, sales Tax, VAT, GST, Income Tax that have not been deposited on account of any dispute with the appropriate authorities.
- viii. According to the information and explanations given to us and the records examined by us, there are no such transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) On 16th February 2023, the National Company Law Tribunal (NCLT) has approved the terms of the Resolution Plan submitted by Sagar Cements Limited, pursuant to which debts owned by the Company as at that date have been partially settled through repayment and the balance amount has been waived off. Accordingly, the Company has not defaulted in repayment of loan or borrowings to any financial institution or a bank or any dues to debentures holders during the year.
- (b) In our opinion and according to the information and explanations given to us, the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and the records examined by us, term loans have been applied for the purpose for which they were obtained during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations give to us and the records examined by us, the Company has made preferential allotment of shares as per the Resolution Plan approved by the Adjudicating Authority waiving off the requirements of section 42 and 62 of the Companies Act, 2013 during the year and hence reporting under clause 3(x)(b) is not applicable to the company.



- (xi) (a) According to the information and explanations given to us and the records examined by us, no fraud by the company and no material fraud on the company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and the records examined by us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Therefore, reporting under paragraph 3(xii) of the Order is not applicable to the company.
- (xiii) In our opinion and according to the information and explanations given to us and the records examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit report of the company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, 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) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion and according to the information and explanations given to us, the Group has no CIC as part of the Group.
- (xvii) In our opinion and according to the information and explanations given to us and the records examined by us, the company has incurred following cash losses in the financial year and in the immediately preceding financial year:

Financial Year	Amount (Rs. lakhs)
2022-23	3,629
2021-22	16,696

- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under paragraph 3(xviii) of the order is not applicable to the Company.
- (xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumption, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report 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) In our opinion and according to the information and explanations given to us and the records examined by us, no amount was required to be spent by the company on the activities of CSR, as per provisions of Companies Act, 2013. Accordingly, reporting under paragraph 3(xx) of the Order are not applicable to the company.

For **Dass Gupta & Associates**

Chartered Accountants

Firm Reg. No: 000112N

**CA Bhanu Preet Kaur**

Partner

(Membership No. 421517)

UDIN No: 23421517BGWRCF2134

Place: Delhi

Date: 6<sup>th</sup> May, 2023

**ANDHRA CEMENTS LIMITED**

CIN NO. L26942AP1936PLC002379

**BALANCE SHEET AS AT MARCH 31, 2023**

(Rs in Lakhs)

PARTICULARS		NOTE NO	As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>				
<b>1 NON CURRENT ASSETS</b>				
a.	Property, Plant and Equipment	4	73,817.92	83,159.26
b.	Capital work-in-progress	5	2,630.15	-
c. Financial Assets				
i)	Investments	6	-	-
ii)	Other Financial Assets	7	16.46	953.31
d.	Other Non-Current Assets	8	1,367.42	359.79
e.	Deferred tax asset	20	6,591.91	-
			<b>84,423.86</b>	<b>84,472.36</b>
<b>2 CURRENT ASSETS</b>				
a.	Inventories	9	516.67	781.87
b. Financial Assets				
i)	Trade Receivables	10	-	5.30
ii)	Cash and cash equivalents	11	4,369.90	0.53
iii)	Bank balances other than(ii) above	12	926.45	99.19
iv)	Other Financial Assets	13	7.51	113.05
c.	Current Tax Assets (NET)	14	4.93	32.02
d.	Other Current Assets	15	631.76	783.75
			<b>6,457.22</b>	<b>1,815.71</b>
<b>TOTAL</b>			<b>90,881.08</b>	<b>86,288.07</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
	Equity share capital	16	9,217.21	29,352.44
	Other Equity	17	26,307.31	(121,012.72)
<b>Total Equity</b>			<b>35,524.52</b>	<b>(91,660.28)</b>
<b>2 LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
a) Financial Liabilities				
i)	Borrowings	18	52,490.48	2,410.31
b)	Provisions	19	158.94	221.64
c)	Deferred Tax Liabilities (NET)	20	-	-
			<b>52,649.42</b>	<b>2,631.95</b>
<b>CURRENT LIABILITIES</b>				
a) Financial Liabilities				
i)	Borrowings	21	-	94,621.20
ii)	Trade payables			
	- Total outstanding dues of Micro Enterprises and Small Enterprises	22	5.23	906.95
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	284.60	18,906.83
iii)	Other financial liabilities	23	2,190.29	50,585.16
b) Other Current Liabilities				
c)	Provisions	24	158.89	10,125.58
		25	68.13	170.68
<b>Total Liabilities</b>			<b>2,707.14</b>	<b>175,316.40</b>
<b>Total Equity and Liabilities</b>			<b>55,356.56</b>	<b>177,948.35</b>
			<b>90,881.08</b>	<b>86,288.07</b>
The accompanying notes are an integral part of the financial statements.		(1-55)		

As per our report of even date

**For DASS GUPTA & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 000112N

**BHANU PREET KAUR**  
Partner  
Membership No. 421517

Place : Hyderabad  
Date : May 06, 2023

**FOR AND ON BEHALF OF THE BOARD**

**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

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs in Lakhs unless otherwise stated)

PARTICULARS	NOTE NO	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>I</b> Revenue from Operations	26	-	-
<b>II</b> Other Income	27	47.54	60.83
<b>III Total Income (I+II)</b>		<b>47.54</b>	<b>60.83</b>
<b>IV Expenses:</b>			
a. Cost of Materials Consumed	28	-	-
b. Changes in Inventories of Finished Goods and Work-in-Progress.	29	32.62	0.11
c. Employee Benefits Expense	30	743.99	1,126.93
d. Finance Costs	31	1,566.66	15,836.03
e. Depreciation and Amortization Expenses	4	4,679.21	4,658.35
f. Other Expenses	32	1,818.36	1,934.96
<b>Total Expenses (IV)</b>		<b>8,840.84</b>	<b>23,556.38</b>
<b>V Profit/(loss) before Exceptional items and Tax (III-IV)</b>		<b>(8,793.30)</b>	<b>(23,495.55)</b>
<b>VI</b> Exceptional Items	33	97,162.82	(134.43)
<b>VII Profit/(Loss) before Tax (V-VI)</b>		<b>88,369.52</b>	<b>(23,629.98)</b>
<b>VIII Tax Expense:</b>	20		
(1) Current Tax		-	-
(2) Deferred Tax		(6,591.91)	-
<b>Total (VIII)</b>		<b>(6,591.91)</b>	-
<b>IX Profit/(Loss) for the year (VII-VIII)</b>		<b>94,961.43</b>	<b>(23,629.98)</b>
<b>X Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Items that will be reclassified to profit or loss		-	-
<b>Total (X)</b>		-	-
<b>XI Total Comprehensive Income (IX+X)</b>		<b>94,961.43</b>	<b>(23,629.98)</b>
<b>Earning per Equity Share (Nominal value of shares Rs. 10 each)</b>			
(1) Basic (Rs.)	50	34.82	(8.05)
(2) Diluted (Rs.)	50	34.82	(8.05)
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For DASS GUPTA & ASSOCIATES**

Chartered Accountants

Firm Registration No. 000112N

**BHANU PREET KAUR**

Partner

Membership No. 421517

Place : Hyderabad

Date : May 06, 2023

**FOR AND ON BEHALF OF THE BOARD**

**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

**ANDHRA CEMENTS LIMITED**

CIN NO. L26942AP1936PLC002379

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(Rs in Lakhs)

PARTICULARS	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
<b>Loss Before Tax</b>	88,369.52	(23,629.98)
Adjustment for:		
Depreciation and amortisation expenses	4,679.21	4,658.35
Profit/(Loss) on sale/disposal of Property, Plant and Equipment	54.85	-
Profit/(Loss) on sale/disposal/obsolesce of Inventory	206.90	-
Provision for doubtful debts, advances, deposits and Investments	-	0.95
Interest income	(46.80)	(55.99)
Finance cost	1,566.66	15,836.03
Impairment losses	4,709.27	-
Exceptional Items	(101,872.09)	134.43
Operating Profit before working capital changes	<b>(2,332.48)</b>	<b>(3,056.21)</b>
Decrease / (Increase) in inventories	58.30	723.09
Decrease / (Increase) in trade receivables	5.30	761.74
Decrease / (Increase) in financial current and non-current assets	(7.22)	1,253.46
Decrease / (Increase) in non-financial current and non-current assets	(773.81)	74.15
(Decrease) / Increase in non-financial liabilities and provisions	(674.50)	937.72
(Decrease) / Increase in trade payables and other financial liabilities	3,627.79	14,391.74
Cash generated from operations	<b>(96.62)</b>	<b>15,085.69</b>
Direct Taxes( Paid)/Refund	(4.67)	5.50
<b>Net Cash generated /(used) in from operations</b>	<b>(101.29)</b>	<b>15,091.19</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment (including CWIP and net of Capital Creditor and advances)	(2,732.14)	-
Proceeds from sale of Property, Plant and Equipment	-	3.85
Purchase of Investments	-	-
Net investment in Bank (Fixed Deposits and Restricted Bank Balance)	(827.26)	(1.07)
Interest received	46.80	55.99
<b>Net cash generated /(used) in investing activities</b>	<b>(3,512.60)</b>	<b>58.77</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of Equity Shares	32,223.38	-
Proceeds from Long Term Borrowings (net of repayments)	50,080.17	(50,983.26)
Proceeds from Short Term Borrowings (net of repayments)	(36,159.50)	51,669.33
Interest and Finance charges	(38,160.79)	(15,836.03)
<b>Net cash generated / (used) from financing activities</b>	<b>7,983.26</b>	<b>(15,149.96)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<b>4,369.37</b>	-
Cash and cash equivalents at the beginning of the year	0.53	0.53
<b>Cash and cash equivalents at the end of the year</b>	<b>4,369.90</b>	<b>0.53</b>

