

Andhra Cements Limited



80th

Annual Report 2018-19

Board of Directors

K.N. Bhandari,	Chairman
Pankaj Gaur	
Naveen Kumar Singh	Director & CEO
S. D. M. Nagpal	
R. K. Pandey	
Ravindra Kumar Singh	
V. K. Jain	
R. B. Singh	
Manju Sharma	

CFO

A.K. Agrawal

Company Secretary

G. Tirupati Rao
General Manager (Legal) & Company Secretary

Statutory Auditors

M/s Chaturvedi & Partners
Chartered Accountants, New Delhi

Secretarial Auditors

M/s Savita Jyoti Associates
Practising Company Secretaries, Hyderabad

Cost Auditors

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

Registrar & Share Transfer Agent

CIL Securities Ltd,
214, Raghav Ratna Towers,
Chirag Ali Lane, Abids,
Hyderabad - 500001
Ph: +91-40-23202465 | Fax: +91-40-23203028
Website: www.cilsecurities.com
E-mail: rta@cilsecurities.com

Regional Marketing Office & Share Department

Ashoka Hitec Chambers
3rd Floor, Road No. 2, Banjara Hills,
Hyderabad , 500 034 (TS)

Registered Office

Andhra Cements Limited
Durga Cement Works
Sri Durgapuram,
Dachepalli - 522414
Guntur (Dist), (AP)
CIN: L26942AP1936PLC002379
Ph: +91-8649-257413 | Fax: +91-8649-257449
Website: www.andhracements.com
E-mail: investorcell@andhracements.com

Corporate office

Jaypee Group Corporate Office
Sector-128, Noida-201304 (UP)
Ph: +91-120-4609000 | Fax: +91-120-4609464

Bankers/Lenders

Housing Development Finance Corp. Ltd.
Edelweiss Asset Reconstruction Co. Ltd.
Karur Vysya Bank Limited
Andhra Bank
State Bank of India

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DIRECTORS' REPORT

To,

The Members

The Directors of your Company are pleased to present the Eightieth Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

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

	(₹ in lakhs)	
	Current Year 2018-19	Previous Year 2017-18
Net Sales	32124	48422
Other Income	180	463
PBIDT	1509	5951
Finance Cost	10844	12739
Depreciation	4747	4476
Profit/(Loss) before exceptional Items	(14082)	(11264)
Exceptional Item	(3974)	4071
Profit/(Loss) before Tax	(18056)	(7193)
Deferred Tax	43	84
Net Profit / (Loss)	(18013)	(7109)
Other Comprehensive Income	2	(4)
Total Comprehensive Income	(18011)	(7113)

Sl. No.	Particulars	31.03.2019	31.03.2018	Formula adopted
1	Debtors Turnover Ratio (Days)	26.44	20.47	365 Days/(Net Revenue/ Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	24.38	21.33	365 Days/ Net Reveue/Average Inventories)
3	Interest Coverage Ratio	(0.67)	0.44	(Profit before Tax +Interest)/(Interest + Interest Capitalised)
4	Current Ratio	0.14	0.38	Current Assets/(Total Current Liabilities-Security Deposits payable on demand-Current maturities of Long Term Debt)
5	Debt-equity Ratio	-*	-*	Total Debt/Total Equity
6	Operating Profit Margin Ratio	(0.08)	0.21	EBITDA/Net Revenue
7	Net Profit Margin Ratio	(0.56)	(0.15)	Net Profit/Net Revenue
8	Return on Networth	-**	-**	Total Comprehensive Income/Average Networth

* Since Equity is negative, ratio cannot be calculated.

** Since Networth is negative, ratio cannot be calculated.

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

COST

During the year under review, the diesel prices have increased by about 17%. Due to this, the cost of raw materials as well as cost of distribution of cement has increased. The relaxation by the Government of India rationalizing the axle load norms for the heavy vehicles, has provided some relief in managing the distribution cost.

SHARE CAPITAL

The paid up equity share capital as at 31st March, 2019 is ₹ 293.52 Crores. During the period under review, your Company has not issued any shares with differential rights, sweat equity shares and equity shares under employees stock option scheme. Your Company has also not bought back its own shares during the period under review.

DIVIDEND

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

OPERATIONS

During the year under review, Company's plant viz, Durga Cement Works (DCW) was in operation and produced Clinker and Cement and the plant viz, Visakha Cement Works (VCW) was operated till July, 2018, and later the production was stopped due to operational viability reasons. The Company has commissioned its 30 MW Captive Power Plant (CPP) situated at Durga Cement Works.

KEY FINANCIAL RATIOS

Pursuant to Reg. 34(3) and 53(1) and Schedule V (B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the year 2018-19 are given below:

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

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

FINANCIAL STATEMENTS

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

1. Shri Pankaj Gaur and Shri Vijai Kumar Jain, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment. Shri Naveen Kumar Singh, Director was appointed as CEO of the Company, due to this appointment as CEO his status was changed as Whole-time Director. Ratification is being sought at the ensuing Annual General Meeting. Shri K.N. Bhandari, Shri S.D.M. Nagpal, Shri R.K. Pandey, Shri R.K. Singh Independent Directors of the Company attained the age of 75 years. As per Reg. 17(1A) of SEBI (LODR) continuation beyond the age of 75 year requires Special Resolution and setout the same in the Notice.
2. During the year under report, the Board Meet 4 times, the details whereof are given in Report on Corporate Governance. The meetings of Board of Directors were held on 30.05.2018, 11.08.2018, 14.11.2018 and 11.02.2019.
3. All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the Committees constituted by it. The manner in which the formal annual evaluation has been carried out has been explained in the Report on Corporate Governance.
5. The Board has on the recommendation of the Nomination & Remuneration Committee adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. Brief features of the said Policy are:
 - a) Nomination and Remuneration Committee shall formulate the criteria for determining

qualifications, positive attributes and independence of Director;

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

The Company shall reimburse actual expenditure incurred by the Directors in the performance of their duties as per the rules and policies of the Company.

Remuneration of other employees shall be reviewed/decided on an annual basis or earlier if deemed necessary, based on performance appraisal of individual employees taking into account several factors such as job profile, qualifications, seniority, experience, commitment including time commitment, performance and their roles and duties in the organization.
- g) The age, term of appointment and retirement of Managing Director/Whole-time Director shall be determined in accordance with the provisions of Companies Act, 2013 read with Rules made thereunder;
- h) Managing Director/Whole-time Director and Key Managerial Personnel shall be paid

the remuneration within the overall limit prescribed under the Companies Act, 2013 and the Rules made thereunder as recommended by the Nomination and Remuneration Committee subject to the approval of the Board;

- i) The Company shall provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the company operates, business model of the Company etc;

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

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

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

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transaction.

The policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at www.andhracemems.com.

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

AUDITORS

1. Statutory Auditors

As the members are aware in accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No. 307068E), were appointed as Statutory Auditors of the Company in the 75th Annual General Meeting (AGM) for a period of Five consecutive years till the conclusion of 80th AGM of the Company to be held in the year 2019. The appointment of present Statutory Auditors term will be completed at the conclusion of the 80th AGM. Hence, New Statutory Auditor is to be appointed. The M/s Dass Gupta & Associates, Chartered Accountants, being eligible, offer themselves for appointment as Statutory Auditors for the Financial Year 2019-20. The Company has obtained a written consent and a certificate from the Statutory Auditors to the effect that their appointment, if ratified, would be in accordance with the conditions as prescribed and they fulfill the criteria laid down in Section 141 of the Companies Act, 2013.

Based on the recommendations of the Audit Committee, the Board has recommended the ratification of appointment of M/s. Dass Gupta & Associates, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2019-20 and to hold office till the conclusion of the 85th Annual General Meeting to be held in the year 2024, subject to ratification of their appointment in every AGM.

2. Cost Auditors

For the Financial Year 2019-20, the Board of Directors of the Company have on the recommendation of Audit Committee, appointed M/s. J.K. Kabra & Associates, Cost Accountants (Firm Regn No. 00009) Cost Auditors of the Company for auditing the Cost Records relating to the product 'Cement'. In this regard, they have submitted a certificate certifying their independence and their arms length relationship with the Company. The Resolution for ratification of their remuneration has been included in the Notice for ensuing Annual General Meeting.

3. Secretarial Auditor

Secretarial Audit Report for the financial year ended on 31st March, 2019, issued by M/s. Savita Jyoti Associates, Company Secretaries, in form MR-3 forms part of this report and marked as "Annexure-B".

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, on recommendations of the Audit Committee, the Board has appointed M/s. Savita Jyoti Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2020.

AUDITORS REPORT

The Directors of the Company wish to state that the Statutory Auditors of the Company has given modified opinion on the Financial Statements of the Company for the year ended 31st March, 2019. The qualification in the Financial Statement and management response to the aforesaid qualification is given under:

Auditors Qualification	Management's Reply
<p>We refer to Note 35 to the financial statements in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the financial year ended March 31, 2019, the Company has incurred losses of ₹ 18,011.42 lakhs, resulting into accumulated losses of ₹ 70,156.70 lakhs and erosion of net worth as at March 31, 2019. The Company has obligation towards fund based borrowings aggregating to ₹ 101,064.49 lakhs as on March 31, 2019 including working capital loans and interest accrued thereon. The Company's current liabilities have exceeded current assets as on March 31, 2019. These matters require the Company to</p>	<p>The management has approached the financial institutions/banks for restructuring of the debts which is under consideration by major lenders. Further, the Cement market has started improving and company is hopeful to achieve the profitable operations and is on the view that the company will continue as a going concern.</p>

Auditors Qualification	Management's Reply
<p>generate additional cash flow to fund the operations as well as payments to lenders, creditors, statutory dues and other obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, we are unable to comment on the consequential impact, if any on the accompanying financial statements.</p>	

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

EXTRACT OF ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013 an extract of the Annual Return in Form MGT-9 for the year ended 31st March, 2019 is attached as "Annexure-C" which forms part of this Report.

In accordance with Clause 22 of Secretarial Standard on Report of the Board of Directors (SS4), a copy of Annual Return for the year ended 31st March, 2019 has been placed on the website of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RISK MANAGEMENT

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

- a) define framework for identification, assessment, monitoring, mitigation and reporting of risks.
- b) ensures that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.

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

CORPORATE SOCIAL RESPONSIBILITY

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

MATERIAL CHANGES AND COMMITMENTS

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Corporate Governance as stipulated by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report along with the required Certificate from the Practicing Company Secretary confirming compliance with conditions of Corporate Governance.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors, based on the representation received from the operating management, certification by CEO and CFO to the Board of Directors and after due enquiry, confirm that in respect of the Audited Annual Accounts for the year ended 31st March, 2019 that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;
- b) the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2019 and the loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;

- e) the Directors had laid proper internal financial controls to be followed and that such internal financial controls were adequate and were operating effectively; and
- f) Directors had devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

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

INTERNAL FINANCIAL CONTROL

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

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

DEPOSITS

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

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

REDEMPTION OF PREFERENCE SHARES

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Annual Report and is provided as "Annexure- D" in this report.

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

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

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

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

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

FUTURE OUTLOOK

GDP growth for the year 2019-20 was originally projected at 7.4%, which is now revised to 7.2%. However, there are several uncertainties which can have an impact in the projected GDP. The outlook of oil prices continue to be hazy both on upside and downside. It is expected that the demand for cement would grow at around 8% for the financial year 2019-20. Our plants are fully equipped and supported with grinding units at strategic locations. Our company will be

able to take full advantage of the economic momentum in the coming years.

THREATS

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

OPPORTUNITIES

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

K.N. BHANDARI
Chairman
[DIN: 00026078]

Place: New Delhi
Date: 29th May, 2019

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered by the Company during the Financial Year 2018-19 which were not at Arm's length basis.

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

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

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

FOR THE YEAR ENDED 31ST MARCH, 2019

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

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my/our opinion, the company has, during the audit period from April 1, 2018 to March 31, 2019 ('audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the Audit period)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the Audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable during the Audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the Audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the Audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the Audit period)

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.

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

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

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

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

We further report that, 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.

For Savita Jyoti Associates

Savita Jyoti
Practicing Company Secretary
FCS No.3738; C P No.:1796

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

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

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

ATTACHMENT- I

	All the business activities contributing 10% or more of the total turnover of the company shall be stated:-
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Sl No	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Cement Manufacturing	NA	100%

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

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

(i) Category -wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
	a) Individual/HUF	0	0	0	0	0	0	0	0	0
	b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
	c) Bodies Corporates	20,19,26,406	0	20,19,26,406	68.79	20,19,26,406	0	20,19,26,406	68.79	0
	d) Bank/FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	SUB TOTAL:(A) (1)	20,19,26,406	0	20,19,26,406	68.79	20,19,26,406	0	20,19,26,406	68.79	0
2	Foreign									
	a) NRI-Individuals	0	0	0	0	0	0	0	0	0
	b) Other Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp.	0	0	0	0	0	0	0	0	0
	d) Banks/FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	20,19,26,406	0	20,19,26,406	68.79	20,19,26,406	0	20,19,26,406	68.79	0
B	PUBLIC SHAREHOLDING									
1	Institutions									
	a) Mutual Funds	886	11867	12753	0.00	886	11867	12753	0.00	0
	b) Banks/FI	270036	32269	302305	0.10	271511	32269	303780	0.10	0
	c) Central Govt.	0	0	0	0	0	0	0	0	0
	d) State Govt.	0	0	0	0	0	0	0	0	0
	e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) FIs	0	7390000	7390000	2.52	0	7390000	7390000	2.52	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL (B)(1):	270922	7434136	7705058	2.62	272397	7434136	7706533	2.63	+0.01
2	Non Institutions									
	a) Bodies corporates	32753372	46338	32799710	11.18	32071703	46061	32117764	10.94	-0.24
	i) Indian	0	0	0	0	0	0	0	0	0
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals	0	0	0	0	0	0	0	0	0
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	28631343	1139904	29771247	10.14	29237338	1075659	30312997	10.33	+0.19
	ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	19698355	0	19698355	6.71	19758049	34450	19792499	6.74	+0.03
	c) Others (NRI's)	1580512	39204	1619716	0.55	1625389	38904	1664293	0.57	+0.02
	SUB TOTAL (B)(2):	82663582	1225446	83889028	28.58	82692479	1195074	83887553	25.58	0.0
	Total Public Shareholding (B)= (B)(1)+(B)(2)	82934504	8659582	91594086	31.21	82964876	8629210	91594086	31.21	0
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	284860910	8659582	293520492	100	284891282	8629210	293520492	100	0

(ii) Shareholding of Promoters

ATTACHMENT- IV

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2018			Share Holding at the end of the Year 31.03.2019			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total	No of shares	% of total shares of the company	% of shares pledged encumbered to total	
1	Jaypee Development Corporation Limited	201926406	68.79	51.60	201926406	68.79	75.00	0
	Total	201926406	68.79	51.60	201926406	68.79	75.00	0