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

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

As per our report of even date

**For DASS GUPTA & ASSOCIATES**

Chartered Accountants

Firm Registration No. 000112N

**BHANU PREET KAUR**

Partner

Membership No. 421517

**FOR AND ON BEHALF OF THE BOARD**

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Managing Director

DIN: 00123870

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Director

DIN: 00123889

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Company Secretary

M. No. F2818

**K Prasad**

Chief Financial officer

Place : Hyderabad

Date : May 06, 2023

**ANDHRA CEMENTS LIMITED**

CIN NO.L26942AP1936PLC002379

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

**A Equity Share Capital**

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

(Rs in Lakhs)

PARTICULARS	No. of Shares	Amount
Balance as at April 01, 2021	293,520,492	29,352.44
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	293,520,492	29,352.44
Changes in share capital during the year	-	-
Balance as at March 31, 2022 (Refer note-16)	293,520,492	29,352.44
Changes in share capital during the year	-	-
- Capital reduction*	(288,911,885)	(28,891.19)
- Forfeited Shares	-	(0.39)
- Fresh Issue of shares	87,563,533	8,756.35
<b>Balance as at March 31, 2023*</b> (Refer note-16)	<b>92,172,140</b>	<b>9,217.21</b>

**B Other Equity**

Particulars	Equity Component of Financial Instrument	Reserves and Surplus					Other Comprehensive Income	Total
		Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	Quary Land Amortization Reserve	Retained Earnings		
Balance as at April 01, 2021	1,080.69	9,054.05	10.00	1.94	0.29	(107,313.73)	(215.98)	(97,382.74)
Loss for the year	-	-	-	-	-	(23,629.98)	-	(23,629.98)
<b>Balance as at March 31, 2022 (Refer note-17)</b>	<b>1,080.69</b>	<b>9,054.05</b>	<b>10.00</b>	<b>1.94</b>	<b>0.29</b>	<b>(130,943.71)</b>	<b>(215.98)</b>	<b>(121,012.72)</b>
Equity Component of Financial Instrument	(1,080.69)	-	1,080.69	-	-	-	-	-
Profit for the year	-	-	-	-	-	94,961.43	-	94,961.43
Premium on fresh issue of shares(*)	-	23,467.03	-	-	-	-	-	23,467.03
Implementataion of Resolution Plan(*)	-	(9,032.30)	37,924.16	-	(0.29)	-	-	28,891.57
Transfer to Retained Earnings	-	-	-	-	-	(215.98)	215.98	-
<b>Balance as at March 31, 2023 (Refer note-17)</b>	<b>-</b>	<b>23,488.78</b>	<b>39,014.85</b>	<b>1.94</b>	<b>-</b>	<b>(36,198.26)</b>	<b>-</b>	<b>26,307.31</b>

(\*) Refer Note 36 and 37

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

As per our report of even date

**For DASS GUPTA & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 000112N

**BHANU PREET KAUR**

Partner  
Membership No. 421517

**FOR AND ON BEHALF OF THE BOARD**

**Dr. S Anand Reddy**

Managing Director  
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**S Sreekanth Reddy**

Director  
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**G. Tirupati Rao**

Company Secretary  
M. No. F2818

**K Prasad**

Chief Financial officer

Place : Hyderabad  
Date : May 06, 2023

## ANDHRA CEMENTS LIMITED

CIN NO.L26942AP1936PLC002379

### Notes to financial statements for the year ended March 31, 2023

#### 1. Company Overview

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

#### 2. Recent accounting pronouncement

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

#### 3. Significant Accounting policies

##### 3.1 Statement of Compliance

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

##### 3.2 Basis of preparation

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

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

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

##### a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

##### b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

##### c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

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

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

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

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

**Discount rate used to determine the carrying amount of the Company's defined benefit obligation:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

#### **Key sources of estimation uncertainty**

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

- (a) **Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.
- (b) **Useful lives of property, plant and equipment:** As described in Note 3.8, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.
- (c) **Allowances for doubtful debts:** The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgment and estimates.

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

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



An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or(c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

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

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

### **3.5 Revenue recognition**

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

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

#### **Cost to obtain a contract**

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

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

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

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

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

### **3.6 Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which

discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

### **3.7 Foreign Currencies**

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

**Transactions and translations:** Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

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

### **3.8 Property, plant and equipment**

Property, plant and equipment 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 works 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
Building	5 - 60 years
Plant and Machineries	
-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 those 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 Rs. 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.

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

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

### **3.10 Intangible assets**

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

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

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

### 3.11 Impairment of Non-Financial Assets

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

### 3.12 Income tax

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

**Current tax:** Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax:** Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability

in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

### **3.13 Leases**

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.

### **3.14 Cash and cash equivalents**

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

### **3.15 Provisions and Contingent Liabilities:**

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

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

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

### **3.16 Inventories**

Inventories are valued as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**  
Valued at lower of cost and net realisable value(NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.
- **Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:**  
Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.
- **Waste / Scrap:**  
Waste / Scrap inventory is valued at NRV.  
Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### **3.17 Financial instruments**

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

**Initial Recognition:**

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

**Classification and Subsequent Measurement: Financial Assets**

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

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

**Amortised Cost:**

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

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

**Fair Value through OCI:**

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

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

**Fair Value through Profit or Loss:**

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

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

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

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

**Financial Liabilities at FVTPL:**

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

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

**Other Financial Liabilities:**

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

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

**Derecognition of financial assets:**

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

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

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

**Offsetting of financial instruments**

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

**3.18 Exceptional items**

Items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to



explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit & Loss.

### 3.19 Borrowing costs

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

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

### 3.20 Employee Benefits

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

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

#### Post-employment benefit plans

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

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

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

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

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

### 3.21 Earnings per share (EPS)

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

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**4. Statement of Property, plant and equipment**

**5. Capital work in progress**

(Rs in Lakhs)

Particulars	TANGIBLE ASSETS										NOTE-5
	Land - Freehold	Buildings	Plant and Machinery	Electrical Installations	Office and other equipment	Computers	Motor vehicles	Furniture	Railway Siding	Total Tangible Assets	Capital work in progress
<b>Gross Carrying Value:</b>											
<b>As at April 01, 2021</b>	648.71	10,571.20	1,15,698.71	7,161.09	745.45	57.03	235.90	439.09	183.05	1,35,740.23	134.43
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	76.99	-	-	-	-	76.99	134.43
Capitalisation During the year	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	648.71	10,571.20	1,15,698.71	7,161.09	668.46	57.03	235.90	439.09	183.05	1,35,663.24	-
Additions	50.30	-	-	51.69	-	-	-	-	-	101.99	2,630.15
Disposals/Adjustments	-	-	23.26	1.71	285.35	0.05	111.45	423.93	-	845.75	-
Capitalisation During the year	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	699.01	10,571.20	1,15,675.45	7,211.07	383.11	56.98	124.45	15.16	183.05	1,34,919.48	2,630.15
<b>Depreciation and Impairment:</b>											
<b>As at April 01, 2021</b>	-	3,564.65	38,671.66	4,143.95	694.44	43.61	209.05	417.52	173.90	47,918.77	-
Charge for the year	-	278.83	4,148.67	221.73	2.54	2.44	2.84	1.30	-	4,658.35	-
Disposals	-	-	-	-	73.14	-	-	-	-	73.14	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	3,843.48	42,820.33	4,365.69	623.83	46.05	211.89	418.82	173.90	52,503.98	-
Charge for the year	-	294.92	4,148.33	228.79	2.08	2.49	1.75	0.85	-	4,679.21	-
Disposals	-	-	17.75	1.62	271.07	0.03	95.14	405.29	-	790.90	-
Impairment loss	-	1,092.54	3,507.05	93.50	6.13	1.00	-	0.42	8.63	4,709.27	-
<b>As at March 31, 2023</b>	-	5,230.94	50,457.96	4,686.36	360.97	49.51	118.50	14.80	182.53	61,101.56	-
<b>Net Block :</b>											
<b>As at March 31, 2022</b>	648.71	6,727.73	72,878.38	2,795.40	44.63	10.98	24.01	20.27	9.15	83,159.26	-
<b>As at March 31, 2023</b>	699.01	5,340.26	65,217.49	2,524.71	22.14	7.47	5.95	0.36	0.52	73,817.92	2,630.15

Notes:-

- 4.1- Refer Note no. 18.1 for property, plant and equipment pledged as security by the company.
- 4.2- Company does not have any intangible Asset.
- 4.3- Company has not entered in any Benami transaction.