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

ATTACHMENT- V

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2018			Date	Increase/ (Decrease) in shareholding	Reason	Cumulative holding during the year year 01.04.2018 to 31.03.2019	
		No of shares	% of total shares of the company	% of shares pledged encumbered to total				No of shares	% of Total Shares of the Company
1	Jaypee Development Corporation Limited	201926406	68.79	51.60	-	-		201926406	68.79
	Total	201926406	68.79	51.60	-	-		201926406	68.79

ATTACHMENT- VI

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

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2018		Increase/ (Decrease) In shareholding	Reason	Share holding as on 31.03.2019	
		No of shares	% of total shares			No of shares	% of Total Shares
1	HDFC LIMITED	16850277	5.74	-	-	16850277	5.74
2	HDFC LIMITED	8892269	3.03	-	-	8892269	3.03
3	FIDELITY CAPITAL INVESTMENT INC	7390000	2.52	-	-	7390000	2.52
4	VINEET NAHATA	223023	0.08	550806	Purchase	773829	0.26
5	RAMLAL KAWARLAL JAIN	725000	0.25	-	-	725000	0.25
6	SCL FLORICULTURE PVT LTD	545069	0.19	-	-	545069	0.19
7	RAHUL PRAKASH SARDA	492735	0.17	-	-	492735	0.17
8	KARVY STOCK BROKING LTD	540508	0.18	141899	sale	398609	0.14
9	BRN COMMODITIES & TRADING CO. PVT LTD	351128	0.12	-	-	351128	0.12
10	SHIVANGI ASHISHBHAI DALMIA	400000	0.14	52307	sale	347603	0.12

(v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year 01.04.2018		Date	Increase/ Decrease in shareholding	Reason	Shareholding as on 31.03.2019	
		No of shares	% of total shares of the company				No of shares	% of Total Shares of the Company
1	Shri K N Bhandari, Chairman Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
2	Shri Pankaj Gaur, Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
3	Shri Naveen Kumar Singh, Director -CEO	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
4	Shri Ravindra Kumar Singh, Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
5	Shri Sain Ditta Mal Nagpal Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
6	Shri Radha Krishna Pandey, Independent Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
7	Shri Vijai Kumar Jain Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
8	Shri R B Singh Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
9	Shri Manju Sharma Director	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
10	Shri A.K. Agrawal CFO	NIL	0.00	–	0.00	Nil Movement during the year	NIL	0.00
11	Shri G. Tirupati Rao Company Secretary & GM (L)	2500	0.00	–	0.00	Nil Movement during the year	2500	0.00

V Indebtedness

ATTACHMENT- VIII

(Indebtedness of the Company (including interest outstanding/accrued but not due for payment for financial year 2018-19)

(In ₹)

S. No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the Financial Year (01.04.2018)				
	i) Principal Amount :				
	a) Rupee Term Loan	8,65,46,30,750.00	31,06,38,354.40	-	8,96,52,69,104.40
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	40,11,00,725.03	-	-	40,11,00,725.03
	ii) Interest due but not paid	29,41,97,102.09	2,08,60,689.00	-	31,50,57,791.09
	iii) Interest accrued but not due	2,12,94,188.77	-	-	2,12,94,188.77
	Total (i to iii)	9,37,12,22,765.89	33,14,99,043.40	-	9,70,27,21,809.29

S. No.	Particulars	Secured Loans Excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
B	Changes in Indebtedness during Financial Year 2018-19				
	Addition				
	i) Principal Amount :				
	a) Rupee Term Loan	24,77,42,000.00	43,40,152.00	-	25,20,82,152.00
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	53,26,282.92	-	-	53,26,282.92
	ii) Interest due but not paid	14,87,57,335.02	2,98,14,252.00	-	17,85,71,587.02
	iii) Interest accrued but not due	-	-	-	-
	Total - B	40,18,25,617.94	3,41,54,404.00	-	43,59,80,021.94
B1	Reduction				
	i) Principal Amount :				
	a) Rupee Term Loan	2,72,50,000.00	-	-	2,72,50,000.00
	b) ECB/FCCBs	-	-	-	-
	c) Working Capital	-	-	-	-
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	2,04,41,859.77	-	-	2,04,41,859.77
	Total - B	4,76,91,859.77	-	-	4,76,91,859.77
C	Indebtedness at the end of the Financial Year (31.03.2019)				
	i) Principal Amount :				
	a) Rupee Term Loan	8,87,51,22,750.00	31,49,78,506.40	-	9,19,01,01,256.40
	b) ECB/FCC Bs	-	-	-	-
	c) Working Capital	40,64,27,007.95	-	-	40,64,27,007.95
	ii) Interest due but not paid	44,29,54,437.11	5,06,74,941.00	-	49,36,29,378.11
	iii) Interest accrued but not due	8,52,329.00	-	-	8,52,329.00
	Total (i to iii)	9,72,53,56,524.06	36,56,53,447.40	-	10,09,10,09,971.46

* It represents loan from Jaypee Development Corporation Limited and does not include unamortised cost of ₹ 2,06,31,117.60 and ₹ 1,62,90,996.60 as on 01.04.2018 and 31.03.2019 respectively.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

ATTACHMENT- IX

i) Remuneration to Managing Director, Whole-time Director and/or Manager: (In ₹)

Shri Naveen Kumar Singh, Director & CEO, does not have any Remuneration and perquisites etc., 0

ii) Remuneration to other Directors:

ATTACHMENT- X

Independent Directors

(In ₹)

Sl. No.	Name of the Director	Fee for attending Board/ Committee meetings	Commission	Others, please specify	Total
1	Shri K.N. Bhandari	200000			200000
2	Shri S.D.M. Nagpal	180000	-	-	180000
3	Shri R.K. Pandey	180000	-	-	180000
4	Shri R.K. Singh	20000	-	-	20000
	Total (1)	580000			580000

Other Non-Executive Directors

Sl. No.	Name of the Director	Fee for attending board/ committee meetings	Commission	Others, please specify	Total
1	Shri Pankaj Gaur	40000	-	-	40000
2	Shri V.K. Jain	40000	-	-	40000
3	Shri R.B. Singh	240000	-	-	240000
4	Smt. Manju Sharma	80000	-	-	80000
	Total (2)	400000			400000
	Total (1)+(2)	980000			980000

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

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	29,73,666.00	19,56,400	49,30,066.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,30,152.95		2,30,152.95
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify-P.F- Employer's Contribution etc.	1,00,080.00	65,367.00	1,65,447.00
	Total	33,03,898.95	20,21,767.00	53,25,665.95

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

ANNEXURE 'D'

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

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

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

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

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

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

Note : There is no remuneration to any director.

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

Particulars	% increase in the Remuneration
Shri A.K. Agrawal, CFO	1.63%
Shri G. Tirupati Rao, Company Secretary	0.77%

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

The percent increase in median remuneration of employees in the Financial Year was 7%.

(iv) The number of permanent employees on the rolls of Company including on secondment: 410

(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. 4.00 lakhs and the percent increase in the median remuneration was 7%.

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	2018-19	2017-18	Growth (%)
Net Sales from Operations (₹ In lakhs)	32124	48422	-34%
Profit Before Tax (₹ In lakhs)	(18056)	(7193)	-151%
Profit After Tax (₹ In lakhs)	(18013)	(7109)	-153%

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

(₹ In lakhs)

Particulars	Chief Executive Officer	Company Secretary	CFO
Remuneration of Key Managerial Personnel (KMP) during financial year 2018-19 (aggregated)	–	20.22	33.04
Revenue from operations	–	32124	32124
Remuneration (as % of revenue)	–	0.06%	0.10%
Profit before tax (PBT)	–	(18056)	(18056)
Remuneration (as % of PBT)	–	NA	NA

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

Particulars	Unit	As at 31 st March, 2019	As at 31 st March, 2018	Variation
Closing price of shares at BSE	₹	6.70	9.60	(43%)
EPS	₹	(6.14)	(2.42)	(253%)
Market Capitalization	₹ In Cr.	196.66	281.78	(43%)
Price Earnings Ratio	Ratio	NA	NA	NA

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

(₹ in lakhs unless otherwise stated)

Particulars	Remuneration in Financial Year 2018-19	% increase in Remuneration in Financial year 2018-19
Average monthly salary of all employees (other than Key Managerial Personnel)	4.85	11.78%
Salary of Company Secretary	20.22	0.77%
Salary of CFO	33.04	1.63%

(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 decreased by 52% in 2018-19 compared to 2017-18.

Loss before Tax increased by 151% in 2018-19 compared to 2017-18.

(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) Energy Conservation measures taken during the twelve months period ended 31st March, 2019**

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

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

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

B. TECHNOLOGY ABSORPTION**(i) Efforts made towards Technology Absorption:**

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

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

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

(iii) Information regarding technology imported during last 3 years : Nil**(iv) Expenditure incurred on Research and Development: Nil****C. FOREIGN EXCHANGE EARNINGS AND OUTGO: ₹ 94,94,735 (outgo)**

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

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

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

As per SEBI (LODR) Regulations 2015, where the Chairman of the Board is Non-Executive Director at least one-third of the Board should comprise of Independent directors. Our Company's Board as on 31st March, 2019 consisted of 9 Directors out of which 4 are Independent Directors.

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

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

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

Details regarding the attendance of Directors at the Board Meetings, Annual General Meeting, number of other Directorships and Committee positions held by them in other Companies as well as our company, as on 31st March, 2019, are given below:

Name of Directors	Category	Board Meeting Attendance	Last AGM Attendance	No. of other Director-ships	No. of other Committee positions held	
					Member	Chairman
Shri Pankaj Gaur	NED	02	No	07	0	01
Shri Naveen Kumar Singh	ED	04	Yes	03	0	0
Shri K.N. Bhandari	NED & ID	04	No	07	05	05
Shri Sain Ditta Mal Nagpal	NED & ID	04	No	06	02	01
Shri Radha Krishna Pandey	NED & ID	04	No	09	02	0
Shri Ravindra Kumar Singh	NED & ID	01	No	02	01	01
Shri V.K. Jain	NED	02	Yes	01	0	0
Shri R.B.Singh	NED	04	No	05	05	0
Shri Manju Sharma	NED	04	No	03	0	0

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

Notes:

- i) For the purpose of number of Directorship of Individual Directors, other Directorships of only Indian Public Limited Companies have been considered pursuant to Section 165 of the Companies Act, 2013. None of the Directors exceeds the prescribed limit of 20 Companies out of which maximum 10 are Public Companies. A person shall not be a Director in more than 8 listed Companies (w.e.f 01.04.2019)
- ii) Independent Directors are in compliance of the requirement under Regulation 25 of SEBI (LODR) Regulations, 2015.
- iii) Committee positions of only two Committees, namely, Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered pursuant to Reg, 26 of SEBI (LODR) Regulations, 2015. A Director shall not be a member in more than 10 committees or act as chairperson of more than 5 Committees across all listed entities in which he is a director.
- iv) None of the Directors of the Company is related inter-se, in terms of Section 2(77) of the Companies Act, 2013.

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

Number of Board Meetings held and dates thereof

During the financial year, 2018-19, four meetings of the Board of Directors were held. The meetings were held on 30th May, 2018, 11th August, 2018, 14th November, 2018, and 11th February, 2019. The maximum time gap between two meetings was not more than four calendar months.

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

Sl. No.	Date	Board Strength	Meeting attended By the Board Members
i)	30 th May, 2018	09	08
ii)	11 th August, 2018	09	06
iii)	14 th November, 2018	09	06
iv)	11 th February, 2019	09	09

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

Information placed before the Board

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

3. CODE OF CONDUCT

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

The members of the Board and Senior Management Personnel have, on 31st March, 2019 affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the CEO is annexed and forms part of this Report.

4. AUDIT COMMITTEE

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

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

With reference to the financial statements

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

With reference to Auditors

- (i) The recommendation for appointment, remuneration and terms of appointment of all Auditors of the Company including filling of casual vacancy;
- (ii) Reviewing and monitoring the Auditor's independence and performance and effectiveness of the Audit process;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (v) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (vi) Discussion with internal auditors of any significant findings and follow up there on;
- (vii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board; and
- (viii) Discussion with statutory auditors before the audit commences; about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

With reference to related party transactions

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

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

Other references

- (i) Scrutiny of inter-Corporate Loans and Investments;
- (ii) Valuation of undertakings or assets of the company, wherever it is necessary;

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

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

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

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

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

Four meetings of the Committee were held during the year i.e. on 30th May, 2018, 11th August, 2018, 14th November 2018 and 11th February, 2019.

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

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri K.N. Bhandari, Chairman	4	4
Shri R.K. Pandey, Member	4	4
Shri R.B. Singh, Member	4	4

5. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

This Committee is responsible for:

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

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

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

During the Financial Year 2018-19 one meeting of the Nomination and Remuneration Committee was held on 30th May, 2018,

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri R K Singh, Chairman	1	0
Shri S D M Nagpal, Member	1	1
Shri R.B.Singh Member	1	1

Criteria for evaluation of Directors’ performance

In keeping with the provisions of the Companies Act, 2013 along with the provisions of the Listing Agreement, Nomination and Remuneration Policy considers various aspects including engagement, strategic planning, consensus building and understanding of national/international events while evaluating the performance of the Independent Directors and so far as evaluation of the performance of Non-Independent and Non-Executive Directors are concerned, engagement, strategic planning, team spirit and consensus building, effective leadership, domain knowledge and understanding of national/international events were considered as parameters of performance. The Nomination and Remuneration Committee

considered management qualities, team work abilities, result/achievement, domain knowledge, understanding and awareness, leadership qualities, motivation/ commitment/diligence, integrity/ethic/values as also receptivity performance as performance indicators for Executive Directors.

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

- (i) Independence from Management.
- (ii) No substantial shareholding.
- (iii) Other significant relationship which may cause a conflict of interest.
- (iv) Capability of taking fair decisions without being influenced.
- (v) Independent Directors are expected to balance the decision making process of the Board by constructively challenging the Company's strategy and exercise due diligence
- (vi) Independent Directors should possess the requisite business and industry expertise in the domain the Company operates in.
- (vii) Independent Directors should be competent enough to work effectively like a team member as well as leader with the other Directors of the Board and committees.
- (viii) Independent Directors should contribute constructively in the Board's deliberations.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of Independence as provided under law. The Company has received declarations from all the Independent Directors that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

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

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

Details of Remuneration paid to all the Directors

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

The details of aggregate value of salary and perquisites/others paid to the Managing Director for the year ended 31st March, 2019 are as under:

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

b) Non-Executive Directors

The Company has not paid any remuneration to Non-Executive Directors except the sitting fee of ₹ 20,000/- per meeting for attending the meetings of the Board of Directors and its Committees thereof held during the Financial Year 2018-19.