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

- 4.4- All title deeds are in the name of Company.
- 4.5- Accumulated depreciation as at 31st March, 2023 includes the impairment loss of Rs. 4,709.27 lakhs.
- 4.6- 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 ₹ 4,709.27 lakhs has been provided on property, plant and equipment during the year ended March 31, 2023.
- 4.7- Class of Assets have been re-grouped during the Financial Year for aligning the presentation with Holding Company i.e. Sagar Cements Limited. However there is no change in useful life of the Assets and Depreciation due to this.
- 4.8- Refer Note 54 for change in estimate made during the year.
- 5.1- Ageing for capital work-in-progress as at March 31, 2023 is as follows: (Rs in Lakhs)

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	2,630.15	-	-	-	2,630.15

**6 Non current investments**

(Rs in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>(i) Equity Instruments</b>		
<b>Fair value through profit and loss</b>		
<b>Unquoted :</b>		
2500 fully paid up equity shares of Rs. 10 each of Andhra Pradesh Heavy Machinery and Engineering limited	-	0.25
<b>(ii) Investment in Government securities</b>		
<b>Amortised cost</b>		
<b>Unquoted :</b>		
National Saving Certificates (Lodged as security with Govt. Depts.)	-	0.95
	-	1.20
<b>Less: Allowances for impairment in value of Investment</b>	-	1.20
<b>Total</b>	-	-
<b>Note:-</b>		
6.1- Aggregate amount of unquoted investment before impairment	-	1.20
6.2- Aggregate amount of impairment in value of investments.	-	1.20
<b>6.3- The movement in allowance for impairment in value of Investment</b>		
Balance as at beginning of the year	1.20	0.25
Allowance for impairment loss during the year	(1.20)	0.95
Balance as at end of the year	-	<b>1.20</b>

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**7 Other Financial Assets**

(Rs in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good unless otherwise stated</b>		
<b>a) Bank Balances</b>		
Term Deposits having remaining maturity of more than 12 months*	11.70	11.70
Interest on Term Deposit	1.26	0.83
	12.96	12.53
<b>b) Other Receivables</b>		
Other Receivables	-	13.67
	-	13.67
<b>c) Financial Benefit due to guarantee by parent Company</b>	-	-
<b>d) Security Deposits</b>		
Considered good	3.50	927.12
Considered doubtful	-	287.81
	3.50	1,214.93
Less: Allowance for Doubtful Deposits	-	287.81
	3.50	927.12
<b>Total</b>	<b>16.46</b>	<b>953.31</b>
<b>Movement in allowance for Doubtful Deposits</b>		
Balance as at beginning of the year	287.81	0.50
Allowance for impairment loss during the year	(287.81)	287.31
Balance as at end of the year	-	<b>287.81</b>
*Held as securities or earmarked for issue of Bank Gurantees/ Letters of credit /Margin money.		
<b>8 Other Non-Current Assets</b>		
Capital Advances*	1,294.29	180.37
Prepaid Expenses	73.13	0.60
Deposits under protest with government authorities and others	-	178.82
Considered doubtful	178.82	-
	178.82	178.82
Less: Allowance for doubtful deposits	178.82	-
	-	178.82
<b>Total</b>	<b>1,367.42</b>	<b>359.79</b>
<b>Movement in allowance for doubtful deposits :</b>		
Balance as at beginning of the year	-	-
Allowance for doubtful advance during the year	178.82	-
Balance as at end of the year	<b>178.82</b>	-
* Includes given to Related Party Rs. 1220.64 lakhs (NIL) (Refer Note 48)		

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**9 Inventories**

(Rs in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(As taken, valued and certified by the Management)		
Raw Material	52.41	207.05
Work-In-Progress	271.20	303.82
Finished Goods	-	-
Stores and Spares	974.93	1,052.87
	1,298.54	1,563.74
Less: Provision for Obsolete Stores/ Diminution in Value of Stocks	781.87	781.87
<b>Total</b>	<b>516.67</b>	<b>781.87</b>
<b>Movement in Provision for Obsolete Stores and spares/Diminution in Value of Stocks :</b>		
Balance as at beginning of the year	781.87	62.20
Provision for loss during the year	-	719.67
Balance as at end of the year	<b>781.87</b>	<b>781.87</b>
Inventories were pledged as securities against borrowings of the company (Refer note-18)		
Inventories have been valued at lower of cost or net realisable value.		
<b>10 Trade receivables</b>		
- Considered good-Secured	-	-
- Considered good-Unsecured#	-	5.30
- Which have significant increase in credit risk	-	-
- Credit Impaired	-	1,147.22
	-	1,152.52
Less: Allowance for expected credit loss*	-	1,147.22
<b>Total</b>	<b>-</b>	<b>5.30</b>
<b>Movement in allowance for expected credit loss :</b>		
Balance as at beginning of the year	1,147.22	730.59
Allowance for expected credit loss during the year	-	416.63
Trade receivables written off during the year	(1,147.22)	-
Balance as at end of the year	<b>-</b>	<b>1,147.22</b>
*Allowance for doubtful trade receivables is made on the basis of expected credit loss allowance, taking into account the estimated credit loss experience with adjustment for forward looking information.		
# It includes receivable from Related Parties of Rs. NIL (Rs. NIL)		
Trade receivables were pledged as securities against borrowings of the company (Refer note-18)		

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**Trade Receivable Aging as on 31.03.2023:**

₹ in lakhs

Particulars	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	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

**Trade Receivable Aging as on 31.03.2022:**

₹ in lakhs

Particulars	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	-	-	-	-	5.30	5.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	0.21	0.21	36.33	126.89	983.58	1,147.22
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>0.21</b>	<b>0.21</b>	<b>36.33</b>	<b>126.89</b>	<b>988.88</b>	<b>1,152.52</b>

\* There are no unbilled receivables.

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**11 Cash and cash equivalents**

(Rs in Lakhs)

<b>PARTICULARS</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
11	(a) Balance with banks -On current accounts	369.63	-
	(b) Cash in hand	0.27	0.53
	(c) Deposits with Banks	4,000.00	-
	<b>Total</b>	<b>4,369.90</b>	<b>0.53</b>
12	<b>Bank Balances other than Cash and Cash Equivalents</b>		
	(a) Balance with banks -On current accounts	-	88.56
	(b) On account of margin money -Term Deposits with original maturity of more than 3 months and remaining maturity less than 12 month*	926.45	10.63
		<b>926.45</b>	<b>99.19</b>
	*Held as securities or earmarked for issue of Bank Gurantees/ Letters of credit /Margin money.		
13	<b>Other Financial Assets</b> (Unsecured,considered good, unless otherwise stated)		
	Receivable from related parties (Refer note-48)	-	2.83
	Interest on Term Deposit with Banks	7.51	0.72
	Other Receivable	-	109.50
	<b>Total</b>	<b>7.51</b>	<b>113.05</b>
14	<b>Current Tax Assets (net)</b>		
	Income Tax Refundable	4.93	32.02
	<b>Total</b>	<b>4.93</b>	<b>32.02</b>
15	<b>Other Current Assets</b> (Unsecured,considered good, unless otherwise stated)		
	Advances to suppliers		
	Considered good	31.33	705.96
	Considered doubtful	-	56.86
		31.33	762.82
	Less: Allowance for doubtful advances	-	56.86
		31.33	705.96
	Prepaid expenses	43.91	43.44
	Balances with Statutory / Government Authorities	556.52	34.35
	<b>Total</b>	<b>631.76</b>	<b>783.75</b>

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

(Rs in Lakhs)

<b>PARTICULARS</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Movement in allowance for doubtful advances:</b>			
Balance as at beginning of the year		56.86	56.86
Allowance for doubtful advance during the year		(56.86)	-
Balance as at end of the year		-	<b>56.86</b>
<b>16</b>	<b>Equity share capital</b>		
	<b>Authorized</b>		
	40,00,00,000 (March 31, 2022:40,00,00,000)	40,000.00	40,000.00
	Equity Shares of Rs. 10 each		
	1,00,00,000 (March 31, 2022:1,00,00,000)	10,000.00	10,000.00
	Cumulative Redeemable Preference Shares of Rs. 100 each		
		<b>50,000.00</b>	<b>50,000.00</b>
	<b>Issued, Subscribed and Paid-Up</b>		
	9,21,72,140 (March 31, 2022:29,35,20,492)	9,217.21	29,352.05
	Equity Shares of Rs.10 each		
Add: Forfeited Shares (Refer Note 16.5)	-	0.39	
	<b>9,217.21</b>	<b>29,352.44</b>	
<b>16.1 Terms/Rights attached to Equity Shares</b>			
<p>The Company has only one class of equity shares having a face value of Rs.10 per Share and each holder of equity shares is entitled to one vote per share. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their share holdings. Dividend - Each Share is entitled to dividend, if declared. The dividend if any, proposed by board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting, except in case of interim dividend.</p>			
<b>16.2.1 Share held by the holding Company (Refer Note 37)</b>			
<b>Name of the Share holder</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	
	<b>(No. of shares)</b>	<b>(No. of shares)</b>	
a. Sagar Cements Limited (w.e.f.18.03.2023)	8,75,63,533	-	
Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited) (Up to 03.03.2023)	-	20,19,26,406	
<b>16.2.2 Share held by the Promoters</b> (Refer Note 37)			
a. Sagar Cements Limited	8,75,63,533	-	
Percentage of Holding	95.00%	-	
b. Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited) (Up to 03.03.2023)	-	20,19,26,406	
Percentage of Holding	-	68.79%	



**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

Name of the Share holder	As at March 31, 2023 (No. of shares)	As at March 31, 2022 (No. of shares)
<b>16.3 Shareholders holding more than 5% shares of the Company:</b>		
Sagar Cements Limited	8,75,63,533	-
Percentage of Holding	95.00%	-
Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited)	-	20,19,26,406
Percentage of Holding	-	68.79%
Housing Development Finance Corporation Limited	11,93,178	2,57,42,546
Percentage of Holding	1.29%	8.77%
<b>16.4 Reconciliation of equity shares outstanding at the beginning and end of the reporting period. (Refer Note 37)</b>		
<b>Details</b>	<b>As at March 31, 2023 (No. of shares)</b>	<b>As at March 31, 2022 (No. of shares)</b>
Balance at the beginning of the year	29,35,20,492	29,35,20,492
Less: Reduction during the Year	28,89,11,885	-
Add: Shares issued during the year	8,75,63,533	-
Balance at the end of the year	9,21,72,140	29,35,20,492
<b>16.5</b> Forfeited shares (amount originally paid up) of Rs. 38,860/- has been transferred to Capital reserve.		
<b>17 Other Equity</b>		(Rs in Lakhs)
<b>PARTICULARS</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
i. Equity Component of Financial instrument	-	1,080.69
ii. Reserves and Surplus*		
Securities Premium	23,488.78	9,054.05
Capital Reserve	39,014.85	10.00
Capital Redemption Reserve	1.94	1.94
Quary Land Amortization Reserve	-	0.29
Retained Earnings	(36,198.26)	(130,943.71)
iii. Other Comprehensive Income	-	(215.98)
<b>Total</b>	<b>26,307.31</b>	<b>(121,012.72)</b>
* Refer Statement of change in equity for the movement in each of the reserves and surplus		

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

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

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

**Capital Reserve:** The Capital Reserve was recognized as a result of investment subsidy received for Visaka Cements Works, Vizag during the accounting year ended on March 31, 1981. This reserve is not freely available for distribution to the shareholders. Addition includes Capital Reduction pursuant to implementation of Approved Resolution Plan.

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

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

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

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

**18 Borrowings**

(Rs in Lakhs unless otherwise stated)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>SECURED:</b>		
<b>Term Loans</b>		
From Banks	50,490.48	-
From Financial Institutions	-	-
<b>UNSECURED:</b>		
<b>Term Loan</b>		
From Related Party	2,000.00	2,410.31
<b>Total</b>	<b>52,490.48</b>	<b>2,410.31</b>

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**18.1 Terms and Conditions of the borrowings as on March 31, 2023:**

Lender	Loan Amount	Balance		Rate of Interest*	Terms of Repayment	Security
		As on March 31,2023	As on March 31,2022			
<b>Secured:</b>						
State Bank of India (Term Loan) (Refer Note 18.1.7)	60,000.00	50,490.48	-	9.60%	Refer note 18.1.7	Term Loans are secured by first charge 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 borrower in the Project documents, and lease holding rights on mining lands and first charge on all the insurance contracts/ insurance proceeds of fixed assets.  Term Loans are secured by first charge by way of mortgage, on immovable properties and hypothecation of all movable properties, machinery, machinery spares, tools, furniture fixture and accessories present and future, and second charge on current assets including inventories, stores and spares, book debts, operating cash flow receivables etc., further secured by first charge on intangible assets and other reserve relating to the project and pledge of 75% Shares of promoter holding (Maximum to the extent of 55% of total paid up capital of the Company). Moreover, personal guarantee of Mr. Manoj Gaur (Ex-Chairman) for secured term loans.
PARAS - Earlier Karur Vasya Bank (Term Loan) (Refer Note 18.1.4 & 18.1.6)	4,900.00	-	4,802.00	11.50%	Refer note 18.1.4	
Andhra Bank (Term Loan) (Refer Note 18.1.4)	9,900.00	-	9,801.00	11.50%	Refer note 18.1.4	
PARAS Earlier EARC Limited (Term Loan)-Earlier HDFC Limited Loan Note - 18.1.4, 18.1.5 & 18.1.6	37,750.00	-	36,748.04	9.15%	Refer note 18.1.4	
PARAS - Earlier EARC Limited (Term Loan)(Note - 18.1.4 & 18.1.6)	36,573.73	-	36,573.73	9.15%	Refer note 18.1.4	

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**18.1 Terms and Conditions of the borrowings as on March 31, 2023:**

Lender	Loan Amount	Balance		Rate of Interest	Terms of Repayment	Security
		As on March 31,2023	As on March 31,2022			
<b>Unsecured:</b>						
Sagar Cements Limited (Refer Note -18.1.8)	2,000.00	2,000.00	-	10.00%	Repayable in 9 Equated Quarterly Instalments commencing from June 30, 2028	UNSECURED
Mahabhadra Constructions Limited (Earlier Jaypee Development Corporation Limited) (Refer Note -18.1.2)	3,893.98	-	3,893.98	10.00%	Repayable in 12 Equated Quarterly Instalments of Rs. 379.61 lakhs commencing from March 31, 2022	UNSECURED
<b>TOTAL BORROWINGS</b>	<b>1,55,017.71</b>	<b>52,490.48</b>	<b>91,818.75</b>			
Less: Current Maturities [Refer Note no. 21]		-	(1,483.67)			
Less: Loan Repayable on Demand ( Refer Note- 18.1.4)		-	(87,924.77)			
<b>Long Term Borrowings</b>		<b>52,490.48</b>	<b>2,410.31</b>			

#Pridhvi Asset Reconstruction and Securitisation Company Ltd (PARAS)

\* Reset on change of Lender's CPLR.

## ANDHRA CEMENTS LIMITED

### Notes forming part of Financial Statements

- 18.1.1 The Company has used the borrowings from banks and financial institutions for specific purpose for which it was taken.
- 18.1.2 Outstanding amount of Rs. 3,893.98 lakhs as on June 30, 2019, in respect of earlier financial assistance have converted into new financial assistance w.e.f. July 01, 2019.
- 18.1.3 Satisfaction of Charge is pending for Registration with ROC of Andhra Pradesh, Vijayawada, for Loan from M/s. Karur Vysya Bank w.e.f. 05.03.2022 due to technical reasons.
- 18.1.4 During the Financial year ended March 31, 2020, Andhra Bank and Karur Vasya Bank declared the term loans as Non-Performing Assets(NPA) and recalled the entire amount including interest there on. Hence, outstanding term loans from Andhra bank and Karur Vasya Bank have been classified as "Loan Repayable on Demand" under "Current Borrowings". During the previous Financial Year M/s. Pridhvi Asset Reconstruction and Securitisation Company Ltd (PARAS) have recalled all loans assigned to them vide their letter dated 07.02.2022. Hence entire Term Loan have been classified as "Loan Repayable on Demand" under "Current Borrowings".
- 18.1.5 EARC (Edelweiss Asset Reconstruction Company Ltd.) has takeover Outstanding Loan of HDFC Limited as on 31.03.2021.
- 18.1.6 M/s. EARC (Edelweiss Asset Reconstruction Company Ltd.) and M/s. Karur Vysya Bank have assigned their loans to M/s. Pridhvi Asset Reconstruction and Securitisation Company Ltd (PARAS) vide their letters dated 04.02.2022 and 03.02.2022 respectively.
- 18.1.7 During the Current Financial year, the Company had availed Rs. 60,000 Lakhs term loan from State Bank of India Limited as part of implementation of Resolution Plan. The term loan is repayable in 39 installments starting from 30.06.2024. Transaction cost Rs. 546 (Rs. Nil) Lakhs is not included in borrowings. The same is being amortise thru Finance Cost over the period of Loan.
- 18.1.8 During the Current Financial year, the Company had availed Rs. 2,000 Lakhs unsecured loan from Sagar Cements Limited (Holding Company) as part of implementation of Resolution Plan.
- 18.1.9 Since all the loans by Banks and Financial Institutions have been recalled in previous years, Details relating to Previou Default in Payment of Principal and interest has been omitted. Entire recalled loan and interest thereon is in default from the date they have been recalled.
- 18.2 The Company was not declared wilful defaulter by any bank or financial Institution or other lender.
- 18.3 The Company had repaid the all the loans existing as on March 31, 2022 for the amount proposed in the resolution plan and the balance amount has been extinguished. (Also refer Note 36 and 37).

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**19 Provisions**

(Rs in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>Provisions for employee benefits</b>		
- Leave benefits	27.75	57.41
- Gratuity	131.19	164.23
<b>Total</b>	<b>158.94</b>	<b>221.64</b>
<b>20 Deferred Tax Liabilities/ (Asset) (Net)</b>		
<b>Deferred tax liability arising on account of :</b>		
Property, plant and equipment	15,368.40	16,766.17
Ind As adjustments	189.55	-
Fair Valuation of Financial Instrument through FVTPL	-	-
<b>Deferred tax liability</b>	<b>15,557.95</b>	<b>16,766.17</b>
<b>Deferred tax assets arising on account of :</b>		
Expenditure allowed for tax purpose on payment basis	(79.34)	14,191.08
Carry forward unabsorbed depreciation	(22,070.52)	1,684.65
Expected credit loss of financial asset / impairment of non-financial asset	-	890.44
<b>Deferred tax assets (Refer Note no. 46)</b>	<b>(22,149.86)</b>	<b>16,766.17</b>
<b>Total</b>	<b>(6,591.91)</b>	<b>-</b>
<p>During the current financial year, Since there are reliable financial projections reflecting future taxable income, the Company had recognised the net deferred tax assets. Arising on account of unabsorbed depreciation and expenditure allowed on payment basis only. For the previous Financial year 2021-22, the Company has recognized Deferred tax assets arising on account of unabsorbed depreciation and expenditure allowed on payment basis only to the extent of the deferred tax liabilities arising on account of the timing difference considering the fact that it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realized in the normal course of business of the company.</p>		
<b>21 Borrowings</b>		
<b>Secured :</b>		
<b>(i) Loan Repayable on Demand (Refer Note 18)</b>		
(a) Term Loans from Financial Institutions	-	78,123.77
(b) Term Loans from Banks	-	9,801.00
(c) Working capital loan* (Refer Note 21.1)	-	5,212.76
<b>(ii) Current maturities of long term debt</b>	<b>-</b>	<b>93,137.53</b>
<b>Unsecured Loans :</b>		
From Related Parties		
Current maturities of long term debt	-	1,483.67
	<b>-</b>	<b>1,483.67</b>
<b>Total</b>	<b>-</b>	<b>94,621.20</b>

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

21.1	M/s. Karur Vysya Bank and M/s. State Bank of India have assigned their Working Capital Facilities to M/S Pridhvi Asset Reconstruction and Securitisation Company Ltd (PARAS) vide their letter dated 03.02.2022 and 22.07.2022 respectively, included in (c) above.
21.2	M/s. EARC (Edelweiss Asset Reconstruction Company Ltd.) and M/s. Karur Vysya Bank have assigned their loans to M/s. Pridhvi Asset Reconstruction and Securitisation Company Ltd (PARAS) vide their letters dated 04.02.2022 and 03.02.2022 respectively included in (a) above.
21.3.1	The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.
21.3.2	The Company was not declared wilful defaulter by any bank or financial Institution or other lender.
21.4	The Company had repaid the all the loans existing as on March 31, 2022 for the amount proposed in the resolution plan and the balance amount has been extinguished. (Also refer Note 36 and 37) *Working Capital Loans from banks, repayable on demand were secured by first pari passu charge by way of hypothecation of the current assets and second Charge on property, plant and equipment of the company. These loans are further secured by personal guarantee of Mr. Manoj Gaur (Ex-Chairman).