The details of the sitting fee paid to the Non-Executive Directors of the Company during the Financial Year 2018-19 are as under:

Name of the Director	Designation	Total sitting fee paid (₹)
Shri K.N. Bhandari	Chairman	2,00,000
Shri Pankaj Gaur	Director	40,000
Shri S.D.M. Nagpal	Director	1,80,000
Shri R.K. Pandey	Director	1,80,000
Shri R.K. Singh	Director	20,000
Shri V.K. Jain	Director	40,000
Shri R.B. Singh	Director	2,40,000
Smt. Manju Sharma	Director	80,000

Notes:

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

The Stakeholders' Relationship Committee, comprises of Shri S.D.M. Nagpal, Chairman, Shri R.K. Singh and R.B. Singh as members. The Committee has been constituted, inter-alia, to consider transfer and transmission of shares, rematerialisation of shares, transposition of names, consolidation of shares, issue of duplicate share certificates etc. and to look into the redressal of shareholders' complaints. During the year Two meetings of the Committee were held on 30th May 2018, 14th November 2018 the record of attendance of the members during the Financial Year 2018-19 is given below:

Name & Position	Number of Meetings held during the tenure of the member	Number of Meetings attended
Shri S.D.M. Nagpal, Chairman	02	02
Shri R.K. Singh, Member	02	0
Shri R B Singh, Member	02	02

7. COMPLIANCE OFFICER

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

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

e-mail : gtrao@andhracements.com

Phone : 040-23258888

Fax : 040-23258858

The Company received 4 Investors' references during the Financial Year 2018-19 and all the Investors' references were addressed/ resolved by 31st March, 2019. There were no pending investors' references as on 31st March, 2019.

8. RISK MANAGEMENT

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

BOARD EVALUATION

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

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

Evaluation of performance of Committees

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

Evaluation of performance of Independent Directors

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

9. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

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

The Independent Directors are familiarised from time to time with various facets of the Company's business through site visits, presentations and intra-actions with various senior executives of the Company. They are also familiarised with their

role, rights and responsibilities in the Company through their appointment letter and in the Board Meeting from time to time placed at our website, at the following link: <http://www.andhracemts.com/Terms%20of%20Appointment%20of%20Independent%20Directors.pdf>

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

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

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

11. CEO/CFO CERTIFICATION

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

This Certificate has been reviewed and taken on record by the Board of Directors at its meeting held on 29th May, 2019.

12. GENERAL BODY MEETINGS

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

Year	2015-16	2016-17	2017-18
Date	30 th Sept, 2016	27 th Sept, 2017	27 th Sept, 2018
Time	12.30 P.M.	12.30 P.M.	12.30 P.M.
Venue of the Meeting	Regd Off: Durga Cement Works Sri Durgapuram, Dachepalli-522414, Guntur Dist (A.P.)	Regd Off: Durga Cement Works Sri Durgapuram, Dachepalli-522414, Guntur Dist (A.P.)	Regd Off: Durga Cement Works Sri Durgapuram, Dachepalli-522414, Guntur Dist (A.P.)

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

1) Financial Year 2015-16

No Special Resolution was passed by the Members of the Company.

2) Financial Year 2016-17

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

3) Financial Year 2017-18

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

14. DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

No Resolutions were passed during last year through Postal Ballot.

15. RECONCILIATION OF SHARE CAPITAL AUDIT

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

16. MEANS OF COMMUNICATION

i) Financial Results:

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

ii) Website:

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

iii) NSE Electronic Application Processing System (NEAPS):

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

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

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

v) SEBI Complaints Redress System (SCORES):

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

17. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

18. GENERAL SHAREHOLDERS' INFORMATION

80th Annual General Meeting

Day	: Monday
Date	: 30 th September, 2019
Time	: 12.30 PM
Venue	: Regd Off: Durga Cement Works, Sri Durgapuram, Dachehalli – 522414, Guntur Distt, (AP)
Dates of Book Closure	: 21.09.2019 to 30.09.2019 (Both days Include)

19. FINANCIAL CALENDAR

Details of announcement of Financial Results for different periods during the financial year 2018-19 are as under:

Results	Announced on
For 1 st Quarter ended 30 th June, 2018	11 th August, 2018
For 2 nd Quarter ended 30 th September, 2018	14 th November, 2018
For 3 rd Quarter ended 31 st December, 2018	11 th February, 2019

The financial results were reviewed by the Audit Committee and thereafter approved by the Board. Annual Audited Financial Results for the Financial Year ended 31st March, 2019 were announced on 29th May, 2019.

20. DIVIDEND

For the current Financial Year 2018-19, the Board has not recommended any dividend.

21. LISTING ON STOCK EXCHANGES

Equity Shares

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

Stock Code

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

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

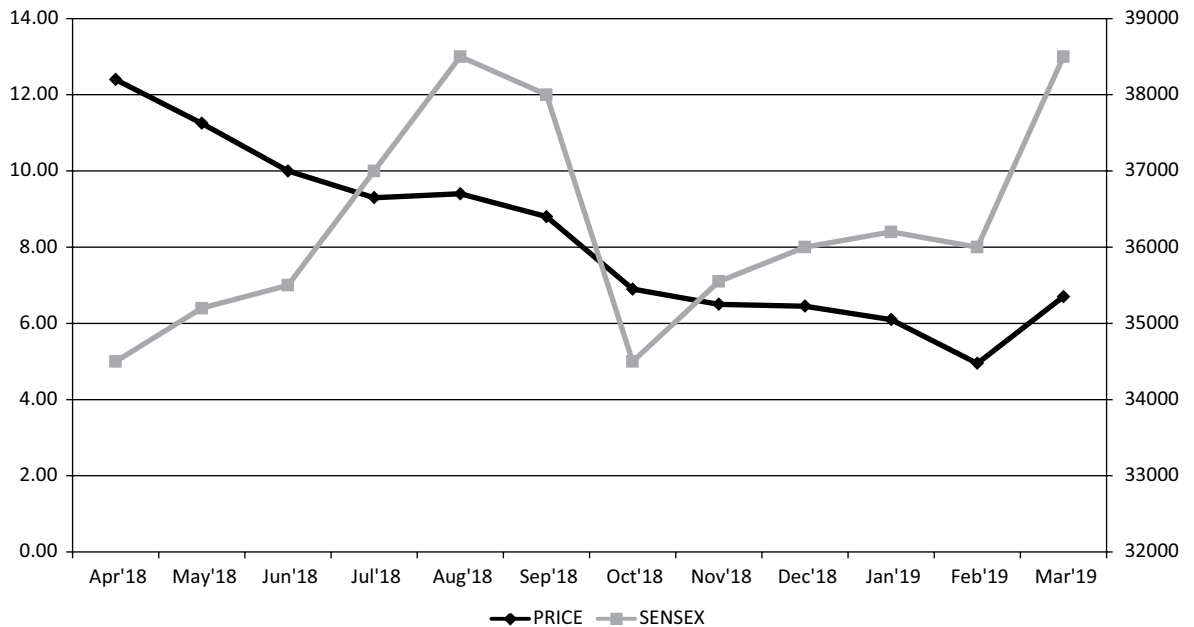
22. MARKET PRICE DATA

Month-wise high and low Sensex and of the share price of the Company during the Financial Year 2018-19 were as under:

Month & Year	Bombay Stock Exchange (BSE)	
	Month's High Price (₹)	Month's Low Price (₹)
April, 2018	12.40	9.50
May, 2018	11.25	9.18
June, 2018	10.00	8.80
July, 2018	9.30	8.00
August, 2018	9.39	8.15
September, 2018	8.80	6.75
October, 2018	6.94	5.76
November, 2018	6.58	5.66
December, 2018	6.45	5.65
January, 2019	6.09	4.50
February, 2019	4.95	3.57
March, 2019	6.70	4.60

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

ACL Share Price From 01.04.2018 to 31.03.2019



23. REGISTRAR AND TRANSFER AGENT

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

CIL Securities Limited,
 214, Raghava Ratna Towers, Chirag Ali Lane, Abids
 Hyderabad-500001,
 (Telephone Nos. : 040-23202465, Fax.: 040-23203028)

e-mail: rta@cilsecurities.com

e-mail address of the Company for Redressal of Investors' complaints:

investorcell@andhracemts.com

24. SHARE TRANSFER SYSTEM

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

25. DISTRIBUTION OF SHAREHOLDING

i) The distribution of shareholding according to the number of shares as on 31st March, 2019, was as follows:

a) Distribution of shareholding:

No. of Shares held	No. of Shares	% of share capital	No. of shareholders	% of total No. of shareholders
Up to 500	4331888	1.48	50120	82.77
501 to 1000	3935896	1.34	4365	7.21
1001 to 2000	3994862	1.36	2412	3.98
2001 to 3000	2591655	0.88	973	1.61
3001 to 4000	1875242	0.64	510	0.84
4001 to 5000	2906121	0.99	597	0.99
5001 to 10000	6200856	2.11	785	1.30
10001 and above	267683972	91.20	789	1.30
TOTAL	293520492	100.00	60551	100.00

b) Category-wise Shareholding as on 31st March, 2019.

Category	No. of Shares	% to Total
Promoters	201926406	68.79
Financial Institutions	297620	0.11
FII's	7390000	2.52
Mutual Funds	12753	0.0
Banks	6160	0.00
Body Corporate	32117764	10.94
NRIs	1664293	0.57
Resident Individuals	50105496	17.07
Total	293520492	100.00

26. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are in compulsory dematerialized segment and are available in the Depository System of both NSDL and CDSL. Number of shares held in dematerialized and physical mode as on 31st March, 2019:

Particulars	No. of shares issued	Percentage of total capital
Held in dematerialized form in CDSL	22736936	7.75
Held in dematerialized form in NSDL	262154346	89.31
Physical	8629210	2.94
Total	293520492	100.00

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

27. PROJECT/PLANT LOCATIONS

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

Durga Cement Works (DCW)	Visakha Cement Works (VCW)
Durgapuram,	Parlupalem (Village)
Dachepalli (Mandal)	Durganagar (Post)
Guntur Dist, (AP).	Visakhapatnam, (AP)
PIN – 522414	PIN – 530029

28. ADDRESS FOR CORRESPONDENCE

Company's address:

Registered Office : Durga Cement Works,

Sri Durgapuram, Dachepalli-522414,

Guntur Distt, (A.P)

Secretarial Office : 'Ashoka Hi-tech Chambers', H.No.8-2-120/76/1/B

14 & 15 ,3rd Floor,Road No-2,Banjara hills,

Hyderabad - 500034

E-mail: investorcell@andhracements.com

Registrar & Transfer : CIL Securities Limited,

Agent's Address 214, Raghava Ratna Towers

Chirag Ali Lane, Abids, Hyderabad- 500001

Tel.:91-40-23202465

Fax: 91-40-23203028

E-mail: rta@cilsecurities.com

29. NON-MANDATORY REQUIREMENTS

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

30. DISCLOSURES

- i) There were no materially significant Related Party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the Notes to the Financial Statements. Policy on dealing with related party transactions available at Company's website at the following link: <http://www.andhracements.com/Policy%20on%20Related%20Party%20Transactions.pdf>
- ii) There were no cases of non-compliance by the Company and no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii) No treatment different from the IND AS, prescribed by the section 133 of the Companies Act, 2013 read with relevant rules issued there under, has been followed in the preparation of Financial Statements
- iv) All mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 has been complied with by the Company.
- v) The Company has a Whistle Blower Policy, available at the Company's website at the following link: <http://www.andhracements.com/Vigil%20Mechanism%20Policy.pdf>
- vi) The Material Subsidiary Policy is disclosed at the Company's website at the following link: <http://www.andhracements.com/Policy%20on%20Material%20Subsidiaries.pdf>

- vii) The Related Party Transactions Policy is disclosed at the Company's website at the following link: <http://www.andhracements.com/Policy%20on%20Related%20Party%20Transactions.pdf>
- viii) The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.
- ix) M/s Savita Jyoti & Associates, Practicing Company Secretary, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing a Directors of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory Authority.
- x) There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
- xi) Total Fee paid to the Statutory Auditors for all services paid by the Company is ₹ 13 lakhs.
- xii) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No Complaints filed during the financial year.
- xiii) The Company has Complied with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of LODR.
- xiv) The Company's Financial Statements are with modified audit opinion for the Financial Year 2018-19.
- xv) The Company has no Subsidiary.
- xvi) The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
- xvii) The various disclosures made in the Board's Report may be considered as disclosures made under this report.
- xviii) The Company has the all mandatory Committees of the Board and their Composition mentioned elsewhere in this report.
- xix) Declaration signed by the Chief Executive Officer of the Company as per Schedule V(D) of LODR, on compliance with the Code of Conduct annexed.
- xx) Compliance Certificate as per the Regulation 17(8) read with Part B of Schedule II of LODR, Provided by the Chief Executive Officer and Chief Financial Officer is annexed.

CERTIFICATE REGARDING COMPLIANCE OF CONDITONS OF CORPORATE GOVERNANCE

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

To the Members of Andhra Cements Limited

We have examined the compliance of conditions of Corporate Governance by M/s ANDHRA CEMENTS LIMITED for the financial year ended March 31, 2019 as stipulated under the following Regulations / Schedule of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) (LODR)

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

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

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

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

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us Company, its Officers and agents, the Company has, during the year ended 31st March, 2019, complied with the applicable conditions of Corporate Governance.

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

For Savita Jyoti Associates

Company Secretaries

CS. Savita Jyoti

Practicing Company Secretary

(CP No. 1796)

Place: Secunderabad

Date: 22nd May, 2019

CODE OF CONDUCT - DECLARATION

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, 2019.

For ANDHRA CEMENTS LTD

Place : New Delhi
Date : 29th May, 2019

Naveen Kumar Singh
Director & CEO

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the SEBI (LODR) Regulations, 2016

To the Members of Andhra Cements Limited

We hereby certify that, in our opinion none of the directors on the Board of the ANDHRA CEMENTS LIMITED (the Company) as on the 31st March, 2019, as listed below, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Board of India (SEBI) or the Ministry of Corporate Affairs, Govt, of India (MCA).

S. No.	Name of the Director	Nature of Directorship	DIN No
1	K.N.Bhandari	Chairman (Independent Director)	00026078
2	Naveen Kumar Singh	Director & CEO (KMP)	00215393
3	Pankaj Gaur	Director (Non-Executive)	00008419
4	Ravindra Kumar Singh	Independent Director	01859229
5	R.K. Pandey	Independent Director	00190017
6	S.D.M. Nagpal	Independent Director	00131037
7	R.B. Singh	Director (Non-Executive)	00229692
8	V.K. Jain	Director (Non-Executive)	00387576
9	Mrs. Manju Sharma	Director (Non-Executive)	00023037

We are issuing this certificate bases on the following which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the directors available in the official website of MCA;
2. Our verification of the disclosures/declarations/confirmations provided by the said directors of the Company.

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment/ continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on these bases on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness of the corporate governance process followed by the management of the Company.

For Savita Jyoti Associates

Company Secretaries

CS. Savita Jyoti

Practicing Company Secretary

(CP No. 1796)

Place: Hyderabad

Date: 22nd May, 2019

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

To the Board of Directors Andhra Cements Limited

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year 2018-19 and that to the best of our knowledge and belief:
 - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated the auditors and the Audit Committee that:
 - 1. There are no significant changes in internal control over financial reporting during the year;
 - 2. There are no significant changes in Accounting Policies during the year;
 - 3. There are no instances of significant fraud of which we have become aware.