**22 Trade payables (Refer Note 36 and 37)** (Rs in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note no. 39)	5.23	906.95
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	284.60	18,906.83
<b>Total</b>	<b>289.83</b>	<b>19,813.78</b>

**Ageing for Trade Payables outstanding as on 31.03.2023:** (Rs in Lakhs)

Particulars	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	5.23	-	-	-	<b>5.23</b>
(ii) Others	91.20	115.16	45.57	32.67	<b>284.60</b>
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
<b>TOTAL</b>	<b>96.43</b>	<b>115.16</b>	<b>45.57</b>	<b>32.67</b>	<b>289.83</b>

**Ageing for Trade Payables outstanding as on 31.03.2022:** (Rs in Lakhs)

Particulars	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	-	-	691.06	215.89	<b>906.95</b>
(ii) Others	1,292.18	2,706.47	8,865.21	5,991.80	<b>18,855.66</b>
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	51.17	<b>51.17</b>
<b>TOTAL</b>	<b>1,292.18</b>	<b>2,706.47</b>	<b>9,556.27</b>	<b>6,258.86</b>	<b>19,813.78</b>

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**23 Other Financial Liabilities (Refer Note 36 and 37)**

(Rs in Lakhs)

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>PARTICULARS</b>		
(a) Interest accrued but not due	18.30	8.46
(b) Interest accrued and due	-	36,594.13
(c) Unpaid matured deposits and interest accrued thereon (Refer Note No. 23.2)	-	101.91
(d) Unclaimed Redeemable Cumulative Preference Share (Refer Note No.23.1)	-	1.92
(e) Other Payable		
(i) Liabilities of Capital Goods	1,601.74	8,257.78
(ii) Deposits received from Contractors and Customers	0.05	1,470.73
(iii) Liability for disputed Fuel Surcharge Adjustment	-	1,159.42
(iv) Salaries and Wages Payable	265.44	747.17
(v) Other liabilities	304.76	2,243.64
<b>Total</b>	<b>2,190.29</b>	<b>50,585.16</b>
<b>Notes :</b>		
23.1- The redeemable Cumulative First Preference Shares remain unclaimed aggregating to Rs. Nil (Previous year Rs. 1.92 lakhs). These shares were written off during the period.		
23.2- There is an amount of Rs. Nil (Previous year Rs. 101.91 lakhs) due for payment to the Investor Education and protection Fund under Section 125 of the Companies Act 2013 as on March 31, 2023.		
<b>24 Other Current Liabilities</b> [Refer Note 36 and 37]		
Advances from Customers	0.43	1,470.97
Statutory dues payable	158.46	5,582.74
Payable to Custom Authority	-	3,071.87
<b>Total</b>	<b>158.89</b>	<b>10,125.58</b>
<b>25 Provisions</b>		
Provisions for employee benefits		
- Leave benefits	15.28	29.25
- Gratuity	52.85	141.43
<b>Total</b>	<b>68.13</b>	<b>170.68</b>



**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

**26 Revenue from Operations**

(Rs in Lakhs)

PARTICULARS		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
	Sale of Products	-	-
	Other Operation Income	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>26.1</b>	<b>Dissegregation of Revenue</b>		
<b>26.1.1</b>	<b>Revenue Based on Geography</b>		
	-Domestic	-	-
	-Export	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>26.1.2</b>	<b>Revenue Based on Business Segments</b>		
	The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable segment applicable to the Company.		
<b>26.1.3</b>	<b>Reconciliation of Revenue from operation with contract price</b>		
	Contract Price	-	-
	Less: Sales Return	-	-
	Less: Cash discounts and other rebates	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>26.1.4</b>	The Company has adopted Ind AS 115 using the cumulative catch-up method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1 April, 2018). Accordingly, the comparative information in the Statement of Profit and Loss is not restated. Impact on adoption of Ind AS 115 is not material.		
<b>27</b>	<b>Other Income</b>		
	Interest Income	46.80	55.99
	Miscellaneous Income	0.24	0.75
	Credit balance written back	-	4.09
	Excess Provision Written back	0.50	-
	<b>TOTAL</b>	<b>47.54</b>	<b>60.83</b>
<b>28</b>	<b>Cost of Material Consumed</b>		
	Limestone	-	-
	Slag	-	-
	Gypsum	-	-
	Pozzolona and Other Material	-	-
	Clinker	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

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

(Rs in Lakhs)

	<b>PARTICULARS</b>	<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
	<b>Finished Goods</b>		
	Opening Inventory	-	0.11
	Closing Inventory	-	-
		-	<b>0.11</b>
	<b>Work-in-Progress (WIP)</b>		
	Opening Inventory	303.82	303.82
	Closing inventory	(271.20)	(303.82)
	<b>Change in Inventories of Finished Goods and WIP</b>	<b>32.62</b>	<b>0.11</b>
<b>30</b>	<b>Employee Benefits Expense</b>		
	Salaries and Wages (Refer Note 42)	697.61	1,068.65
	Contribution to Provident and Other Funds	34.17	39.71
	Staff Welfare Expenses	12.21	18.57
	<b>TOTAL</b>	<b>743.99</b>	<b>1,126.93</b>
<b>31</b>	<b>Finance Cost</b>		
	Interest Expense	1,518.97	15,538.98
	Unwinding Cost of Term Loan	3.51	292.05
	Other Borrowing Cost	44.18	5.00
	<b>TOTAL</b>	<b>1,566.66</b>	<b>15,836.03</b>
<b>32</b>	<b>Other Expenses</b>		
	Power and Fuel	104.86	147.28
	Consumption of Stores and Spares Parts and Components	16.02	8.05
	Rent	10.61	20.03
	<b>Repairs and Maintenances:</b>		
	-Buildings	-	-
	-Machinery	5.93	9.78
	-Others repairs	3.11	0.11
	Rates and Taxes	121.65	35.29
	Advertisement and Business Promotion	3.10	0.73
	Directors Sitting Fee	2.60	-
	<b>Payment to Auditors</b>		
	- Statutory Auditor Fee	10.00	10.00
	- Limited Review Fee	3.00	3.00
	- Certification Fee	-	0.10
	- Reimbursement of Expenses	-	-
	Provision for Diminution in Value of Stocks	-	719.66
	Provision for Doubtful Trade Receivable	-	416.63
	Provision for Doubtful Deposits	178.82	287.31
	Provision for Diminution in Value of Investments	-	0.95
	Debit balances Written off	9.32	0.55

**ANDHRA CEMENTS LIMITED**

**Notes forming part of Financial Statements**

(Rs in Lakhs)

<b>PARTICULARS</b>		<b>For the Year Ended March 31, 2023</b>	<b>For the Year Ended March 31, 2022</b>
	Obsolete Inventory Written Off	206.90	-
	Loss on Discarding of Fixed Assets	54.85	-
	Insurance	82.80	93.22
	Legal and Professional Expenses	773.52	88.67
	Printing and Stationery	0.36	0.16
	Telephone and Other Communication Expenses	3.54	4.57
	Travelling and Conveyance	4.90	3.41
	Miscellaneous expenses	222.47	85.46
	<b>TOTAL</b>	<b>1,818.36</b>	<b>1,934.96</b>
<b>33</b>	<b>Exceptional Items (Refer Note No. 37)</b>		
	Extinguishment of dues towards Secured financial creditors	58,461.71	-
	Liabilities of Capital Goods extinguishment	8120.46	-
	Statutory Remittances written back	1,972.46	-
	Other Current and Non Current liabilities written back	34,317.00	-
	<b>Total Income</b>	<b>1,02,871.63</b>	<b>-</b>
	Other Current and Non Current assets written off	(999.54)	
	Provision for impairment in property, plant & equipment	(4,709.27)	-
	Capital work-in-progress Written Off	-	(134.43)
	<b>Total Expense</b>	<b>(5,708.81)</b>	<b>(134.43)</b>
	<b>TOTAL</b>	<b>97,162.82</b>	<b>(134.43)</b>

### 34. Contingent Liabilities

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

(Rs.in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Claims (Suppliers etc.)*	-	417.62
Bank Guarantees(Margin money: Rs.13.15 lakhs) (Previous Year Rs. 22.33 lakhs)	11.70	321.75

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

#### (ii) Disputed demands under litigation

(Rs.in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022#
APGST/ Value Added Tax {amount paid under protest Rs. NIL (Rs. 15.69 lakhs)}	NIL	60.99
Central Sales Tax {amount paid under protest Rs. NIL (Rs. 14.32 lakhs)}	NIL	261.57
Central Excise {amount paid under protest Rs.NIL (Rs. 36.11 lakhs)}	NIL	2855.23
Service Tax {amount paid under protest Rs.NIL (Rs. 14.74 lakhs)}	NIL	246.81
Goods and Service Tax (GST){amount paid under protest Rs. NIL (Rs. Nil )}	NIL	193.54
Income Tax Act {Amount paid under protest Rs. Nil (Rs. Nil)}	NIL	2.22

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

**Note:** As per the approved resolution plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof.

### 35. Capital Commitments-

(Rs.in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated value of contracts to be executed on capital account (net of advances)	4247.07	NIL

36. (i) The Company has incurred losses of Rs. 8,793.30 lakhs 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 Rs. 36,198.26 lakhs. as at March 31, 2023.

(ii) 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.

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.

- (iii) 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.

37. The implementation of the Approved Resolution Plan commenced on 17<sup>th</sup> February, 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:

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

Sr. No.	Particulars	Amount in ₹ Lakhs
1.	Upfront Cash Recovery (as defined in RFRP)/ Upfront FC Debt Settlement Amount	72,589.33
2.	Allocated CIRP Costs Amount	1,890.72
3.	Workmen and Employees Payments	827.19
4.	Other Operational Creditors Payments	934.76
	<b>Total Payment to Creditors and CIRP Costs</b>	<b>76,242.00</b>

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

Pursuant to implementation of Resolution Plan Erstwhile promoter’s 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 Rs. 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 23<sup>rd</sup> March 2023 approved allotment of 8,75,63,533 fully paid equity shares Rs.10/- each to Sagar Cements Limited with a premium of Rs.26.80 per share, aggregating to Rs.322.23 crores, representing 95% of the equity share capital of the Company.