A.K. AGRAWAL
Chief Financial Officer

NAVEEN KUAMR SIGH
Director & CEO

Place: New Delhi
Date: 29th May, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of the Report of Directors for the Year ended 31st March, 2019)

1. Cement Industry Overview

The Indian Cement Industry is the second largest in the World with an annual production capacity approaching 500 million tons (2018). The Industry has seen significant consolidation in recent times and 50% of the total production capacity is now owned by the largest five Companies. In fact, less than 25 Companies account for almost 90% of the total production capacity.

Cement is a critical industry which provides direct and indirect employment to over a million people and forms part of the eight core sectors contributing to the economy sectors which are major consumers of Cement are Housing, Infrastructure and Commercial and Industrial Construction in decreasing order of consumption. Amongst these, the year gone by has seen robust to demand from the infrastructure construction sector driven primarily by the Government's focus on infrastructure development and provision of affordable housing to India's Citizens. The Central Government backed mega-infrastructure projects like Bharatmala for Roads, Sagarmala for Ports and the development of dedicated railway freight corridors and Smart City projects reported a surge in the award and implementation of new projects. This sector while accounting for only 20% of the demand for cement has driven most of its growth in 2018-19.

India's cement production grew 13% in 2018-19 over the previous financial year 330 million tons, the first time it has exceeded 300 million tons and outpacing every other core industry growth rate by some distance. Since most of this growth has been driven by public spending on infrastructure, this has also seen an impact on the product mix demanded by customers, with a clear tilt towards OPC versus other blended forms of cement. Housing continues to be a large driver of demand accounting for almost 65% of total consumption of cement in the country. The fact that India's per capita consumption of cement remains at a mere 230 kg compared to the global average of 580 kg, indicates substantial headroom for growth ahead.

While seeing considerable growth in volumes in 2018-19, the cement industry's profit margins have been impacted by the high energy prices prevailing through most of 2018-19 versus the previous year, raising the cost of power and fuel in the production of cement and overall logistics costs, which are very significant in the cement industry. While there was some moderation in energy prices in the later part of the year, energy prices have again regained their upward trend in the recent months. Axle load revisions by the Ministry of Road and Transport in the year gone by has helped to somewhat moderate the cost of transportation.

Cement prices, which had trended lower in the second half of previous year, fell further during the year, particularly in the South and West of the Country and negatively impacted the financial results of the industry for most of the year. However, some recovery has been noticed towards the end of the year on the back of the very strong surge in demand seen during the year, resulting in higher capacity utilization, more so at the clinker level.

Various Government initiatives in infrastructure and social housing as well as strong budgetary allocation for these projects have boosted cement use and is

expected to continue to booster demand for cement in the years ahead. Programmes of Pradhan Mantri Awas Yojana (PMAY), Smart Cities Mission, Pradhan Mantri Gram Sadak Yojana (PMGSY) and Highway projects has provided an immense thrust to use of cement and have propelled the high rate of growth of cement demand in 2018-19.

2. Outlook

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

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

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

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

3. Opportunities and Threats

GDP growth for the year 2019-20 was originally projected at 7.4%, which is not revised to 7.2%. However, there are several uncertainties which can have an impact in the projected GDP. The outlook of oil prices continue to be hazy both on upside and downside. It is expected that the demand for cement would grow at around 8% for the financial year 2019-20. Our plants are fully equipped and supported with grinding units at strategic locations. Our company will be able to take full advantage of the economic momentum in the coming years.

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

The Sanctions imposed on countries from where India is imposing maximum crude would adversely affect the fuel price, which would have negative impact on our manufacturing and transportation cost. The Mines and Minerals (Development & Regulation) Amendment

Act, 2015, (MMDR) has made the Limestone as a notified mineral. Pursuant to the amendment act, grant of mining lease for all notified minerals shall be through public auction process by the respective State Governments. Since, several State Governments do not have the required geological data of availability of the reserves and they are not able to proceed with the auction. This is delaying the process of getting fresh mining leases allotted.

4. Risks and Concerns

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

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

5. Financial and Operational Performance

Financial Performance

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

	(₹ in lakhs)	
	Current Year 2018-19	Previous Year 2017-18
Net Sales	32124	48422
Other Income	180	463
PBIDT	1509	5951
Finance Cost	10844	12739
Depreciation	4747	4476
Profit/(Loss) before exceptional Items	(14082)	(11264)
Exceptional Item	(3974)	4071

	(₹ in lakhs)	
	Current Year 2018-19	Previous Year 2017-18
Profit/(Loss) before Tax	(18056)	(7193)
Deferred Tax	43	84
Net Profit / (Loss)	(18013)	(7109)
Other Comprehensive Income	2	(4)
Total Comprehensive Income	(18011)	(7113)

Operational Performance

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

Company's business going forward

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

6. Internal Control Systems and their adequacy

The Company has adequate system of Internal Financial Controls in place. It had adopted policies and procedures regarding financial and operating functions for ensuring the orderly and efficient conduct of its business including adherence to Company's assets, prevention & detection of frauds and errors and timely preparation of reliable financial information. The Internal Control Systems are commensurate with the size of operations of the Company and are manned by qualified and experienced personnel.

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

6. Human Resources/Industrial Relations

The Company recognizes its human resources as the most valued asset. The Company has appointed specialized

professionals in the fields of engineering, finance, administration and technical and non-technical staff to take care of its operations and allied activities.

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

During the period the Industrial Relations continued to be cordial.

7. Details of Significant Changes in Key financial ratios

Sl. No.	Particulars	31.03.2019	31.03.2018	Formula adopted
1	Debtors Turnover Ratio (Days)	26.44	20.47	365 Days/(Net Revenue/ Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	24.38	21.33	365 Days/ Net Revenue/Average Inventories)
3	Interest Coverage Ratio	(0.67)	0.44	(Profit before Tax +Interest)/(Interest + Interest Capitalised)
4	Current Ratio	0.14	0.38	Current Assets/(Total Current Liabilities-Security Deposits payable on demand-Current maturities of Long Term Debt)
5	Debt-equity Ratio	-*	-*	Total Debt/Total Equity
6	Operating Profit Margin Ratio	(0.08)	0.21	EBITDA/Net Revenue
7	Net Profit Margin Ratio	(0.56)	(0.15)	Net Profit/Net Revenue
8	Return on Networth	-**	-**	Total Comprehensive Income/Average Networth

* Since Equity is negative, ratio cannot be calculated.

** Since Networth is negative, ratio cannot be calculated.

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

8. Future Outlook

GDP growth for the year 2019-20 was originally projected at 7.4%, which is now revised to 7.2%. However, there are several uncertainties which can have an impact in the projected GDP. The outlook of oil prices continue to be hazy both on upside and downside. It is expected that the demand for cement would grow at around 8% for the financial year 2019-20. Our plants are fully equipped and supported with grinding units at strategic locations. Our company will be able to take full advantage of the economic momentum in the coming years.

Cautionary Statement

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

INDEPENDENT AUDITOR'S REPORT

To the Members of
ANDHRA CEMENTS LIMITED

Report on the Audit of the Financial Statements

1. Qualified Opinion

We have audited the accompanying financial statements of Andhra Cements Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flows Statement for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph mentioned below, 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, 2019, its losses (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We refer to Note 35 to the financial statements in respect of preparation of the financial statements of the Company on going concern basis for the reasons stated therein. During the financial year ended March 31, 2019, the Company has incurred losses of ₹ 18,011.42 lakhs, resulting into accumulated losses of ₹ 70,156.70 lakhs and erosion of net worth as at March 31, 2019. The Company has obligation towards fund based borrowings aggregating to ₹101,064.49 lakhs as on March 31, 2019 including working capital loans and interest accrued thereon. The Company's current liabilities have exceeded current assets as on March 31, 2019. These matters require the Company to generate additional cash flow to fund the operations as well as payments to lenders, creditors, statutory dues and other obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt

on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, we are unable to comment on the consequential impact, if any on the accompanying financial statements.

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

3. Emphasis of Matters

We refer to:

- (a) Note 40 to the financial statements regarding pending confirmation in respect of certain trade receivables, security deposits given/taken, advances to suppliers, trade payables and advances from customers. The Management believes that on confirmation, there will not be any material impact on the accompanying financial statements.
- (b) Note 33(iv) to the financial statements, in respect of confiscation of imported capital goods having import value of ₹3,979 lakhs due to non-fulfillment of certain export obligations.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be key audit matters to be communicated in our report:

S. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Revenue from Sale of Products (as described in note 3.5 of the financial statements)</p> <p>Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.</p> <p>The revenue is one of the key profit drivers. The terms of sales arrangements, including the timing of transfer of control, delivery specifications, create complexity and judgement in determining timing of sales revenues.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from Contracts with Customers', it was determined to be a key audit matter in our audit of the financial statements.</p>	<p>Following audit procedures have been performed to address this key audit matter:</p> <ul style="list-style-type: none"> Assessed the design and tested the operating effectiveness of internal controls, automated and manual, related to revenue recognition. Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Checked that the conditions for revenue recognitions are satisfied. Performed inventory reconciliation, substantive testing for cut-offs, confirmation of receivables balances and analytical procedure. Assessed the relevant disclosures made within the financial statements.

5. 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 Management Discussion and Analysis, Director’s Report including its Annexure, Corporate Governance and Shareholder’s Information but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibility of Management and Those Charge with Governance for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under

section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

7. Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with Governance, we determine those matters that were of most significance in the Audit of 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.

8. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) The matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraph;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has disclosed the impact of pending litigations on its financial position in the financial statements. (Refer Note – 33 of the Financial Statements)
- ii. Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the company has made provision under the applicable law or accounting standards. The company did not have any long-term contract including derivative contract for which there were material foreseeable losses.
- iii. According to the information and explanation given to us, an amount of ₹101.91 lakhs and ₹1.92 lakhs pertaining to unpaid/unclaimed matured Deposits and Redeemable Cumulative First Preference Shares respectively are yet to be transferred, to the Investor Education and Protection Fund by the Company as on March 31, 2019.

For **CHATURVEDI & PARTNERS**
Chartered Accountants
Firm Registration No. 307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 29, 2019

Annexure "A" referred to The Independent Auditor's Report of even date to the Members of Andhra Cements Limited ("the Company") on the financial statements for the year ended March 31, 2019

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us, the title deeds of the immovable properties have been mortgaged as security with the Banks and Financial Institutions for securing the borrowings and loans raised by the Company. On the basis of our examination of the records of the Company and copy of the title deeds of immovable properties, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, physical verification of inventories has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical inventories and book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, guarantee or securities granted and made investment in respect of which provisions of section 185 and 186 of the Act are 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 of the Act, and the rules framed thereunder to the extent notified during the year. Further, in respect of deposits accepted by the Company during an earlier year, the Company Law Board (Southern Regional Bench) has by its order dated July 07, 2001 directed the company to repay the said deposits in accordance with the scheme sanctioned by the BIFR. However, the BIFR in its Modified Rehabilitation Scheme dated July 21, 2008 directed the fixed deposits holders to accept the outstanding principal amount, in four annual installments, on interest free basis. Further, no other Order against the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. In respect of these deposits, the Company is yet to comply with the requirement of maintaining liquid assets and filing of Return of Deposit.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (vii) (a) According to information and explanations given to us, the Company is not regular in depositing of undisputed statutory dues of Goods and Services Tax (GST) with the appropriate authorities. However, in case of Provident Fund, Employee's State Insurance, Customs Duty, Income Tax, Cess and other statutory dues as applicable, the company is generally regular in depositing with the appropriate authorities. There were no outstanding of such undisputed statutory dues for a period of more than six months from the date it become payable except the following:

S. No.	Name of the Statute	Nature of Dues	Amount	Period to which it relates	Due Date
			(₹ in lakhs)		
1.	Goods and Services Tax Act, 2017	Interest on GST*	21.28	November 21, 2017 to January 8, 2018	January 8, 2018
			41.44	December 21, 2017 to March 20, 2018	March 20, 2018
			38.21	January 21, 2018 to April 7, 2018	April 7, 2018
			89.23	February 21, 2018 to July 16, 2018	July 16, 2018
			55.82	March 21, 2018 to August 14, 2018	August 14, 2018

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

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

S. No.	Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where dispute is Pending
1	Central Excise Act, 1944	Central Excise Duty	10.61	2004-05	High Court
		Central Excise Duty	650.96	2006-12	CESTAT
		Central Excise Duty	140.50	2007-09	CESTAT
		Central Excise Duty	1.82	2010-11	CESTAT
		Central Excise Duty	984.70	1995-2013	Supreme Court
		Central Excise Duty	799.53	2013-16	CESTAT
2	Finance Act, 1994	Central Excise Duty	231.00	2007-10	CESTAT
		Service Tax	55.65	2014-16	CESTAT
		Service Tax	49.08	2013-19	Commissioner (Appeal)*
		Service Tax	298.63	2007-10	CESTAT
		Service Tax	31.66	2008-09	Commissioner (Appeal)
3	APGST Act/CST Act	Service Tax	16.03	2009-10	Commissioner (Appeal)
		Sales Tax	26.96	1995-96	High Court
		Sales Tax	8.11	2001-02	Tribunal
		Sales Tax (CST)	16.65	1991-92	High Court
		Sales Tax (CST)	6.53	1992-93	High Court
		Sales Tax (VAT)	101.11	2014-16	Appellate Deputy Commissioner (CT)
		Sales Tax (CST)	19.71	2014-15	Appellate Deputy Commissioner (CT)

*Appeal filled with Commissioner on May 07, 2019

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

(₹ in Lakhs)

Name of lender	Amount Outstanding as on March 31, 2019 (Principal)	Amount Outstanding as on March 31, 2019 (Interest)	Period of Default (In Days) *
Edelweiss Asset Reconstruction Company Ltd (EARC)	-	2,608.79	1 - 336
	12,289.32	-	1
HDFC Limited	-	1,435.41	1 - 366
	1,211.00	-	1 - 359
Andhra Bank	-	348.20	1 - 93
	99.00	-	1 - 93
Karur Vysya Bank	-	37.14	1 - 11
	24.50	-	1 - 21

*Including default made good during the year.

- (ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loan was applied for the purpose for which the loan was obtained during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.

- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration during the year. Accordingly, the provisions of Para 3 (xi) of the Order are not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company.
- (xvi) 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.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 29, 2019

Annexure "B" to the Independent Auditor's Report on the financial statements of Andhra Cements Limited ("the Company") for the year ended March 31, 2019

Report on the Internal Financial Controls over Financial Reporting 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 March 31, 2019 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. 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matter:

Attention is drawn to:

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

Our opinion is not modified in respect of this matter.

For **CHATURVEDI & PARTNERS**
Chartered Accountants
Firm Registration No. 307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 29, 2019

BALANCE SHEET AS AT MARCH 31, 2019

		(₹ in lakhs)	
PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 NON CURRENT ASSETS			
a. Property, Plant and Equipment	4	97,341.48	1,00,698.54
b. Capital work-in-progress	4	134.43	2,984.12
c. Financial Assets			
i) Investments	5	0.95	0.95
ii) Other Financial Assets	6	1,630.45	1,454.14
d. Non-Current Tax Assets (NET)	7	111.50	114.31
e. Other Non-Current Assets	8	415.66	880.91
		99,634.47	1,06,132.97
2 CURRENT ASSETS			
a. Inventories	9	1,519.99	2,771.85
b. Financial Assets			
i) Trade Receivables	10	1,932.55	2,721.29
ii) Cash and cash equivalents	11	2.85	2,204.48
iii) Bank balances other than(ii) above	12	344.97	260.32
iv) Other Financial Assets	13	1,065.29	3,782.50
c. Current Tax Assets (NET)	14	-	49.39
d. Other Current Assets	15	2,456.37	4,250.59
		7,322.02	16,040.42
Total Assets		1,06,956.49	1,22,173.39
II EQUITY AND LIABILITIES			
1 EQUITY			
Equity share capital	16	29,352.44	29,352.44
Other Equity	17	(60,832.94)	(42,821.52)
Total Equity		(31,480.50)	(13,469.08)
2 LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	18	64,817.14	86,319.76
b) Provisions	19	373.12	439.86
c) Deferred Tax Liabilities (NET)	20	831.21	873.42
		66,021.47	87,633.04
CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	21	13,865.27	4,011.01
ii) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	22	32.55	33.17
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	22	11,817.71	14,136.35
iii) Other financial liabilities	23	36,191.50	21,531.69
b) Other Current Liabilities	24	10,367.50	8,136.33
c) Provisions	25	141.29	160.88
		72,415.52	48,009.43
Total Liabilities		1,38,436.99	1,35,642.47
Total Equity and Liabilities		1,06,956.49	1,22,173.39

The accompanying notes are an integral part of the financial statements. (1-55)

As per our report of even date

For **CHATURVEDI & PARTNERS**
Chartered Accountants
Firm Registration No. 307068E

FOR AND ON BEHALF OF THE BOARD

ANUJ MAHANSARIA
Partner
Membership No. 500819

K N Bhandari
Chairman
DIN 00026078

Naveen Kumar Singh
Director & CEO
DIN 00215393

Place : New Delhi
Date : May 29, 2019

G. Tirupati Rao
Company Secretary

A K Agrawal
Chief Financial officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

		(₹ in lakhs)	
PARTICULARS	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I Revenue from Operations	26	32,124.03	48,421.70
II Other Income	27	180.08	462.82
III Total Income (I + II)		32,304.11	48,884.52
IV Expenses:			
a. Cost of Materials Consumed	28	3,573.54	5,203.99
b. Changes in Inventories of Finished Goods and Work-in-Progress.	29	448.71	(342.57)
c. Employee Benefits Expense	30	2,611.25	2,910.44
d. Finance Costs	31	10,844.49	12,738.75
e. Depreciation and Amortization Expenses	4	4,746.51	4,475.53
f. Excise Duty		-	1,795.68
g. Other Expenses	32	24,162.34	33,366.50
Total Expenses (IV)		46,386.84	60,148.32
V Profit/(loss) before Exceptional items and tax (III - IV)		(14,082.73)	(11,263.80)
VI Exceptional Items	53	3,974.01	(4,070.73)
VII Profit/(Loss) before tax (V - VI)		(18,056.74)	(7,193.07)
VIII Tax expense:	48		
(1) Current Tax		-	-
(2) Deferred Tax		(43.25)	(83.58)
Total (VIII)		(43.25)	(83.58)
IX Profit/(loss) for the year (VII - VIII)		(18,013.49)	(7,109.49)
X Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	44		
- Remeasurement of employees defined benefits		3.11	(5.39)
- Income tax relating to above		(1.04)	1.75
(ii) Items that will be reclassified to profit or loss		-	-
Total (X)		2.07	(3.64)
XI Total Comprehensive Income (IX+ X)		(18,011.42)	(7,113.13)
Earning per Equity Share: (Nominal value of shares ₹ 10 each)			
(1) Basic (₹)	52	(6.14)	(2.42)
(2) Diluted (₹)	52	(6.14)	(2.42)

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

As per our report of even date

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

Place : New Delhi
Date : May 29, 2019

FOR AND ON BEHALF OF THE BOARD

K N Bhandari
Chairman
DIN 00026078

G. Tirupati Rao
Company Secretary

Naveen Kumar Singh
Director & CEO
DIN 00215393

A K Agrawal
Chief Financial officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Loss Before Tax	(18,056.74)	(7,193.07)
Adjustment for:		
Depreciation and amortisation expenses	4,746.51	4,475.53
Profit/(loss) on sale/disposal of Property Plant and equipment		(4,070.73)
Provision for Employee Benefits	3.11	(5.39)
Provision for doubtful debts, advances and deposits	-	0.49
Interest income	(74.69)	(73.63)
Finance cost	10,844.49	12,606.42
Exceptional Items(Refer Note - 53)	3,974.01	-
Operating Profit before working capital changes	1,436.69	5,739.62
Decrease / (Increase) in inventories	1,251.87	114.99
Decrease / (Increase) in trade receivables	788.74	(4.81)
Decrease / (Increase) in financial current and non-current assets	2,433.07	(1,459.74)
Decrease / (Increase) in non-financial current and non-current assets	2,259.46	129.07
(Decrease) / Increase in non-financial liabilities and provisions	(2,937.67)	3,951.79
(Decrease) / Increase in trade payables and other financial liabilities	(3,082.20)	919.89
Cash generated from operations	2,149.96	9,390.81
Direct Taxes paid/Refund	52.20	(66.42)
Net Cash generated /(used) in from operations	2,202.16	9,324.39
B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment (included CWIP and net of Capital Creditor and advances)	(3.09)	(340.16)
Proceeds from sale of Property, Plant and Equipment	115.54	4,167.82
Net investment in Bank Fixed Deposit (Including Restricted Bank Balance)	(84.65)	186.75
Interest received	74.02	172.25
Net cash generated /(used) in investing activities	101.82	4,186.66

(₹ in lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash flow from financing activities		
Proceeds from Long Term Borrowings	1,200.00	-
Repayment of Long Term Borrowings	(272.50)	(100.00)
Proceeds from Short Term Borrowings (net of repayments)	53.26	145.02
Interest and Finance charges paid	(5,486.37)	(11,947.84)
Net cash generated / (used) from financing activities	(4,505.61)	(11,902.82)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,201.63)	1,608.23
Cash and cash equivalents at the beginning of the year	2,204.48	596.25
Cash and cash equivalents at the end of the year	2.85	2,204.48
1. The Cash flow statement has been prepared under ' indirect method ' as set out in Ind AS -7 as specified under Section 133 of the Companies Act, 2013.		
2. Cash and Cash equivalents includes :		
(a) Balance with banks (Refer Note no. 12.1)		
- On current accounts	-	2,202.83
(b) Cash in hand	2.85	1.65
	2.85	2,204.48

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

As per our report of even date

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

FOR AND ON BEHALF OF THE BOARD

ANUJ MAHANSARIA
Partner
Membership No. 500819

K N Bhandari
Chairman
DIN 00026078

Naveen Kumar Singh
Director & CEO
DIN 00215393

Place : New Delhi
Date : May 29, 2019

G. Tirupati Rao
Company Secretary

A K Agrawal
Chief Financial officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs unless otherwise Stated)

A. Equity share capital

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

Particulars	No. of Shares	Amount
Balance as at April 01, 2017	29,35,20,492	29,352.44
Changes in share capital during the year	-	-
Balance as at March 31, 2018	29,35,20,492	29,352.44
Changes in share capital during the year	-	-
Balance as at March 31, 2019 (Refer note-16)	29,35,20,492	29,352.44

B. Other equity

Particulars	Equity Component of Financial Instrument	Reserves and Surplus					Other Comprehensive Income	Total
		Securities Premium	Capital Reserve	Capital Redemption Reserve	Quary Land Amortization Reserve	Retained Earnings		
Balance as at April 01, 2017	139.54	9,054.05	10.00	1.94	0.29	(44,855.46)	(176.69)	(35,826.33)
Loss for the year	-	-	-	-	-	(7,109.49)	-	(7,109.49)
Re-measurements of defined benefit plans(Net)	-	-	-	-	-	-	(3.64)	(3.64)
Adjustment on account of reschedule of the borrowing	117.94	-	-	-	-	-	-	117.94
Balance as at March 31, 2018	257.48	9,054.05	10.00	1.94	0.29	(51,964.95)	(180.33)	(42,821.52)
Loss for the year	-	-	-	-	-	(18,013.49)	-	(18,013.49)
Re-measurements of defined benefit plans(Net)	-	-	-	-	-	-	2.07	2.07
Balance as at March 31, 2019 (Refer note-17)	257.48	9,054.05	10.00	1.94	0.29	(69,978.44)	(178.26)	(60,832.94)

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

As per our report of even date

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

FOR AND ON BEHALF OF THE BOARD

ANUJ MAHANSARIA
Partner
Membership No. 500819

K N Bhandari
Chairman
DIN 00026078

Naveen Kumar Singh
Director & CEO
DIN 00215393

Place : New Delhi
Date : May 29, 2019

G. Tirupati Rao
Company Secretary

A K Agrawal
Chief Financial officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

Standards issued but not yet effective

Ind AS 116 Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

The Company will recognize a lease liability measured at the present value of the minimum lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company will adopt Ind AS 116 effectively for the annual reporting period beginning April 1, 2019. and the Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to assess whether it is probable that the relevant tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019 and

the Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends Statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in Statement of profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

3. Significant Accounting policies

3.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The Accounting policies are applied consistently to all the periods presented in the financial statement.

3.2 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and presentation

requirements of Schedule III to the Act under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value.

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

3.3 Critical accounting judgments and key sources of estimation uncertainty

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

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

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

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

Contingences and commitments: In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be

no assurance regarding the final outcome of the legal proceedings, the company do not expect them to have a materially adverse impact on the financial position or profitability.

Key sources of estimation uncertainty

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

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

3.4 Operating Cycle and Current versus non-current classification

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

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

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, 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 the same is expense out on the basis of sales took place. (included in Commission on Sales under "Other Expense").

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

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

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

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

3.6 Segment Reporting

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

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

3.7 Foreign Currencies

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

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

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

3.8 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The

carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an

item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss. Fully depreciated assets still in use are retained in financial statements.

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

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

3.10 Intangible assets

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

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

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

3.11. Impairment of Non-Financial Assets

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

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

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

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

Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

3.12 Income tax

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

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

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

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

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

3.13 Leases

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

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

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

3.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily

convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.15 Provisions and Contingent Liabilities:

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

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

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

3.16 Inventories

Inventories are valued as follows:

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

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

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

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

- **Waste / Scrap:**

Waste / Scrap inventory is valued at NRV.

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

3.17 Financial instruments

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

Initial Recognition:

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

Classification and Subsequent Measurement: Financial Assets

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

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

Amortised Cost:

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

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

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

Classification and Subsequent Measurement: Financial liabilities:

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

Financial Liabilities at FVTPL:

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

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

Other Financial Liabilities:

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

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

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 recognised 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 and 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.

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 or measured at the amounts expected to be paid when the liabilities are settled.

3.20 Employee Benefits

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 Other Comprehensive Income in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

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

3.21 Earnings per share (EPS)

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

4. Statement of Property, plant and equipment and Capital work in progress

Particulars								(₹ in lakhs)
	Land - Freehold	Buildings	Plant and Machinery	Motor vehicles	Furniture	Railway Siding	Total Tangible Assets	Capital work in progress
Gross Carrying Value:								
As at April 01, 2017	745.77	5,867.12	99,630.25	247.28	437.86	183.05	1,07,111.33	30,155.02
Additions	-	4,136.41	23,385.70	-	-	-	27,522.11	347.76
Disposals/Adjustments	97.06	-	0.24	5.40	-	-	102.70	-
Capitalisation during the year	-	-	-	-	-	-	-	27,518.66
As at March 31, 2018	648.71	10,003.53	1,23,015.71	241.88	437.86	183.05	1,34,530.74	2,984.12
Additions	-	567.67	933.13	2.95	1.23	-	1,504.98	-
Disposals/Adjustments	-	-	283.58	26.90	-	-	310.48	1,347.80
Capitalisation during the year	-	-	-	-	-	-	-	1,501.89
As at March 31, 2019	648.71	10,571.20	1,23,665.26	217.93	439.09	183.05	1,35,725.24	134.43
Depreciation :								
As at April 01, 2017	-	2,527.40	26,086.03	165.70	409.26	173.90	29,362.29	-
Charge for the year	-	219.47	4,234.66	18.63	2.77	-	4,475.53	-
Disposals/Adjustments	-	-	-	5.62	-	-	5.62	-
As at March 31, 2018	-	2,746.87	30,320.69	178.71	412.03	173.90	33,832.20	-
Charge for the year	-	254.03	4,472.80	17.55	2.13	-	4,746.51	-
Disposals/Adjustments	-	-	176.55	18.40	-	-	194.95	-
As at March 31, 2019	-	3,000.90	34,616.94	177.86	414.16	173.90	38,383.76	-
Net Block :								
As at March 31, 2018	648.71	7,256.66	92,695.02	63.17	25.83	9.15	1,00,698.54	2,984.12
As at March 31, 2019	648.71	7,570.30	89,048.32	40.07	24.93	9.15	97,341.48	134.43

Notes:-

- 4.1 - Erection of 30 MW Captive Power Plant is completed and has started commercial production since April 01, 2017.
- 4.2 - Refer Note no. 18.1 for property, plant and equipment pledged as security by the company.
- 4.3 - During the year, the Directorate of Revenue Intelligence has confiscated the capital goods having import value of ₹ 3,979 lakhs - Refer Note 33(iv).

5 Non current investments

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(i) Equity Instruments		
Fair value through profit and loss		
Unquoted :		
2500 fully paid up equity shares of ₹ 10 each of Andhra Pradesh Heavy machinery and Engineering limited	0.25	0.25
(ii) Investment in Government securities		
Amortised cost		
Unquoted :		
National Saving Certificates (Lodged as security with Govt. Depts.)	0.95	0.95
	1.20	1.20
Less: Allowances for impairment in value of Investment	0.25	0.25
Total	0.95	0.95
Note:-		
5.1- Aggregate amount of unquoted investment before impairment	1.20	1.20
5.2- Aggregate amount of impairment in value of investments.	0.25	0.25
5.3- The movement in allowance for impairment in value of Investment		
Balance as at beginning of the year	0.25	0.25
Allowance for impairment loss during the year	-	-
Balance as at end of the year	0.25	0.25

6 Other Financial Assets

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
a) Bank Balances		
Term Deposits with remaining maturity of more than 12 months*	16.45	16.45
Interest on Term Deposit	1.30	0.30
	17.75	16.75
b) Other Receivables		
Other Receivables	8.45	12.29
	8.45	12.29
c) Security Deposits		
Considered good	1,604.25	1,425.10
Considered doubtful	0.50	0.50
	1,604.75	1,425.60
Less: Allowance for Doubtful Deposits	0.50	0.50
	1,604.25	1,425.10
Total	1,630.45	1,454.14
Movement in allowance for Doubtful Deposits		
Balance as at beginning of the year	0.50	0.50
Allowance for impairment loss during the year	-	-
Balance as at end of the year	0.50	0.50

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

7 Non-Current Tax Assets (net)

(₹ in lakhs)		
PARTICULARS	As at March 31, 2019	As at March 31, 2018
Advance Income Tax*	111.50	114.31
Total	111.50	114.31

*MAT credit entitlement amounting to ₹ 29.07 lakhs for the year ended March 31, 2018 has been reclassified to Deferred tax assets.