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

38. **CIF Value of Imports:** - for the year ended on 31.03.2023 is Rs. Nil (Nil)

39. Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company;

(Rs.in lakhs)

	<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
(a)	Dues remaining unpaid as at Balance Sheet date		
	- Principal amount*	5.23	906.95
	- Interest amount*	NIL	414.43
(b)	Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period	-	-
(c)	Interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during period) but without adding the interest specified under the Act	-	-
(d)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
(e)	Interest accrued and remaining unpaid as at Balance sheet date	NIL	414.43

\*Classification is based on declaration received.

40. 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 is no reportable segment applicable to the Company.
41. The Company has adopted Ind AS 116 effective 1st April, 2019, as the company does not have any finance lease assets so there is no any significant effect of the said change. The Company incurred Rs. 10.61 lakhs (Rs.20.03 lakhs) for the year ended 31st March, 2023 towards expenses relating to short-term leases and leases of low-value assets.
42. **Details of Employees Benefits as required by the Ind AS 19 "Employee Benefits" are given below: -**

**a) Defined contribution plans:**

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

(Rs.in lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Contribution to provident fund	32.56	37.95
Contribution to ESI fund	1.61	1.76

(i) **Defined benefit plan: Reconciliation of opening and closing balances of Defined Benefit obligation.**

(Rs.in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefits obligation at the beginning of the year	305.66	86.66	319.01	87.14
Current Service Cost	11.28	3.56	13.73	6.99
Interest Cost	16.01	3.28	21.28	5.81
Actuarial (gain)/loss	5.08	29.27	(10.43)	(5.57)
Benefit paid	(153.99)	(79.73)	(37.93)	(7.71)
Defined Benefit obligation at the year end	184.04	43.03	305.66	86.66

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

(Rs.in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Present value of obligation at year end	184.04	43.03	305.66	86.66
Amount recognized in Balance Sheet	(184.04)	(43.03)	(305.66)	(86.66)

(iii) **Expenses recognized during the year**

(Rs.in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Current Service Cost	11.28	3.56	13.73	6.99
Interest Cost	16.01	3.28	21.28	5.81
Actuarial gain/(loss)	5.08	29.27	(10.43)	(5.57)
Total Cost recognized in the Profit & Loss A/c	32.92	16.23	24.58	7.23

(iv) **Actuarial assumption**

(Rs.in lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate of return on plan assets (per annum) (%)	7.50	7.00
Rate of escalation in salary (per annum) (%)	8.00	5.50
Average balance service (Year)	14.34	10.83

**(v) Sensitivity**

(Rs. in Lakhs unless otherwise stated)

	As at March 31, 2023			As at March 31, 2022		
	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities	Change in assumption	Increase in present value of plan liabilities	Decrease in present value of plan liabilities
Gratuity :						
Discount rate	1.00%	(3.83)	4.24	0.50%	(4.61)	4.87
Salary Escalation Rate	1.00%	4.81	(4.44)	0.50%	4.91	(4.70)
<b>Earned Leave :</b>						
Discount rate	1.00%	(2.60)	2.80	0.50%	(2.26)	2.41
Salary Escalation Rate	1.00%	3.40	(3.20)	0.50%	2.44	(2.30)

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

**(vi) The defined benefit obligations shall mature after year end March 31, 2023 as follows:****Gratuity:**

(Rs. in Lakhs)

Year	As at March 31, 2023	As at March 31, 2022
2023	-	141.43
2024	54.24	40.03
2025	25.54	22.88
2026	27.11	17.76
2027	17.60	11.34
Thereafter	148.24	72.23

**Earned Leave:**

(Rs. in Lakhs)

Year	As at March 31, 2023	As at March 31, 2022
2023	-	29.25
2024	15.28	9.28
2025	7.69	5.86
2026	6.70	5.72
2027	5.33	3.52
Thereafter	20.59	33.03

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

**43. Fair Value**

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



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

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

#### Financial instruments by Category

The carrying value and fair value of financial instruments by categories as of March 31, 2023 are as follows:

(Rs.in lakhs)

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	Total Carrying Value	Total Fair value
<b>Assets:</b>					
Investments	-	-	-	-	-
Other financial Assets	23.97	-	-	23.97	23.97
Trade receivables	-	-	-	-	-
Cash and cash equivalent	4,369.90	-	-	4,369.90	4,369.90
Bank balances other than cash and cash equivalent	926.45	-	-	926.45	926.45
	<b>5,320.32</b>	-	-	<b>5,320.32</b>	<b>5,320.32</b>
<b>Liabilities:</b>					
Long term borrowings* (Including Current Maturities)	52,490.48	-	-	52,490.48	52,490.48
Short term borrowings	-	-	-	-	-
Trade payables	289.83	-	-	289.83	289.83
Other financial liabilities	2,190.29	-	-	2,190.29	2,190.29
	<b>54,970.60</b>	-	-	<b>54,970.60</b>	<b>54,970.60</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2022 are as follows:

(Rs.in lakhs)

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	Total Carrying Value	Total Fair value
<b>Assets:</b>					
Investments	-	-	-	-	-
Other financial Assets	1,066.37	-	-	1,066.37	1,066.37
Trade receivables	5.30	-	-	5.30	5.30
Cash and cash equivalent	0.53	-	-	0.53	0.53
Bank balances other than cash and cash equivalent	99.19	-	-	99.19	99.19
	<b>1,171.39</b>	-	-	<b>1,171.39</b>	<b>1,171.39</b>

<b>Liabilities:</b>					
Long term borrowings* (Including Current Maturities)	3,893.98	-	-	3,893.98	3,893.98
Short term borrowings	93,137.53	-	-	93,137.53	93,137.53
Trade payables	19,813.78	-	-	19,813.78	19,813.78
Other financial liabilities	50,585.16	-	-	50,585.16	50,585.16
	<b>1,67,430.45</b>	-	-	<b>1,67,430.45</b>	<b>1,67,430.45</b>

\*Transaction cost Rs.546 lakhs (Nil) is not included in the borrowings.

#### 44. Financial risk management and policies

##### 44.1 Capital Risk Management

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

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

(Rs.in lakhs unless otherwise stated)

	<b>year ended March 31, 2023</b>	<b>year ended March 31, 2022</b>
Borrowings (Including Current maturities of long terms debts)	52,490.48	97,031.51
Trade payables	289.83	19,813.78
Other financial liabilities (Excluding Current maturities of long terms debts)	2,190.29	50,585.16
<b>Less: Cash and cash equivalent</b>	<b>(4,369.90)</b>	<b>(0.53)</b>
<b>Net debts (A)</b>	<b>50,600.70</b>	<b>1,67,429.92</b>
<b>Total Equity(B)</b>	<b>35,524.52</b>	<b>(91,660.28)</b>
<b>Capital and net debt(C=A+B)</b>	<b>86,125.22</b>	<b>75,769.64</b>
<b>Gearing Ratio (%) (A/C)</b>	<b>58.75%</b>	<b>220.97%</b>

##### 44.2 Financial-Risk-Management

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

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

###### a) Market Risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and changes in interest rates. There have been no changes

to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

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

**(i) Interest rate risk**

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

**(a) Interest Sensitivity**

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

(Rs.in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings	50,490.48	93,137.53

**(b) Interest Rate Sensitivity**

(Rs.in lakhs)

Particulars	2022-23	2021-22
50 bp increase would decrease the profit before tax by	(252.45)	(465.69)
50 bp decrease would Increase the profit before tax by	252.45	465.69

**(ii) Foreign currency risk**

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

**b) Credit Risk:**

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

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

At March 31, 2023, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

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

(Rs.in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Within Credit period	0.00	0.00

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

(Rs.in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables:</b>		
Less than 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 180 days	0.00	0.00
Over 180 days	0.00	5.30
<b>Total*</b>	<b>0.00</b>	<b>5.30</b>

\*Net of allowance for doubtful debts of Rs. NIL as on 31.03.2023 (Rs. 1,147.22 lakhs as on 31.03.2022).

**c) Liquidity Risk**

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

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

(Rs.in lakhs)

Particulars	Less than 1 year	1-5 years	>5 years	Total payments
<b>March 31, 2023</b>				
Borrowings (including Current maturities of long terms debts)*	-	15000.00	37490.48	52490.48
Trade payables	289.83			289.83
Other financial liabilities	2190.29			2190.29
<b>March 31, 2022</b>				
Borrowings (including Current maturities of long terms debts)*	94621.20	2410.31	-	97031.51
Trade payables	19813.78			19813.78
Other financial liabilities	50585.16			50585.16

\*Transaction cost Rs.546 lakhs (Nil) is not included in the borrowings.