8 Other Non-Current Assets

(₹ in lakhs)		
PARTICULARS	As at March 31, 2019	As at March 31, 2018
Capital Advances	161.71	640.88
Prepaid expenses	6.32	11.06
Deposits under protest with government authorities and others	247.63	228.97
Total	415.66	880.91

9 Inventories

(₹ in lakhs)		
PARTICULARS	As at March 31, 2019	As at March 31, 2018
(As taken, valued and certified by the Management)		
Raw Material	249.84	334.25
Work-in-Progress	200.03	584.81
Finished Goods	5.52	69.97
Stores and Spares	1,101.26	1,819.48
	1,556.65	2,808.51
Less: Provision for Obsolete Stores and Spares	36.66	36.66
Total	1,519.99	2,771.85
Movement in provision for Obsolete Stores and Spares :		
Balance as at beginning of the year	36.66	36.66
Provision for loss during the year	-	-
Balance as at end of the year	36.66	36.66

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

10 Trade receivables

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
- Considered good-Secured	451.81	375.92
- Considered good-Unsecured#	1,480.74	2,345.37
- Which have significant increase in credit risk	-	-
- Credit Impaired	730.59	730.59
	2,663.14	3,451.88
Less: Allowance for expected credit loss*	730.59	730.59
Total [Refer Note No. 40 and 46.2 (b)]	1,932.55	2,721.29
Movement in allowance for expected credit loss :		
Balance as at beginning of the year	730.59	733.31
Allowance for expected credit loss during the year	-	0.49
Trade receivables written off during the year	-	(3.21)
Balance as at end of the year	730.59	730.59

*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.

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

It includes receivable from Related Parties of ₹ 342.87 lakhs (₹ 1,101.78 lakhs)

11 Cash and cash equivalents

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(a) Balance with banks (Refer Note No. 12.1)		
-On current accounts	-	2,202.83
(b) Cash in hand	2.85	1.65
Total	2.85	2,204.48

12 Bank Balances other than Cash and Cash Equivalents

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(a) Balance with banks(Refer Note 12.1)		
- On current accounts	230.58	-
(b) On account of margin money		
- Term Deposits with original maturity of more than 3 months and remaining maturity less than 12 month*	114.39	115.70
(c) Other bank balances		
- Term Deposits with original maturity of more than 3 months and remaining maturity less than 12 month	-	144.62
	344.97	260.32

Note

12.1- GST Department has imposed restrictions on repatriation of amount from Bank in the month of March 2019 for recovery of GST dues and same was withdrawn subsequent to the year end.

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

13 Other Financial Assets

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good, unless otherwise stated)		
Receivable from related parties (Refer note-50)	1,005.82	2,957.76
Interest on Term Deposit with Banks	1.37	1.69
Other Receivable	58.10	823.05
Total	1,065.29	3,782.50

14 Current Tax Assets (net)

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Income Tax Refundable	-	49.39
Total	-	49.39

15 Other current assets

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good, unless otherwise stated)		
Advances to suppliers		
Considered good	743.41	2,753.77
Considered doubtful	56.86	56.86
	800.27	2,810.63
Less: Allowance for doubtful advances	56.86	56.86
	743.41	2,753.77
Prepaid expenses	120.95	87.26
Balances with Statutory / Government Authorities	1,592.01	1,409.56
Total	2,456.37	4,250.59
Movement in allowance for doubtful advances :		
Balance as at beginning of the year	56.86	56.86
Allowance for doubtful advance during the year	-	-
Balance as at end of the year	56.86	56.86

16 Equity share capital

(₹ in lakhs unless otherwise Stated)

PARTICULARS	As at	As at
	March 31, 2019	March 31, 2018
Authorized		
40,00,00,000 (March 31, 2018:40,00,00,000) Equity Shares of ₹ 10 each	40,000.00	40,000.00
1,00,00,000 (March 31, 2018:1,00,00,000) Cumulative Redeemable Preference Shares of ₹ 100 each	10,000.00	10,000.00
	50,000.00	50,000.00
Issued, Subscribed and Paid-Up		
29,35,20,492 (March 31, 2018:29,35,20,492) Equity Shares of ₹10 each	29,352.05	29,352.05
Add: Forfeited Shares (Refer Note 16.5)	0.39	0.39
	29,352.44	29,352.44

16.1 Terms/Rights attached to Equity Shares

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

16.2 Share held by the holding Company

Name of the Share holder	As at	As at
	March 31, 2019	March 31, 2018
	(No. of shares)	(No. of shares)
Jaypee Development Corporation Limited	20,19,26,406	20,19,26,406

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

Name of the Share holder	As at	As at
	March 31, 2019	March 31, 2018
	(No. of shares)	(No. of shares)
Jaypee Development Corporation Limited	20,19,26,406	20,19,26,406
	68.79%	68.79%
Housing Development Finance Corporation Limited	2,57,42,546	2,57,42,546
	8.77%	8.77%

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

Name of the Share holder	As at	As at
	March 31, 2019	March 31, 2018
	(No. of shares)	(No. of shares)
Balance at the beginning of the year	29,35,20,492	29,35,20,492
Add: Shares issued during the year	-	-
Balance at the end of the year	29,35,20,492	29,35,20,492

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

17 Other Equity

PARTICULARS	(₹ in lakhs)	
	As at	As at
	March 31, 2019	March 31, 2018
i. Equity Component of Financial instrument	257.48	257.48
ii. Reserves and Surplus*		
Securities Premium	9,054.05	9,054.05
Capital Reserve	10.00	10.00
Capital Redemption Reserve	1.94	1.94
Quary Land Amortization Reserve	0.29	0.29
Retained Earnings	(69,978.44)	(51,964.95)
iii. Other Comprehensive Income	(178.26)	(180.33)
Total	(60,832.94)	(42,821.52)

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

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

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

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

Capital redemption reserve: The company had created Capital redemption reserve out of the profits for redemption of preference shares. This reserve may be utilized for the specified purpose in accordance with the provisions of the Act.

Quary land amortization reserve: Quary land amortization reserve was created for subsidy granted by the Government for construction of residential quarters for workers at Jayantipuram mines.

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

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

18 Borrowings

PARTICULARS	₹ in lakhs unless otherwise stated	
	As at March 31, 2019	As at March 31, 2018
SECURED:		
Term Loans		
From Banks	4,606.00	14,504.00
From Financial Institutions	57,460.21	68,709.38
UNSECURED:		
Term Loan		
From Related Party	2,750.93	3,106.38
Total	64,817.14	86,319.76

18.1 Terms and Conditions of the borrowings as on March 31, 2019:

Lender	Loan Amount	Balance		Rate of Interest	Terms of Repayment	Security
		As on March 31, 2019	As on March 31, 2018			
Secured:						
Karur Vasya Bank (Term Loan)	4,900.00	4,826.50	4,900.00	11.50%*	Refer note 18.4	Term Loans are secured by first charge by way of mortgage, on immovable properties and hypothecation of all movable properties, machinery, machinery spares, tools, furniture fixture and accessories present and future, and second charge on current assets including inventories, stores and spares, book debts, operating cash flow receivables etc., further secured by first charge on intangible assets and other reserve relating to the project and pledge of 75% Shares of promoter holding (Maximum to the extent of 55% of total paid up capital of the Company). Moreover, personal guarantee of Mr. Manoj Gaur (Ex-Chairman) for secured term loans.
Andhra Bank (Term Loan) (Refer Note 18.1.4)	9,900.00	9,801.00	9,900.00	11.50%*	-do-	
HDFC Limited (Term Loan)	37,750.00	37,550.00	36,450.00	9.15%*	-do-	
EARC (Term Loan) (Note -18.1.1)	36,573.73	36,573.73	35,296.31	9.15%*	-do-	
Unsecured:						
Jaypee Development Corporation Limited (Refer Note -18.1.2 and 18.1.3)	3,312.69	3,149.79	3,106.38	10.00%	Repayable in 20 Equated Quarterly Instalments of ₹ 212.50 lakhs commencing from September 30, 2019	UNSECURED
Total Borrowings	92,436.42	91,901.02	89,652.69			
Less: Current Maturities [Refer Note no. 23 (a)]		(17,282.88)	(3,332.93)			
Less: Loan Repayable on Demand (Refer Note- 18.1.4)		(9,801.00)	-			
Long Term Borrowings		64,817.14	86,319.76			

* Reset on change of Lender's CPLR.

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

18.1.2 Outstanding amount of ₹ 3,312.69 lakhs as on June 30, 2017, in respect of earlier financial assistance was converted into new financial assistance w.e.f. July 01, 2017.

18.1.3 Unamortised Transaction cost ₹ 162.91 lakhs (₹ 206.31 lakhs) is not included in borrowings.

18.1.4 Subsequent to the Financial year ended March 31, 2019, Andhra Bank vide letter dated May 1, 2019 declared the term loans as Non-Performing Assets(NPA) and recalled the entire amount including interest on or before May 20, 2019.Hence, outstanding term loans from Andhra bank have been classified as "Loan Repayable on Demand" under "Current Borrowings".

18.2 Cash Sweep

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

18.3 Details of default in payment of principal and interest there on as on March 31, 2019

Lender	Amount		Due Date	Period of Default (In Days)	
	Principal	Interest			
EARC*	-	0.50	Apr 30, 2018	336	
	-	0.52	May 31, 2018	305	
	-	0.01	Jun 30, 2018	275	
	-	284.23	Jul 31, 2018	244	
	-	286.92	Aug 31, 2018	213	
	-	280.30	Sep 30, 2018	183	
	-	292.30	Oct 31, 2018	152	
	-	285.55	Nov 30, 2018	122	
	-	297.77	Dec 31, 2018	91	
	-	300.59	Jan 31, 2019	60	
	-	274.07	Feb 28, 2019	32	
		12,289.32	306.03	Mar 31, 2019	1
	HDFC Limited	-	437.14	Mar 31, 2018	366
100.00			Apr 07, 2018	359	
-		9.16	Apr 30, 2018	336	
-		15.36	May 31, 2018	305	
177.75		7.19	Jun 30, 2018	275	
100.00		-	Jul 07, 2018	268	
-		3.06	Jul 31, 2018	244	
-		7.29	Aug 31, 2018	213	
177.75		11.82	Sep 30, 2018	183	
150.00		-	Oct 07, 2018	176	
-		15.80	Oct 31, 2018	152	
-		20.58	Nov 30, 2018	122	
177.75		13.61	Dec 31, 2018	91	
150.00	-	Jan 07, 2019	84		

Lender	Amount		Due Date	Period of Default (In Days)
	Principal	Interest		
	-	15.04	Jan 15, 2019	76
	-	292.33	Jan 31, 2019	60
	-	15.04	Feb 15, 2019	45
	-	269.83	Feb 28, 2019	32
	-	15.04	Mar 15, 2019	17
	177.75	287.11	Mar 31, 2019	1
Andhra Bank	49.50	60.74	Dec 31, 2018	91
		99.33	Jan 31, 2019	60
		89.30	Feb 28, 2019	32
	49.50	98.83	Mar 31, 2019	1
Karur Vysya Bank	-	37.14	Mar 31, 2019	1
	24.50	-	Mar 31, 2019	1
Jaypee Development Corporation Limited	-	9.85	Jul 31, 2017	609
	-	24.85	Aug 31, 2017	578
	-	24.85	Sep 30, 2017	548
	-	24.85	Oct 31, 2017	517
	-	24.85	Nov 30, 2017	487
	-	24.85	Dec 31, 2017	456
	-	24.85	Jan 31, 2018	425
	-	24.85	Feb 28, 2018	397
	-	24.85	Mar 31, 2018	366
	-	24.85	Apr 30, 2018	336
	-	24.85	May 31, 2018	305
	-	24.85	Jun 30, 2018	275
	-	24.85	Jul 31, 2018	244
	-	24.85	Aug 31, 2018	213
	-	24.85	Sep 30, 2018	183
	-	24.85	Oct 31, 2018	152
	-	24.85	Nov 30, 2018	122
	-	24.85	Dec 31, 2018	91
	-	24.85	Jan 31, 2019	60
	-	24.85	Feb 28, 2019	32
	-	24.85	Mar 31, 2019	1

*Including Working Capital Term Loan and Funded Interest Term Loan.

18.4 Repayment terms of the Borrowings

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

Bank/FI	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Outstanding Borrowings (₹ in Lakhs)
-HDFC Limited	30 th Jun.	30 th Sep.	31 st Dec.	31 st Mar.	35,550.00
-Karur Vasya Bank	30 th Jun.	30 th Sep.	31 st Dec.	31 st Mar.	4,826.50
Financial Year	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Total
2018-19	0.50%	0.50%	0.50%	0.50%	2.00%
2019-20	1.00%	1.00%	1.00%	1.00%	4.00%
2020-21	1.25%	1.25%	1.25%	1.25%	5.00%
2021-22	1.50%	1.50%	1.50%	1.50%	6.00%
2022-23	1.75%	1.75%	1.75%	1.75%	7.00%
2023-24	2.25%	2.25%	2.25%	2.25%	9.00%
2024-25	2.50%	2.50%	2.50%	2.50%	10.00%
2025-26	2.50%	2.50%	2.50%	2.50%	10.00%
2026-27	2.50%	2.50%	2.50%	2.50%	10.00%
2027-28	2.50%	2.50%	2.50%	2.50%	10.00%
2028-29	2.00%	2.00%	2.00%	2.00%	8.00%
2029-30	2.00%	2.00%	2.00%	2.00%	8.00%
2030-31	1.50%	1.50%	1.50%	1.50%	6.00%
2031-32	1.25%	1.25%	1.25%	1.25%	5.00%
Total	25.00%	25.00%	25.00%	25.00%	100.00%

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

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

FI	Outstanding Borrowing (₹ in lakhs)	Qtr. I	Qtr II	Qtr. III	Qtr. IV
-HDFC Limited	800.00	7 th Apr.	7 th Jul.	7 th Oct.	7 th Jan.
Financial Year	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Total
2017-18	-	-	10.00%	10.00%	20.00%
2018-19	10.00%	10.00%	15.00%	15.00%	50.00%
2019-20	15.00%	15.00%	-	-	30.00%
Total	25.00%	25.00%	25.00%	25.00%	100.00%

FI	Outstanding Borrowing (₹ in lakhs)	Qtr. I	Qtr II	Qtr. III	Qtr. IV
-HDFC Limited	1,200.00	30 th June.	30 th Sept.	31 th Dec.	31 th Mar.
Financial Year	Qtr. I	Qtr II	Qtr. III	Qtr. IV	Total
2019-20	-	12.50%	12.50%	12.50%	37.50%
2020-21	12.50%	12.50%	12.50%	12.50%	50.00%
2021-22	12.50%	-	-	-	12.50%
Total	25.00%	25.00%	25.00%	25.00%	100.00%

19 Provisions

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provisions for employee benefits		
- Leave benefits	66.32	77.38
- Gratuity	306.80	362.48
Total	373.12	439.86

20 Deferred Tax Liabilities (net)

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred tax liability arising on account of :		
Property, plant and equipment	14,519.83	14,014.80
Fair Valuation of Financial Instrument through FVTPL	54.39	66.84
Deferred tax liability	14,574.22	14,081.64
Deferred tax assets arising on account of :		
Expenditure allowed for tax purpose on payment basis	3,894.73	309.76
Carry forward unabsorbed depreciation	9,543.84	12,601.77
Expected credit loss of financial asset / impairment of non-financial asset	275.37	267.62
Mat Credit Entitlement*	29.07	29.07
Deferred tax assets (Refer Note no. 48)	13,743.01	13,208.22
Total	831.21	873.42

*MAT credit entitlement amounting to ₹ 29.07 lakhs for the year ended March 31, 2018 has been setoff against Deferred tax assets instead of showing as advance income tax as past.