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

46. Income tax:

a) Income tax expense:

(Rs.in lakhs)

Component of Income Tax expense:	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	-	-
Deferred tax charge/(credit)	(6,591.91)	-
<b>Tax expense recognized in the Statement of Profit and Loss before OCI</b>	<b>(6,591.91)</b>	-
Deferred tax charge/(credit) in OCI	-	-
<b>Total Income tax expense</b>	<b>(6,591.91)</b>	-

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

(Rs.in lakhs)

Component of Income Tax expense:	Year ended March 31, 2023	Year ended March 31, 2022
<b>Profit / (loss) before tax</b>	<b>88,369.52</b>	<b>(23629.98)</b>
Current Tax	-	-
Deferred Tax Asset recognized- P&L	(6,591.91)	-
Deferred Tax Asset recognized- OCI	-	-
<b>Income Tax Expense recognized in the Statement of Profit &amp; Loss</b>	<b>(6,591.91)</b>	-

c) Tax assets and liabilities

(Rs.in lakhs)

Component of Income Tax expense:	As at March 31, 2023	As at March 31, 2022
Non-current tax assets (net)	-	-
Current tax assets (net)	4.93	32.02

d) Movement of deferred tax assets and liabilities

(Rs.in lakhs)

Particulars	As at April 01, 2021	Credit/ (Charge) to the Profit and Loss	Credit/ (Charge) to the OCI	As at March 31, 2022	Credit/ (Charge) to the Profit and Loss	Credit/ (Charge) to the OCI	As at March 31, 2023
Fixed Assets: impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	16,118.74	647.43	-	16,766.17	(1,397.77)	-	15,368.40
Ind As Adjustments – Expense allowed on payment basis	-	-	-	-	189.55	-	189.55
Fair Valuation of Financial Instrument through FVTPL	97.50	(97.50)	-	-	-	-	-
<b>Deferred tax liability</b>	<b>16,216.24</b>	<b>549.93</b>	-	<b>16,766.17</b>	<b>(1,208.22)</b>	-	<b>15,557.95</b>
Expenditure allowed for tax purpose on payment basis	9,565.59	4,625.49	-	14,191.08	(14,111.74)	-	79.34
Allowance for doubtful debts and advances	419.49	470.95	-	890.44	(890.44)	-	-
Carry forward unabsorbed depreciation	6,231.16	(4,546.51)	-	1,684.65	20,385.87	-	22,070.52
Mat Credit Entitlement	-	-	-	-	-	-	-
<b>Deferred tax assets</b>	<b>16,216.24</b>	<b>549.93</b>	-	<b>16,766.17</b>	<b>5,383.69</b>	-	<b>22,149.86</b>
<b>Deferred tax assets/(liability) net</b>	-	-	-	-	6,591.91	-	<b>6,591.91</b>

During the current financial year, since there are reliable financial projections reflecting future taxable income, the Company had recognised the net deferred tax assets arising on account of unabsorbed depreciation and expenditure allowed on payment basis only. For the previous Financial year 2021-22, the Company has recognized Deferred tax assets arising on account of unabsorbed depreciation and expenditure allowed on payment basis only to the extent of the deferred tax liabilities arising on account of the timing difference considering the fact that it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realized in the normal course of business of the company..

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

(Rs.in lakhs unless otherwise stated)

	Year ended March 31, 2023		Year ended March 31, 2022	
	Value	%	Value	%
<b>Raw Material Consumed</b>				
Indigenous	-	-	-	-
Imported	-	-	-	-
Total	-	-	-	-
<b>Spare parts and components Consumed (excluding Coal)</b>				
Indigenous	16.02	100	8.05	100
Imported	-	-	-	-
<b>Total</b>	<b>16.02</b>	<b>100</b>	<b>8.05</b>	<b>100</b>

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

**48.1 List of related parties and their relationship:**

S No	Relationship	Parties
1	Ultimate Holding Company	Sagar Cements Limited (w.e.f. 18.03.2023) Jaypee Infra Ventures Pvt. Ltd., being Holding Company of Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited ) up to 03.03.2023
2	Holding Company	Sagar Cements Limited (w.e.f 18.03.2023) Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited ) up to 03.03.2023
3	Key Managerial Personnel (KMP)	Shri Naveen Kumar Singh, Chief Executive Officer (up to 06.03.2023) Shri A. K Agrawal, Chief Financial Officer (up to 06.03.2023) Shri K Prasad, Chief Financial Officer (w.e.f. 07.03.2023) Shri G. Tirupati Rao, Company Secretary & GM (L)
4	Non-Executive and Independent Directors	Shri K.V.Rajendran (Chairman up to 06.03.2023) Shri Suresh Chand Rathi (up to 06.03.2023) Shri Pankaj Gaur (up to 06.03.2023) Shri R B Singh (Up to 06.10.2021) Shri Shyam Datt Nailwal (w.e.f. 11.10.2021 up to 06.03.2023)

		Smt. Manju Sharma (up to 06.03.2023) Dr. S. Anand Reddy (w.e.f. 07.03.2023) Shri S. Sreekanth Reddy (w.e.f. 07.03.2023) Smt S Rachana (w.e.f. 07.03.2023) Shri K V Vishnu Raju (w.e.f. 23.03.2023) Smt O Rekha (w.e.f. 23.03.2023)
5	Enterprise over which KMP and Companies stated at S. No. (1) and (2) above have significant influence.	Jaiprakash Associates Limited (Up to 03.03.2023) Jaypee Cement Corporation Limited (Up to 03.03.2023) Himalayaputra Aviation Limited (Up to 03.03.2023) JIL Information Technology Limited (Up to 03.03.2023) Bhilai Jaypee Cement Limited(Up to 03.03.2023) Jaiprakash Power Ventures Limited (Up to 03.03.2023) Sagar Cements (M) Private Limited (w.e.f. 18.03.2023) Jajpur Cements Private Limited (w.e.f. 18.03.2023) RV Consulting Services Private Limited (w.e.f. 18.03.2023)

#### 48.2 Transactions with related parties:

(Rs.in lakhs)

Particulars	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
<b>Key Managerial Personnel (KMP)</b>				
A. K Agrawal		34.87 (34.69)		
G. Tirupati Rao		24.36 (22.37)		
<b>Remuneration to Non-Executive and Independent Directors (Other than KMP)</b>				
Shri K.V.Rajendran (Chairman and Independent Director) (sitting fee) (up to 06.03.2023)	- (2.40)			
Shri Pankaj Gaur (up to 06.03.2023)	- (1.60)			
Shri R B Singh (Ceased to be director from 06.10.2021)	- (-)			
Smt. Manju Sharma (up to 06.03.2023)	- (1.20)			
Shri Suresh Chand Rathii (up to 06.03.2023)	- (2.60)			
Shri Shyam Datt Nailwal (w.e.f. 11.10.2021 and up to 06.03.2023)	- (1.00)			
Dr. S Anand Reddy (w.e.f. 07.03.2023)	(-) 0.60			
Shri S Sreekanth Reddy (w.e.f. 07.03.2023)	(-) 0.60			
Smt S Rachana (w.e.f. 07.03.2023)	(-) 0.60			

Shri K V Vishu Raju (w.e.f. 23.03.2023)	(-) 0.40			
Smt O Rekha (w.e.f. 23.03.2023)	(-) 0.40			
<b>Receipt of Loan</b> Sagar Cements Limited			2000.00 (-)	
<b>Repayment of Loan</b> Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited)			- (-)	
<b>Interest expense</b> Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited) Sagar Cements Limited			(97.35) (-) 16.44 (-)	
<b>Purchase of Fixed Assets (Presently Capital Work in Progress)</b> RV Consulting Services Private Limited				2290.38 (-)
<b>Purchase of material</b> NIL				
<b>Sale of Material</b> NIL				
<b>Sale of Fixed Assets</b> Jaiprakash Associates Limited				- (4.54)
<b>Services Received</b> Jaiprakash Associates Limited				- (325.92)
<b>Balances at the end of the period (Net)</b>				
<b>(i) Loans, Interest payable and Advances</b> Mahabhadra Constructions Limited (Formerly known as Jaypee Development Corporation Limited) Sagar Cements Limited			- (3893.98) 2014.79 (-)	
<b>(ii) Balances Receivable</b> Jaypee Cement Corporation Limited				- (2.83)
<b>(iii) Balances payable</b> Jaiprakash Associates Limited  RV Consulting Services Private Limited				- (18778.62) 338.25 (-)

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

(Rs.in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short – Term Benefits (Refer note 1 below)	57.45	55.29
Defined Contribution Plan (Refer note 2 below)	1.78	1.77
Defined Benefit Plan / Other Long – Term Benefits	Refer Note 3 below	
Leave Encashment Paid at the end of tenure	-	-
<b>Total</b>	<b>59.23</b>	<b>57.06</b>



1. It includes value of perquisites.
  2. It represents Contribution to Provident fund.
  3. As the liability for gratuity and compensated absence are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included in above.
  4. No amount pertaining to related parties which have been provided for as doubtful debts or written off.
- 49 The Company has not given advances in the nature of loans whose particulars are required to be disclosed in terms of Regulation 34(3) and 53(f) of the Listing obligation and Disclosure Requirement.

#### 50 Earnings per Share (EPS)

(Rs.in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit/ (loss) for the period	94,961.43	(23,629.98)
Weighted average no. of Equity Shares	2,72,724,950	2,93,520,492
Diluted average no. of Equity Shares	2,72,724,950	2,93,520,492
Basic earnings per share (in Rs.)	34.82	(8.05)
Diluted earnings per share (in Rs.)	34.82	(8.05)
Face value of each shares (in Rs.)	10	10

- 51 a. **Earnings in Foreign Currency:** for the year ended on 31.03.2023 is Rs. Nil (Nil)
- b. **Expenditure in Foreign Currency:** for the year ended on 31.03.2023 is Rs. Nil (Nil)

#### 52 Ratios

S. No.	Particulars	Formula	Current year ratio	Previous year ratio	Change	Remarks
1	Current Ratio,	Current Asset/ Current Liabilities	238.53%	1.04%	22930.80%	Due to Implementation of Resolution Plan, Loans & Liabilities have Extinguished.
2	Debt-Equity Ratio	Total Debt/Equity	147.76%	N/A	N/A	In view of implementation of Resolution plan, there is Capital Reduction of Existing shareholders and infusion of fresh Equity by Successful Resolution Applicant.
3	Debt Service Coverage Ratio	Net Operating Income/Debt Service	N/A	N/A	N/A	Since there is no Net operating Income, Ratio cannot be Calculated.
4	Return on Equity Ratio	Net Income / average share-holder equity	N/A	N/A	N/A	Since Average Share Holder Equity is Negative, Ratio Cannot be calculated
5	Inventory turnover ratio	Cost of Sale /Avg. Inventory for the period	N/A	N/A	N/A	Due to Closer of Operations, There is no Sale.
6	Trade Receivables turnover ratio	Net sales/ Average trade receivable	N/A	N/A	N/A	Since there is no sale in Current Year, Ratios cannot be Calculated.
7	Trade payables turnover ratio	Net Purchases / Average Trade payable	N/A	N/A	N/A	Since there were no purchases due to closer of operations, Ratio Cannot be calculated.

8	Net capital turnover ratio	Sales/Avg. Net Capital	N/A	N/A	N/A	Since There are no Sales, Ratio cannot be calculated
9	Net profit ratio	Net Profit/Sales	N/A	N/A	N/A	Since there is no sale in Current Year, Ratios cannot be Calculated
10	Return on Capital employed	EBIT/Capital Employed(Tangible NW + Total debt+ DTL)	86.76%	N/A	N/A	Since in Previous Year, Capital Employed was negative, Ratio could not be calculated.
11	Return on investment	Income from Investment/ Avg Investment	N/A	N/A	N/A	Company do not have any investments

### 53 Relationship with Struck Off Companies 31.03.2023

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (Rs. In Lakhs) / No. of Shares	Relationship with the Struck off company, if any	Remarks, if any
	Investments in securities	NIL		
PMR READY MIX CONCRETE	Receivables	0	N/A	Balance of Rs.28.69 lakhs written off
METCOKE INDUSTRIES LIMITED	Receivables	0	N/A	Balance of Rs. 1,15,409/- written off
SPRING NIRMAN INDIA PRIVATE LIMITED	Payables	0	N/A	Balance of Rs. 57,400/- written back
INTEX DESIGNER TILES (P) LIMITED	Payables	0	N/A	Balance of Rs. 53,208/- written back
RASI DESIGNER TILE PVT LTD	Payables	0	N/A	Balance of Rs. 23,780/- written back
SEW CONSTRUCTIONS LIMITED	Payables	0	N/A	Balance of Rs. 62,586/- written back
CLASSIC DESIGNER TILES PVT.LTD	Payables	0	N/A	Balance of Rs. 15,660/- written back
SRI GIRI CEMTN PVT LTD	Payables	0	N/A	Balance of Rs. 59,488.60 written back
NINAD HOLDING PVT LTD	Shares held by stuck off company (Number of Shares of Rs. 10 each)	125	N/A	Reduction of 2375 Shares as per Approved Resolution Plan
NINAD HOLDING PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	46	N/A	Reduction of 866 Shares as per Approved Resolution Plan
FAIRGROWTH INVESTMENTS LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	34	N/A	Reduction of 641 Shares as per Approved Resolution Plan
COSMAT INVESTMENTS PVT LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	20	N/A	Reduction of 379 Shares as per Approved Resolution Plan
SKY LINE PROMOTERS PVT LTD	Shares held by stuck off company (Number of Shares of Rs. 10 each)	15	N/A	Reduction of 285 Shares as per Approved Resolution Plan

LYNX MUTUAL FUNDS LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	13	N/A	Reduction of 237 Shares as per Approved Resolution Plan
ROCKLAND LEASING LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	12	N/A	Reduction of 238 Shares as per Approved Resolution Plan
BAPS (INDIA) TRADING PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	11	N/A	Reduction of 214 Shares as per Approved Resolution Plan
MICRONET SOFTWARE SERVICES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	10	N/A	Reduction of 190 Shares as per Approved Resolution Plan
SILVER ARROW INVESTMENTS PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	9	N/A	Reduction of 166 Shares as per Approved Resolution Plan
VICTOR PROPERTIES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	6	N/A	Reduction of 119 Shares as per Approved Resolution Plan
DEVIKA CONSTRUCTIONS PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	5	N/A	Reduction of 95 Shares as per Approved Resolution Plan
PAUL DEY & COMPANY PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	4	N/A	Reduction of 71 Shares as per Approved Resolution Plan
SUPHALA PLANTATIONS INDIA LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	4	N/A	Reduction of 68 Shares as per Approved Resolution Plan
SUKAM FINANCIAL SERVICES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	3	N/A	Reduction of 47 Shares as per Approved Resolution Plan
G P S COMMERCIAL PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	3	N/A	Reduction of 47 Shares as per Approved Resolution Plan
SINDHUDURG INVESTMENTS PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	3	N/A	Reduction of 47 Shares as per Approved Resolution Plan
H I - L E A FINANCE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	3	N/A	Reduction of 47 Shares as per Approved Resolution Plan
VICTOR PROPERTIES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 24 Shares as per Approved Resolution Plan

ARAVALI COMMERCIAL PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 24 Shares as per Approved Resolution Plan
MIFCO CREDITS & SECURITIES LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 24x Shares as per Approved Resolution Plan
M/s. PRANANJALI INVESTMENT & TRADING CO PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 11 Shares as per Approved Resolution Plan
BAPS (INDIA) TRADING PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 11 Shares as per Approved Resolution Plan
RAJENDRA MERCANTILE PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 11 Shares as per Approved Resolution Plan
ROHIFIN INVESTMENT PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 11 Shares as per Approved Resolution Plan
SMALL LOTS SERVICES LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 11 Shares as per Approved Resolution Plan
H P M INVESTMENTS LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 5 Shares as per Approved Resolution Plan
BALBIR LEASING PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 5 Shares as per Approved Resolution Plan
KAY BEE FINVEST PVT. LTD.	Shares held by stuck off company (Number of Shares of Rs. 10 each)	1	N/A	Reduction of 5 Shares as per Approved Resolution Plan
	Other outstanding balances	NIL	N/A	

**Relationship with Struck Off Companies 31.03.2022**

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (Rs. In Lakhs) / No. of Shares	Relationship with the Struck off company, if any	Remarks, If any
	Investments in securities	NIL		
EBIZ SOLUTIONS PVT. LTD	Receivables	0	N/A	Balance of Rs.1,769.50/- written off
METCOKE INDUSTRIES LIMITED	Receivables	1.15	N/A	
SPRING NIRMAN INDIA PRIVATE LIMITED	Payables	0.57	N/A	
INTEX DESIGNER TILES (P) LIMIT	Payables	0.53	N/A	
RASI DESIGNER TILE PVT LTD	Payables	0.24	N/A	
SEW CONSTRUCTIONS LIMITED	Payables	0.63	N/A	
CLASSIC DESIGNER TILES PVT.LTD	Payables	0.16	N/A	
SRI GIRI CEMTN PVT LTD	Payables	0.59	N/A	
CHANDANA AP ADVERTISING (P) LTD.	Payables	0	N/A	Balance of Rs. 20,000/- written back
DIVYA CHEMICAL&ANTICORROSIVE PVT LTD	Payables	0	N/A	Balance of Rs. 10,210/- written back
P.G.POWER SYSTEMS PVT LIMITED	Payables	0	N/A	Balance of Rs. 10,590/- written back
SNJ SYNTHETICS LTD.	Payables	0	N/A	Balance of Rs. 49,462.20 written back
NINAD HOLDING PVT LTD	Shares held by stuck off company (Number of Shares of Rs. 10 each)	2500	N/A	
NINAD HOLDING PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	912	N/A	
FAIRGROWTH INVESTMENTS LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	675	N/A	
COSMAT INVESTMENTS PVT LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	399	N/A	
SKY LINE PROMOTERS PVT LTD	Shares held by stuck off company (Number of Shares of Rs. 10 each)	300	N/A	
LYNX MUTUAL FUNDS LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	250	N/A	
ROCKLAND LEASING LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	250	N/A	

BAPS (INDIA) TRADING PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	225	N/A	
MICRONET SOFTWARE SERVICES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	200	N/A	
SILVER ARROW INVESTMENTS PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	175	N/A	
VICTOR PROPERTIES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	125	N/A	
DEVIKA CONSTRUCTIONS PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	100	N/A	
PAUL DEY & COMPANY PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	75	N/A	
SUPHALA PLANTATIONS INDIA LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	72	N/A	
SUKAM FINANCIAL SERVICES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	50	N/A	
G P S COMMERCIAL PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	50	N/A	
SINDHUDURG INVESTMENTS PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	50	N/A	
H I - L E A FINANCE LIMITED LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	50	N/A	
VICTOR PROPERTIES PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	25	N/A	
ARAVALI COMMERCIAL PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	25	N/A	
MIFCO CREDITS & SECURITIES LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	25	N/A	

M/s PRANANJALI INVESTMENT & TRADING CO P LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	12	N/A	
BAPS (INDIA) TRADING PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	12	N/A	
RAJENDRA MERCANTILE PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	12	N/A	
ROHIFIN INVESTMENT PRIVATE LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	12	N/A	
SMALL LOTS SERVICES LIMITED LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	12	N/A	
H P M INVESTMENTS LIMITED LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	6	N/A	
BALBIR LEASING PRIVATE LIMITED LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	6	N/A	
KAY BEE FINVEST PVT. LTD. LIMITED	Shares held by stuck off company (Number of Shares of Rs. 10 each)	6	N/A	
	Other outstanding balances	NIL	N/A	

- 54 During the financial year the company has converted the method of depreciation from SLM to WDV for assets other than Plant & Machinery and Railway Siding. There is no material effect with respect to change in method of depreciation during the year ended March 31, 2023. The net impact debited to statement of profit and loss during the current financial year is ₹ 23 lakhs.
- 55 All amounts in the financial statements are presented in Lakhs with two decimal except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures. Previous year's figures have been regrouped /rearranged wherever considered necessary.

See accompanying notes to the financial statements.

**For DASS GUPTA & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 000112N

**BHANU PREET KAUR**

Partner  
Membership No. 421517

Place : Hyderabad  
Date : May 06, 2023

**FOR AND ON BEHALF OF THE BOARD**

**Dr. S Anand Reddy**      **S Sreekanth Reddy**  
Managing Director      Director  
DIN: 00123870      DIN: 00123889

**G. Tirupati Rao**      **K Prasad**  
Company Secretary      Chief Financial officer  
M. No. F2818

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