21 Borrowings

PARTICULARS	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
From Banks		
Secured :		
(a) Loan Repayable on Demad (Refer Note 18 and 54)	9,801.00	-
(b) Working capital loan*	4,064.27	4,011.01
Total	13,865.27	4,011.01

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

22 Trade payables

PARTICULARS	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note no. 39)	32.55	33.17
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	11,817.71	14,136.35
Total	11,850.26	14,169.52

23 Other Financial liabilities

PARTICULARS	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long term debt	17,282.88	3,332.93
(b) Interest accrued but not due	8.52	212.94
(c) Interest accrued and due	4,936.29	3,150.58
(d) Unpaid matured deposits and interest accrued thereon (Refer Note No.43 (ii) and 23.2)	101.91	101.91
(e) Unclaimed Redeemable Cumulative Preference Share (Refer Note No.23.1)	1.92	1.92
(f) Other Payable		
(i) Liabilities of Capital Goods	8,316.60	8,425.10
(ii) Deposits received from Contractors and Customers	2,436.68	2,718.18
(iii) Liability for disputed Fuel Surcharge Adjustment	938.81	877.99
(iv) Salaries and Wages Payable	325.13	306.93
(v) Other liabilities*	1,842.76	2,403.21
Total	36,191.50	21,531.69

*Interest on statutory dues amounting ₹ 123.41 lakhs for the year ended March 31, 2018 has been reclassified to conform with current year classification of "Statutory Dues Payable" under "Other Current Liabilities"

Notes :

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

23.2- There is an amount of ₹ 101.91 (Previous year ₹ 101.91 lakhs) due for payment to the Investor Education and protection Fund under Section 125 of the Companies Act 2013 as on March 31, 2019.

24 Other Current Liabilities

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Advances from Customers	1,028.00	2,636.78
Statutory dues payable*	6,695.10	5,499.55
Payable to Custom Authority [Refer Note 33 (iv)]	2,644.10	-
Total	10,367.20	8,136.33

*Interest on statutory dues amounting ₹ 123.41 lakhs for the year ended March 31, 2018 has been reclassified from "Other Financial Liabilities" to conform with "Statutory Dues Payable" under "Other Current Liability"

25 Provisions

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Provisions for employee benefits		
- Leave benefits	24.39	24.51
- Gratuity	116.90	136.37
Total	141.29	160.88

26 Revenue from Operations

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Sale of Products	32,113.48	48,406.23
Other Operation Income	10.55	15.47
Total	32,124.03	48,421.70

26.1 Dissegregation of Revenue**26.1.1 Revenue Based on Geography**

PARTICULARS	For the Year Ended March 31, 2019
-Domestic	32,124.03
-Export	-
Total	32,124.03

26.1.2 Revenue Based on Business Segments

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

26.1.3 Reconciliation of Revenue from operation with contract price

PARTICULARS	For the Year Ended March 31, 2019
Contract Price	34,347.85
Less: Sales Return	-
Less: Cash discounts and other rebates	2,223.82
Total	32,124.03

26.1.4 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 informations in the statement of Profit and Loss is not restated. Impact on adoption of Ind AS 115 is not material.

27 Other Income

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Income	74.69	73.63
Miscellaneous Income	105.39	386.69
Credit balance written back	-	2.50
TOTAL	180.08	462.82

28 Cost of Material Consumed

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Limestone	1,371.86	1,738.31
Slag	8.27	278.04
Gypsum	704.91	903.14
Pozzolona and Other Material	1,483.76	2,002.58
Clinker	4.74	281.92
TOTAL	3,573.54	5,203.99

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

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Finished Goods		
Opening Inventory	69.97	118.85
Closing Inventory	(5.52)	(69.97)
TOTAL (A)	64.45	48.88
Work-in-Progress (WIP)		
Opening Inventory	584.81	238.32
Closing inventory	(200.55)	(584.81)
TOTAL (B)	384.26	(346.49)
Excise Duty on Stock Movement	-	(44.96)
Change in Inventories of Finished Goods and WIP	448.71	(342.57)

30 Employee Benefits Expense

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries and Wages (Refer Note 44)	2,494.50	2,777.85
Contribution to Provident and Other Funds	52.81	62.04
Staff Welfare Expenses	63.94	70.55
TOTAL	2,611.25	2,910.44

31 Finance Cost

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Expense	10,769.19	12,672.98
Unwinding Cost of Term Loan	43.40	29.35
Other Borrowing Cost	31.90	36.42
TOTAL	10,844.49	12,738.75

32. Other Expenses

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Power and Fuel	14,050.47	20,052.50
Freight, Loading and other charges on sales	6,458.38	8,874.30
Consumption of Stores and Spares Parts and Components	892.21	860.33
Rent	164.99	233.70
Repairs and Maintenances:		
- Buildings	4.20	27.13
- Machinery	128.88	193.04
- Others repairs	13.42	26.53
Packing Expenses	1,326.51	1,642.92
Rates and Taxes	52.84	103.84
Advertisement and Business Promotion	205.53	216.76
Commission on Sales	220.18	297.12
- Payment to Auditors		
- Statutory Auditor Fee	10.00	10.00
- Limited Review Fee	3.00	3.00
- Reimbursement of Expenses	0.75	0.75
Provision for bad and Doubtful debts	-	0.49
Insurance	70.84	114.45
Legal and Professional Expenses	172.00	115.69
Printing and Stationery	4.32	17.09
Telephone and Other Communication Expenses	43.12	44.10
Travelling and Conveyance	131.15	108.35
Miscellaneous expenses	209.55	424.41
TOTAL	24,162.34	33,366.50

33. Contingent Liabilities

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Claims (Suppliers etc.)*	109.13	58.75
Bank Guavantees {Margin Money: ₹ 116.19 lakhs (Previous year ₹ 121.19 lakhs)}	438.82	448.29

*Excluding interest to be determined at the time of settlement.

(ii) Disputed demands under litigation#

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
APGST/ Value Added Tax		
[amount paid under protest ₹ 15.69 lakhs (₹ 1.25 lakhs)]	151.88	36.33
Central Sales Tax [amount paid under protest ₹ 2.82 lakhs (₹ Nil)]	45.70	23.18
Central Excise*		
[amount paid under protest ₹ 36.11 lakhs (₹ 36.11 lakhs)]	2,855.23	2,855.23
Service Tax		
[amount paid under protest ₹ 105.63 lakhs (₹ 104.22 lakhs)]	556.68	459.91

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

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

- (iii) **Excise authority**, although accepted payment of principal amount of ₹ 629 Lakhs under installment scheme in terms of BIFR Order (MS-08), has subsequently filed an appeal in AAIFR against the said order in respect of reliefs for interest etc., granted to the Company. AAIFR allowed the appeal which was contested by the Company before Hon'ble Delhi High Court. The Delhi High Court disposed the appeal by giving liberty to revenue to decide case on merits and as per guidelines applicable to sick Companies which later confirmed by AAIFR in its Final order. The Excise Department has issued a Show Cause Notice (SCN) on 19th June 2015 demanding ₹ 984.70 Lakhs towards interest on the principal amount against which Company file writ petition no. 27732 of 2015 in Hon'ble High Court, Hyderabad. Simultaneously, Company submitted the reply for the SCN on March 21, 2016. Excise Department confirmed the Demand against SCN on 04.10.2016 subjected to decision in writ petition no. 27732 of 2015. Company preferred Writ petition no 36553 of 2016 dated 28.10.2016 in the Hon'ble High Court, Hyderabad against the orders of Commissioner Excise confirming the Demand but the Hon'ble High Court, Hyderabad in its order dated 24.03.2017 has dismissed both the petition

with mentioned that there are no merits in the writ petition. Against the order of the Hon'ble High Court, Hyderabad, the Company has filed SLP(C) with Hon'ble Supreme Court of India on 26-05-2017 which was registered as civil appeal no. 9332/2017 and the Company is confident of waiver of interest in terms of Hon'ble BIFR directions in MS08.

- (iv) The Company has export obligation in connection with import of machineries under Export Promotion Capital Goods Scheme (EPCG). In the event of non-fulfillment of the export obligation upto FY 2016-17, the company may be held liable for differential custom duty of ₹ 838.16 Lakhs (approximately) and interest thereon. Further, the Company has made request on March 17, 2016 for 8 years extension from December 2014 for Export Commitments as the commercial production from the Plant started from December 2014. The concerned authorities had demanded payment of partial duty during the year for considering the request for extension, which was not deposited by the company. Further, during the year, the Directorate of Revenue Intelligence has issued an order to the company u/s 110(1) of Customs Act, 1962 confiscating the capital goods having import value of 3,979 lakhs due to non-fulfillment of export obligations. Therefore, the company has provided 2,644.10 lakh during the financial year ended March 31, 2019 as differential Custom Duty and interest thereon.

(v) **Employee benefit:** The Company had entered into Memorandum of Settlement u/s 18(1) of the Industrial Dispute Act, 1947 with the Labour Unions on March 06, 2012 for settlement of salaries and wages arrears. However, some of the workers and staff have filed an application with Central Government Industrial Tribunal cum Labour Court under section 33(c) (2) of Industrial Disput Act, 1947 in year 2013-14 of ₹ 59.34 Lakhs which had been waived off as per the above settlement.

(vi) **Fuel Surcharge Adjustment (FSA)** of ₹ 550.65 lakhs levied by APSPDCL in 2008-09 which is under disputed and challenged by all cement companies

in the Hon'ble Supreme Court. The management is confident that decision will be in favour of Company. However, the Company has sufficiently provided the same along with interest thereon as disclosed in Note No. 23(f)(iii).

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

34. Capital Commitments

(₹ in lakhs)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Estimated value of contracts to be executed on capital account (net of advances)	-	-

35. The Company has incurred losses of ₹ 18,011.42 lakhs for the financial year ended March 31, 2019, resulting into accumulated losses of ₹ 70,156.70 lakhs against the paid up share capital of ₹ 29,352.44 lakhs as at March 31, 2019. Moreover, the Company has aggregate borrowing of ₹ 101,064.49 lakhs as on March 31, 2019 including working capital loans and interest accrued thereon.

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

36. CIF Value of Imports:

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Stores and Spares (including coal)	-	2829.51

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

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

39. Information as required to be furnished as per Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2009 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company;

(₹ in lakhs)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
(a) Dues remaining unpaid as at Balance Sheet date		
- Principal amount*	32.55	33.17
- Interest amount*	41.24	-
(b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during period) but without adding the interest specified under the Act	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
(e) Interest accrued and remaining unpaid as at Balance sheet date	41.24	-

*Classification is based on declaration received during the year

40. Certain Trade receivables, Security deposits given/taken, Advances to suppliers, Trade payables and Advances from Customers are subject to confirmations. Management believes that no material adjustments would be required in books of accounts upon receipt of these confirmations.
41. 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.
42. In accordance with Ind AS 17" Leases", the company has taken Asset on Operating Lease, the total of Future minimum lease payment under non-cancellable operating lease for each of the following periods are:

(₹ in lakhs)

Particulars	Less than 1year	1-5 years	Total payments
March 31, 2018			
Minimum lease payment	15.11	-	15.11
Present value of minimum lease payment	10.71	-	10.71
March 31, 2019			
Minimum lease payment	-	-	-
Present value of minimum lease payment	-	-	-

Lease payments recognized in the statement of Profit and loss for the year is ₹ 15.11 Lakhs.

Leasing Arrangement clause

- a) Lease term is for 60 Months basis, One month moratorium, and 59 rentals.
- b) At the end of the lease period following options would be offered to us:
1. Terminate the lease and return the equipment.
 2. Renew the Lease for secondary period.
 3. Purchase the equipment at Fair Market value.

43. BIFR

- (i) Hon'ble BIFR has discharged the Company from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 vide its Order dated 22nd January 2010. In terms of the said Order, the unimplemented provisions of MS-08 (Modified Rehabilitation Scheme sanctioned by BIFR vide its Order dated 21st July 2008) would be implemented by the concerned agencies.
- (ii) In terms of the said Scheme, the fixed deposit holders are to accept outstanding principal amount in four annual installments commencing from financial year 2007-08 onwards, on interest-free basis. The unclaimed fixed deposits at year end are shown under the head "Other Financial Liabilities".

44. Details of Employees Benefits as required by the Ind AS 12 "Employee Benefits" are given below: -**a) Defined contribution plans:**

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

PARTICULARS	(₹ in lakhs)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contribution to provident fund	50.67	60.65
Contribution to ESI fund	2.14	1.39

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

Gratuity (Unfunded)	(₹ in lakhs)			
	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Defined Benefits obligation at the beginning of the year	498.85	101.88	472.31	97.59
Current Service Cost	20.39	6.29	23.48	6.54
Interest Cost	36.23	7.38	37.17	7.68
Actuarial (gain)/loss	(1.10)	(2.01)	(1.97)	7.36
Benefit paid	(130.52)	(22.68)	(32.14)	(17.29)
Defined Benefit obligation at the year end	423.70	90.71	498.85	101.88

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

	(₹ in lakhs)			
	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Present value of obligation at year end	423.70	90.71	498.85	101.88
Amount recognized in Balance Sheet	(423.70)	(90.71)	(498.85)	(101.88)

(iii) Expenses recognized during the year

(₹ in lakhs)

	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Current Service Cost	20.39	6.29	23.48	6.54
Interest Cost	36.23	7.38	37.17	7.68
Actuarial gain/(loss)	(1.25)	(2.16)	(1.97)	7.36
Total Cost recognized in the Profit & Loss A/c	55.37	11.51	58.68	21.58

(iv) Actuarial assumption

(₹ in lakhs)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Discount rate of return on plan assets (per annum)	7.49	7.55
Rate of escalation in salary (per annum)	5.50	5.50
Average balance service	10.47	8.88

(v) Sensitivity

(₹ in lakhs unless otherwise stated)

	As at March 31, 2019			As at March 31, 2018		
	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	0.50%	6.50	6.17	0.50%	7.55	7.26
Salary Escalation Rate	0.50%	6.46	6.32	0.50%	7.67	7.43
Earned Leave :						
Discount rate	0.50%	2.04	1.93	0.50%	2.24	2.11
Salary Escalation Rate	0.50%	2.07	1.98	0.50%	2.22	2.17

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

(vi) The defined benefit obligations shall mature after year end March 31, 2019 as follows:

(₹ in lakhs)

Gratuity:

Year	As at March 31, 2019	As at March 31, 2018
2019	-	136.37
2020	116.61	76.49
2021	11.76	65.80
2022	15.81	38.53
2023	30.83	67.26
Thereafter	248.69	114.40

(₹ in lakhs)

Earned Leave:

Year	As at March 31, 2019	As at March 31, 2018
2019	-	24.51
2020	24.39	19.45
2021	15.18	12.60
2022	6.63	5.50
2023	12.64	10.79
Thereafter	31.87	28.94

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

45. Fair Value

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

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

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Financial instruments by Category

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

(₹ in lakhs)

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	Total Carrying Value	Total Fair value
Assets:					
Investments	0.95	-	-	0.95	0.95
Other financial Assets	2695.74	-	-	2695.74	2695.74
Trade receivables	1932.55	-	-	1932.55	1932.55
Cash and cash equivalent	2.85	-	-	2.85	2.85
Bank balances other than cash and cash equivalent	344.97	-	-	344.97	344.97
	4,977.06	-	-	4,977.06	4,977.06
Liabilities:					
Long term borrowings* (Including Current Maturities)	82100.02	-	-	82100.02	82100.02
Short term borrowings	13865.27	-	-	13865.27	13865.27
Trade payables	11850.26	-	-	11850.26	11850.26
Other financial liabilities	18,908.62	-	-	18,908.62	18,908.62
	126724.17	-	-	126724.17	126724.17

The carrying value and fair value of financial instruments by categories as of March 31, 2018 are as follows:

(₹ in lakhs)

Particulars	At amortized cost	At fair value through Profit and Loss	At fair value through OCI	Total Carrying Value	Total Fair value
Assets:					
Investments	0.95	-	-	0.95	0.95
Other financial Assets	5,236.64	-	-	5,236.64	5,236.64
Trade receivables	2,721.29	-	-	2,721.29	2,721.29
Cash and cash equivalent	2,204.48	-	-	2,204.48	2,204.48
Bank balances other than cash and cash equivalent	260.32	-	-	260.32	260.32
	10,423.68	-	-	10,423.68	10,423.68
Liabilities:					
Long term borrowings* (Including Current Maturities)	89,652.69	-	-	89,652.69	89,652.69
Short term borrowings	4,011.01	-	-	4,011.01	4,011.01
Trade payables	14,169.52	-	-	14,169.52	14,169.52
Other financial liabilities	18,198.77	-	-	18,198.77	18,198.77
	126,031.99	-	-	126,031.99	126,031.99

*Unamortised transaction cost ₹ 162.91 lakhs (₹ 206.31 lakhs) lakhs is not included in the borrowings.

46. Financial risk management and policies**46.1 Capital Risk Management**

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

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

(₹ in lakhs unless otherwise stated)

PARTICULARS	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Borrowings		
(Including Current maturities of long terms debts)	95,965.29	93,663.70
Trade payables	11,850.26	14,169.52
Other financial liabilities		
(Excluding Current maturities of long terms debts)	18,908.62	18,198.77
Less: Cash and cash equivalent	(2.85)	(2,204.48)
Net debts (A)	126,721.32	123,827.51
Total Equity(B)	(31,480.50)	(13,469.08)
Capital and net debt(C=A+B)	95,240.82	110,358.43
Gearing Ratio (%) (A/C)	133.05%	112.20%

46.2 Financial-Risk-Management

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

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

a) Market Risk

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

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

(i) Interest rate risk

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

(a) Interest Sensitivity

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Borrowings	92,815.50	90,557.31

(b) Interest Rate Sensitivity

(₹ in lakhs)

Particulars	2018-19	2017-18
50 bp increase would decrease the profit before tax by	(464.08)	(452.79)
50 bp decrease would Increase the profit before tax by	464.08	452.79

(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, 2019, 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:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Within Credit period	715.31	1,412.93

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables:		
Less than 60 days	237.07	301.43
61 to 90 days	52.56	145.81
91 to 180 days	194.59	116.28
Over 180 days	733.02	744.84
Total*	1,217.24	1,308.36

*Net of allowance for doubtful debts of ₹ 730.59 lakhs as on 31.03.2019 (₹ 730.59 lakhs as on 31.03.2018).

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:

(₹ in lakhs)				
Particulars	Less than 1year	1-5 years	>5 years	Total payments
March 31, 2019				
Borrowings (including Current maturities of long terms debts)*	31,148.15	27,798.95	37,181.10	96,128.20
Trade payables	11,850.26	-	-	11,850.26
Other financial liabilities	18,908.63	-	-	18,908.63
March 31, 2018				
Borrowings (including Current maturities of long terms debts)*	7,343.94	21,587.64	64,938.43	93,870.01
Trade payables	14,169.52	-	-	14,169.52
Other financial liabilities	18,198.77	-	-	18,198.77

*Including unamortised transaction cost of ₹ 162.91 lakhs (₹ 206.31 lakhs).

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

48. Income tax:

a) Income tax expense:

(₹ in lakhs)		
Component of Income Tax expense:	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax	-	-
Deferred tax charge/(credit)	(43.25)	(83.58)
Tax expense recognized in the Statement of Profit and Loss before OCI	(43.25)	(83.58)
Deferred tax charge/(credit) in OCI	1.04	(1.75)
Total Income tax expense	(42.21)	(85.33)

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

(₹ in lakhs)		
Component of Income Tax expense:	Year ended March 31, 2019	Year ended March 31, 2018
Profit / (loss) before tax	(18,056.74)	(7,193.07)
Current Tax*	-	-
Property, plant and equipment – Depreciation	(53.74)	(34.25)
Rate difference	26.12	-
Effect of temporary differences	(14.59)	(51.08)
Income Tax Expense recognized in the Statement of Profit & Loss	(42.21)	(85.33)

*Current tax is nil as the Company has incurred losses and recognised deferred tax assets to the extent of the deferred tax liabilities arising on account of the timing difference on depreciation except deferred tax adjustment on revaluation amount on property, plant and equipment considered as deemed cost on transition of the Ind AS.

c) Tax assets and liabilities

(₹ in lakhs)		
Component of Income Tax expense:	Year ended March 31, 2019	Year ended March 31, 2018
Non-current tax assets (net)	111.50	114.31
Current tax assets (net)	-	49.39

d) Movement of deferred tax assets and liabilities

(₹ in lakhs)

Particulars	As at April 01, 2017	Credit/ (Charge) to the Profit and Loss	Credit/ (Charge) to the Other Equity	Credit/ (Charge) to the OCI	As at March 31, 2018	Credit/ (Charge) to the Profit and Loss	Credit/ (Charge) to the OCI	As at March 31, 2019
Property, plant and equipment: impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	11,111.75	(2,903.05)	-	-	14,014.80	(505.03)	-	14,519.83
Fair Valuation of Financial Instrument through FVTPL	16.04	25.56	(76.36)	-	66.84	12.45	-	54.39
Deferred tax liabilities	11,127.79	(2,877.49)	(76.36)	-	14,081.64	(492.58)	-	14,574.22
Expenditure allowed for tax purpose on payment basis	283.35	24.66	-	1.75	309.76	3,586.01	(1.04)	3,894.73
Expected credit loss of financial asset/ impairment of non-financial asset	268.51	(0.89)	-	-	267.62	7.75	-	275.37
Carry forward unabsorbed depreciation	9,664.47	2,937.30	-	-	12,601.77	(3,057.93)	-	9,543.84
Mat Credit Entitlement	29.07	-	-	-	29.07	-	-	29.07
Deferred tax assets	10,216.33	2,961.07	-	1.75	13,208.22	535.83	(1.04)	13,743.01
Deferred tax (assets)/liabilities (NET)					873.42			831.21

The Company has recognised deferred tax assets to the extent of the deferred tax liabilities arising on account of the timing difference on depreciation except deferred tax adjustment on revaluation amount on property, plant and equipment considered as deemed cost on transition of the Ind AS.

49. Value of raw material and spare parts and components consumed during the year:

(₹ in lakhs unless otherwise stated)

	Year ended March 31, 2019		Year ended March 31, 2018	
	Value	%	Value	%
Raw Material Consumed				
Indigenous	3573.54	100	4,817.37	92.57
Imported	-	-	386.62	7.43
Total	3573.54	100	5,203.99	100
Spare parts and components (excluding Coal) Consumed				
Indigenous	690.89	77.44	845.08	98.23
Imported	201.32	22.56	15.25	1.77
Total	892.21	100	860.33	100

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

50.1 List of related parties and their relationship:

S. No.	Relationship	Parties
1	Ultimate Holding Company	Jaypee Infra Ventures Pvt. Ltd., being Holding Company of Jaypee Development Corporation Limited
2	Holding Company	Jaypee Development Corporation Limited
3	Key Managerial Personnel (KMP)	Shri K N Bhandari, Chairman from 11.08.2014 Shri Naveen Kumar Singh, Chief Executive Officer from 28.03.2018 onwards. Shri S K Mandal, Managing Director from 11.08.2014 to 10.08.2017 Shri A. K Agrawal, Chief Financial Officer Shri G. Tirupati Rao, Company Secretary & GM (L)
4	Non Executive and Independent Directors	Shri K N Bhandari (Chairman from 11.08.2014) Shri Naveen Kumar Singh (Appointed as Chief Executive Officer from 28.03.2018) Shri Pankaj Gaur Shri Sain Ditta Mal Nagpal Shri Radha Krishna Pandey Shri Ravindra Kumar Singh Shri Harish K Vaid (Ceased to be Director from 22.11.2017.) Shri V K Jain Shri R B Singh Smt. Manju Sharma
5	Enterprise over which KMP and Companies stated at S. No. (1) to (3) above have significant influence.	Jaiprakash Associates Limited Jaypee Cement Corporation Limited Himalayaputra Aviation Limited JIL Information Technology Limited Bhilai Jaypee Cement Limited Jaypee Power Ventures Limited

50.2 Transactions with related parties:

(₹ in lakhs)

Particulars	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
Key Managerial Personnel (KMP)				
K N Bhandari (Chairman and Independent director) (Sitting Fee)		2.00 (2.20)		
S K Mandal – Managerial remuneration		- (57.66)		
A. K Agrawal		33.04 (32.51)		
G. Tirupati Rao		20.22 (20.06)		
Remuneration to Non Executive and Independent Directors (Other than KMP)				
Shri Naveen Kumar Singh	- (0.40)			
Shri Pankaj Gaur	0.40 (0.20)			
Shri Sain Ditta Mal Nagpal	1.80 (3.40)			
Shri Harish K Vaid	- (2.20)			
Shri Radha Krishna Pandey	1.80 (2.00)			
Shri Ravindra Kumar Singh	0.20 (0.40)			
Shri V K Jain	0.40 (0.60)			
Shri R B Singh	2.40 (2.00)			
Smt. Manju Sharma	0.80 (0.80)			
Interest expense				
Jaypee Development Corporation Limited			331.27 (301.17)	
Purchase of Property, Plant and Equipment				
Jaiprakash Associates Limited				- (17.81)
Purchase of material				
Jaypee Cement Corporation Limited				71.13 (620.74)
Jaiprakash Associates Limited				74.51 (960.33)
Bhilai Jaypee Cement Limited				115.78 (71.75)
Sale of Material				
Jaiprakash Associates Limited				262.49 (801.78)

Particulars	Director's Sitting Fees (Other than KMP)	KMP	Holding Company	Enterprises having significant Influence
Sale of Property, Plant and Equipment				
Jaiprakash Associates Limited				136.33 (-)
Services Received				
Jaiprakash Associates Limited				1175.67 (1155.90)
JIL Information Technology Limited				1.58 (0.32)
Balances at the end of the period (Net)				
(i) Loans, Interest payable and Advances				
Jaypee Development Corporation Limited			3819.44 (3521.30)	
(ii) Balances Receivable				
Bhilai Jaypee Cement Limited				772.02 (905.88)
Jaypee Cement Corporation Limited				233.80 (624.73)
JIL Information Technology Limited				0.18 (-)
Jaypee Power Ventures Limited				15.05 (15.05)
(iii) Balances payable				
Jaiprakash Associates Limited				11630.32 (10292.07)
JIL Information Technology Limited				- (0.78)

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

(₹ in lakhs)

Component of Income Tax expense:	Year ended March 31, 2019	Year ended March 31, 2018
Short – Term Benefits (Refer note 1 below)	51.60	93.76
Defined Contribution Plan (Refer note 2 below)	1.66	4.41
Defined Benefit Plan / Other Long – Term Benefits	Refer Note 3 below	
Leave Encashment Paid at the end of tenure	-	12.06
Total	53.26	110.23

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

51. The Company has not given advances in the nature of loans whose particulars are required to be disclosed in terms of Regulation 34(3) and 53(f) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") (LODR).

52. Earnings per Share (EPS)

(₹ in lakhs unless otherwise stated)

Component of Income Tax expense:	Year ended March 31, 2019	Year ended March 31, 2018
Net profit/ (loss) for the period (before OCI)	(18,013.49)	(7,109.49)
Weighted average no. of Equity Shares	2,93,520,492	2,93,520,492
Diluted average no. of Equity Shares	2,93,520,492	2,93,520,492
Basic earnings per share (in ₹)	(6.14)	(2.42)
Diluted earnings per share (in ₹)	(6.14)	(2.42)
Face value of each shares (in ₹)	10	10

53. Exceptional items for the financial year ended March 31, 2019 represent write off of capital work in progress of ₹ 1,347.80 lakhs and provision of differential Custom Duty and interest thereon aggregating to ₹ 2,626.21 lakhs on imported Capital Goods as explained in Note 33(iv). Amount in the financial year ended March 31, 2018 represents profit on sale of surplus land.

54. **Events after the end of the reporting year:** No subsequent event has been observed which may require an adjustment in the Financial Statement except Andhra Bank vide letter dated May 1, 2019 declared the term loans as Non-Performing Assets(NPA) and recalled the entire amount including interest on or before May 20, 2019. Hence, outstanding term loans from Andhra bank have been classified as "Loan Repayable on Demand" under "Current Borrowings".

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 CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

Place : Delhi
Date : May 29, 2019

FOR AND ON BEHALF OF THE BOARD

K N Bhandari
Chairman
DIN 00026078

G. Tirupati Rao
Company Secretary

Naveen Kumar Singh
Director & CEO
DIN 00215393

A K Agrawal
Chief Financial officer

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